Internal



Tuesday, 24 November 2026

KBC Sunrise Market Commentary

Markets

- November PMIs faced strong competition for attention from stock market developments in the wake of Friday's massacre. But only a few expected it for the eventual reason: **the return of Jensen Huang as the CEO of Nvidia.** His resignation two weeks ago shocked markets. An SEC probe into the company's accounting practices added to concerns, sending the stock and broader market into a tailspin. **Huang's return came after the Trump administration including the president weighed in.** The stock soared more than 30% and triggered a broader risk-on wave. Wall Street finished between 3% (Dow Jones) and 6.5% (Nasdaq) higher. Doing so called off the immediate downside alert, but the indices technically aren't out of the woods yet. We would now need to see further sustained, fundamental buying for the AI trade to be back at it. The jury's very much out on that one. Core bonds traded mixed over the curve. US yields added up to 4.6 bps at the front. The long end of the curve eased a couple of basis points still, amongst others on oil prices trending below the $90 barrier. Natural gas remains much pricier, especially in Europe amid a longer-lasting cold snap. European bonds outperformed with Bund yield changes varying between +1 bp (2-yr) to -2.1 bps (30-yr). The OAT/swapspread fell after president Macron floated the idea of enshrining a golden rule in the constitution that would require the government to lay out a multi-year trajectory towards balanced public finances. Constitutional changes need a three-fifths majority. The US dollar jumped on AI-related risk on. EUR/USD tested the 1.0882 support level (61.8% retracement on the 2025-2026 rally). DXY escaped the upward sloping trend channel through the upper bound, further improving the picture. DXY came just shy of the 104.58 reference. Sterling snapped last week's losing streak by bending EUR/GBP back south after nearing 0.84. The pair closed around 0.8366.
- Euro area PMIs were consistent with growth of 0.3% q/q while price series continue to send a hawkish signal to the ECB for the months to come. In the US, **the survey owner speaks of "impressively strong" readings (composite 54.6), pointing to growth of around 3% annualized in Q4.** The price gauges remain at levels consistent with inflation running well above the Fed's 2% target in the coming months. With sentiment improving, US money markets again fully discount a December move. NY Fed president Williams late-yesterday floated hiking at consecutive meetings if needed. *"The data that we have received since then show that the economy has remained strong and that inflation has continued to run too high."* Williams is considered among the most dovish policymakers. The eco calendar today features November Conference Board consumer confidence and a $70bn 5-yr US Note auction. Needless to say that stock market vibes remain at the center for trading.

News & Views

- **October new EU car registrations (+2.6% Y/Y and +5.4% YtD) showed that electrified cars continued to drive market growth** notably in major markets (Italy and Spain), helped by demand-support measures and a broader model offering. In the first 10 months of this year, hybrid electric vehicles (HEV) captured the largest share of new registrations (36%), comparable to the same period in 2025 (34.6%). Battery electric vehicles now account for 23.4% of new registrations, up from 16.4% a year earlier and overtaking petrol cars (20.8% from 27.4%) as second preferred choice. The combined share of petrol and diesel cars fell to 27.7% from 36.5% in Jan-Oct 2025. In Belgium, BEV's account for 39.9% of new registrations so far this year (up from 33.7% this time last year) becoming the preferred overall choice. The market share of petrol cars declined from 41.5% YtD 2025 to 39.2% in Jan-Oct 2026. New Belgian registrations are 1.5% lower on the same reference base. A rise in BEV's (+16.7%) fails to make-up declines in others.
- **The Japanese composite PMI declined from 52.1 to 51.5 in November, the softest pace in six months**, with details showing a divergence between accelerating manufacturing momentum (53.7 from 53.3) and a slowdown in services (50.5 from 51.7). New orders at the composite level also expanded at a weaker pace in November, with the rate of growth the slowest since July. On a positive note, new export business in the manufacturing sector rose at the second-sharpest rate since January 2018. Employment expanded again as firms signaled a further modest accumulation of backlogs of work. **Inflationary pressures meanwhile remained substantial**, despite rates of both input cost and output charge inflation edging lower from the highs seen earlier in the year. This contributed to **reduced optimism around the one-year outlook for activity**, which slipped to the joint-lowest since the pandemic (August 2020). Cost pressures nevertheless remain supportive of the December BoJ rate hike scenario (80% discounted).

Graphs



GE 10y yield

The ECB hiked rates in June and again in September by 25 bps with another move highly likely in December. It is responding to rising risks of indirect and second round effects caused by higher oil prices. The real rate normalisation lifted the German 10-yr yield to its highest level since 2009. **Higher sovereign EMU credit risk premia volatile risk sentiment and correcting energy prices triggered a correction on a strong underlying trend.**



US 10y yield

Fed Chair Warsh restored the central bank's credibility. A September hike to 3.75%-4% was flanked by hawkish rhetoric and forecasts that suggest more (and bigger?!) is to come in December. Questions around AI-valuations/financing triggered an equity correction with **haven flows pulling US yields off their multi-annual highs.** The Democratic blue sweep lowers risks of lavish deficit-spending and more military action in Iran with risk premia declining.



EUR/USD

The Fed's hawkish September rate hike provided the dollar with momentum starting mid-September. The euro afterwards suffered from rising EMU credit risk premia with EUR/USD breaking below the 1.13 support area. **Faster than expected US October CPI** forced a break of the next reference at 1.1111 (50% retracement on 2025-26 increase) as Fed tightening bets pick up.



EUR/GBP

EUR/GBP broke a GBP bullish triangle to the downside; with EUR/GBP falling below the key 0.86 support area. Apart from euro weakness, sterling remained better bid going into the BoE's first rate hike. UK **PM Burnham's first Autumn Budget received market approval**, aiding sterling further higher, while plans to improve relationships with the EU help lowering UK risk premia as well.

Calendar & Table

Tuesday, 24 November		Consensus	Previous
US			
14:15	ADP Weekly Employment Change	--	23.750k
15:00	FHFA House Price Index QoQ (3Q)	--	0.40%
15:00	S&P Cotality CS 20-City MoM SA/NSA YoY (Sep)	0.20%/2.71%	0.27%/2.65%
16:00	**Conf. Board Consumer Confidence (Nov)**	**92.4**	**91.7**
16:00	Conf. Board Present Situation (Nov)	121.1	120.4
16:00	Conf. Board Expectations (Nov)	74.0	72.6
Japan			
01:30	**S&P Global Japan PMI Composite (Nov P)**	**51.5A**	**52.1**
01:30	S&P Global Japan PMI Mfg (Nov P)	53.7A	53.3
01:30	S&P Global Japan PMI Services (Nov P)	50.5A	51.7
UK			
12:00	CBI Total Dist. Reported Sales (Nov)	--	-6
12:00	CBI Retailing Reported Sales (Nov)	-28	-10
EMU			
06:00	EU27 New Car Registrations (Oct)	2.6%A	9.30%
Germany			
10:00	IFO Business Climate (Nov)	90.5	90.2
10:00	IFO Current Assessment (Nov)	89.1	88.8
10:00	IFO Expectations (Nov)	92	91.6
Belgium			
15:00	Business Confidence (Nov)	--	-9.8
Events			
12:00	ECB's Vujcic, Kocher Speak in Vienna		
13:30	BOE's Greene speaks in London		
19:00	U.S. To Sell USD70 Bln 5-Year Notes		

10-year	Close	-1d
US	4,94	0,00
DE	3,29	-0,02
BE	4,25	-0,06
UK	5,21	-0,03
JP	2,72	-0,08

2-year	Close	-1d
US	4,69	0,05
DE	3,07	0,01
BE	3,26	-0,02
UK	4,88	0,02
JP	1,79	-0,05

Stocks	Close	-1d
DOW	49595,31	1447,98
NASDAQ	24089,56	1471,83
NIKKEI	58644,63	2207,98
DAX	25337,27	534,49
DJ euro-50	6074,47	132,52

IRS	EUR	USD	GBP
3y	3,34	4,51	4,74
5y	3,33	4,47	4,70
10y	3,36	4,55	4,79

EUR	-1d	-2d
€STR	2,4430	-0,0010
Euribor-1	2,4540	-0,0300
Euribor-3	2,8090	-0,0400
Euribor-6	3,0790	0,0080

USD	-1d	-2d
SOFR-1	4,0675	0,0387
SOFR-3	4,2100	0,0362
SOFR-6	4,3628	0,0470

Currencies	Close	-1d
EUR/USD	1,0903	-0,0065
USD/JPY	159,02	0,45
GBP/USD	1,3032	-0,0052
AUD/USD	0,6628	0,0000
USD/CAD	1,4362	0,0018

Currencies	Close	-1d
EUR/JPY	173,37	-0,55
EUR/GBP	0,8367	-0,0015
EUR/CHF	0,9178	-0,0035
EUR/SEK	11,2028	-0,0139
EUR/NOK	10,73	0,0287

Commodities	Close	-1d
CRB	366,47	-3,29
Gold	3681,70	137,60
Brent	89,37	-3,20

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