Internal



Friday, 27 November 2026

KBC Sunrise Market Commentary

Markets

- US investors on Wednesday headed into Thanksgiving with the first tentative signs of stock markets having found a short-term bottom. **European markets picked up the signal** and rallied around 2%. Looking at the broader EuroStoxx600, all sectors gained with some of the most risk-sensitive ones outperforming. Currency markets displayed a similar mood. Traditional safe havens such as CHF trailed peers. EUR/CHF bounced from as low as 0.91 to 0.915 for its first gain in five sessions. JPY traded mixed and closed unchanged eventually against both the dollar and the euro. Scandinavian currencies gained with NOK leading the way. **A three-day oil rebound surely helped. A barrel of Brent traded around $90 earlier this week, compared to $96.5 in the close yesterday.** The black gold extends gains this morning to north of $97. Combined with natural gas prices stabilizing at high levels, **the ECB remains on track for a December hike, as confirmed by the October meeting minutes yesterday.** Energy prices also left traces on European yields yesterday. Underperformance at the front end pushed up rates by around 3.5 bps in the 2-5yr bucket even as some yield weakness crept in during the final trading hour. 3.2% support in the German 10-yr yield was under attack on Wednesday. Its survival set the stage for a modest recovery yesterday (+2.3 bps).

- **The nascent recovery in risk appetite passes a new test in Asian dealings this morning.** Stock markets rally virtually everywhere with notable outperformances by the South Korean AI-bellwether Kospi (+8%) and Chinese indices. The latter take additional comfort from the State Council in what is viewed as a rare midday statement reaffirming its support for the market, even though no concrete measures were announced. US Treasury yields come out higher from yesterday's holiday with gains varying between 4 and 6 bps. **The Australian dollar stands out on FX.** Australia is among the main beneficiaries of the AI infrastructure buildout, including through the links via metal prices, so any swings in the underlying sentiment directly affect the currency.

- The US returns to the arena today. While in traditionally lower post-Thanksgiving volumes and a shortened trading session, **it does give some more colour if and to what extend risk appetite has indeed returned after two grim months.** It will be the dominant factor for core bonds and the dollar today, outweighing the **first EU member state inflation figures** that are up for release. France, Spain and Belgium are all on tap ahead of the EMU wide print next Tuesday.

News & Views

- **Overall prices increased by 0.4% M/M in November in the Japanese capital, Tokyo. It lifted Y/Y-inflation from 2.7% to 2.8%, but that was less than feared.** A one-off rollback of energy subsidies was the main reason for the highest CPI-print since July of last year. Utility prices rose by 10.7% M/M (+8.5% Y/Y). Core CPI (excluding fresh food) rose by 0.4% M/M to be up 2.9% Y/Y (from 2.6%). Also stripping out energy and **core CPI only increased by 0.1% M/M. Compared with November of last year, prices were 2.5% higher which is a second consecutive slower annual pace.** Consensus feared an acceleration from 2.6% to 2.7%. While being a first welcome sign for the Bank of Japan, it's **unlikely to derail plans to implement another rate hike at the December policy meeting.** The market implied probability of that scenario lingers around 77%.

- **Final results of New Zealand parliamentary elections delivered a hung parliament.** PM Luxon's current, centre-right, **three-party coalition won 65 seats in 130-seat parliament instead of the 67 seats projected at election night** early this month. His National-party remains the largest overall despite losing 8 seats (40 seats). The Labour-led opposition block gathered 58 seats, **handing a role of kingmaker to the Opportunity party** which holds the remaining 7 seats as it enters New Zealand parliament for the first time ever. The party puts itself in the middle of the current centre-left/centre-right constellation, suggesting that the current government could remain in place, either via outright support or via confidence-and-supply arrangements. The kiwi dollar is slightly stronger this morning (NZD/USD 0.55) with a better risk sentiment helping as well. In a recent past, centre-right and centre-left changed the RBNZ mandate when in power. **The current government reinstalled a sole focus on inflation, while the Labour-bloc in 2018 extended it to include maximum sustainable employment.**

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

Friday, 27 November		Consensus	Previous
US			
14:30	Advance Goods Trade Balance (Oct)	-$136.0b	-$135.1bR
14:30	Advance Goods Exports/Imports MoM SA (Oct)	1.10%/2.00%	2.50%R/2.40%
14:30	Retail Inventories MoM (Oct)	0.30%	0.40%R
14:30	Wholesale Inventories MoM (Oct P)	0.50%	0.70%
Japan			
00:30	**Tokyo CPI YoY (Nov)**	**2.80%A**	**2.70%R**
00:30	Tokyo CPI Ex-Fresh Food YoY (Nov)	2.90%A	2.60%
00:30	Tokyo CPI Ex-Fresh Food. Energy YoY (Nov)	2.50%A	2.60%
EMU			
10:00	**ECB 1 Year CPI Expectations (Oct)**	**3.20%**	**3.10%**
10:00	**ECB 3 Year CPI Expectations (Oct)**	**2.90%**	**2.90%**
11:00	**Economic Confidence (Nov)**	**97.2**	**96.9**
11:00	Industrial Confidence (Nov)	-3.4	-3.4
11:00	Services Confidence (Nov)	5.3	5.3
11:00	Consumer Confidence (Nov F)	-16.9	-16.9
Germany			
09:55	Unemployment Change (000's) (Nov)	4.5k	4.0k
09:55	Unemployment Claims Rate SA (Nov)	6.40%	6.40%
France			
08:45	**CPI EU Harmonized MoM/YoY (Nov P)**	**-0.40%/3.60%**	**0.40%/3.70%**
08:45	Consumer Spending MoM/YoY (Oct)	-0.10%/0.10%	-0.50%/-0.40%
Italy			
10:00	Industrial Sales MoM/WDA YoY (Sep)	--/--	-0.90%/4.20%
Belgium			
11:30	CPI MoM/YoY (Nov)	--/--	0.91%/5.26%
China			
02:30	Industrial Profits YTD YoY (Oct)	16.0%A	15.50%
02:30	Industrial Profits YoY (Oct)	20.1%A	14.40%
Norway			
08:00	Unemployment Rate SA (Nov)	--	2.00%
Spain			
09:00	CPI MoM/YoY (Nov P)	0.00%/4.70%	0.60%/4.90%
09:00	CPI Core YoY (Nov P)	3.20%	3.10%
09:00	**CPI EU Harmonised MoM/YoY (Nov P)**	**-0.20%/4.70%**	**0.50%/4.90%**
Sweden			
08:00	Economic Tendency Survey (Nov)	--	108.1
08:00	Consumer Confidence (Nov)	--	94.3
08:00	**GDP QoQ/WDA YoY (3Q)**	**0.40%/3.00%**	**1.60%/3.30%**
Events			
27NOV	Rating reviews: France (S&P; A+ stable), Hungary (S&P; BBB- neg.) ...		
14:00	ECB's Nagel Speaks in Frankfurt		
15:15	ECB's Vujcic Speaks in Frankfurt		
16:30	ECB's Moulin Speaks in Paris		

10-year	Close	-1d
US	4,85	0,00
DE	3,25	0,02
BE	4,26	0,02
UK	5,15	0,02
JP	2,64	0,01

2-year	Close	-1d
US	4,64	0,00
DE	3,05	0,04
BE	3,25	0,04
UK	4,85	0,06
JP	1,76	0,02

Stocks	Close	-1d
DOW	50182,95	0,00
NASDAQ	23585,8	0,00
NIKKEI	58711,11	1211,95
DAX	25215,52	513,39
DJ euro-50	6014,74	120,28

IRS	EUR	USD	GBP
3y	3,30	4,43	4,68
5y	3,27	4,38	4,63
10y	3,32	4,46	4,72

EUR	-1d	-2d
€STR	2,4450	0,0010
Euribor-1	2,4750	0,0430
Euribor-3	2,8110	0,0020
Euribor-6	3,0740	-0,0030

USD	-1d	-2d
SOFR-1	4,0829	0,0004
SOFR-3	4,2032	0,0001
SOFR-6	4,3530	0,0006

Currencies	Close	-1d
EUR/USD	1,0969	-0,0005
USD/JPY	159,25	0,08
GBP/USD	1,3107	-0,0008
AUD/USD	0,6635	0,0008
USD/CAD	1,4248	0,0032

Currencies	Close	-1d
EUR/JPY	174,7	0,04
EUR/GBP	0,8369	0,0001
EUR/CHF	0,9153	0,0033
EUR/SEK	11,1996	-0,0318
EUR/NOK	10,703	-0,0480

Commodities	Close	-1d
CRB	368,50	0,00
Gold	3564,60	0,00
Brent	96,57	1,96

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