Market Update: November

International

For those who follow financial markets closely, November can be divided into two very distinct phases. The beginning of the month was marked by a decline in technology stocks, led by Oracle, after several warnings about elevated valuations and risks arising from the massive investments currently underway. Simultaneously, while the United States remained in shutdown (budget cuts and the suspension of various public activities due to Congress not allowing the Treasury to issue additional debt), speeches from Federal Reserve officials cast doubt on the willingness to cut interest rates at the December meeting.

The final part of the month, however, reversed the narrative: Congress reached an agreement to reopen the government, economic data resumed publication, and, concurrently, equities rebounded while volatility declined. Economic indicators once again pointed to the possibility of lower interest rates (Figure 1), a view reinforced by the likely nomination of Kevin Hassett to lead the Federal Reserve, a name seen as supportive of a lower-rate stance.

In the **U.S.**, following the resumption of economic data releases, the unemployment rate reached 4.4%, the highest level since 2021, with a significant contribution from long-term unemployment. Leading indicators, such as control-group retail sales and the ISM Manufacturing survey, remain relatively weak, although they do not suggest an abrupt deceleration. The terminal rate remains close to 3.00–3.25%, and inflation projections continue to be well-behaved. By the end of the month, the S&P 500 was essentially unchanged from late October, despite a significant rotation away from technology and consumer sectors into more defensive ones.

In **Europe**, the central narrative remains one of moderate growth driven by services and inflation gradually converging toward target. Expectations of progress in peace negotiations in Ukraine supported European assets and weighed negatively on the defense sector. For the last meeting of 2025, in December, the European Central Bank is widely expected to keep the deposit rate at 2.00%.

The highlight in Asia continues to be **China**, where data point to economic deceleration, reinforcing expectations of new stimulus measures—particularly in infrastructure and housing. Meanwhile, in Japan, the combination of a large fiscal package and expectations of gradual monetary-policy normalization led to currency depreciation, a meaningful steepening of long-term yield curves, and negative equity performance (the first monthly decline since March).

Domestic (Brazil)

In Brazil, the focus in November was the shift in tone from the Central Bank. The Monetary Policy Committee (Copom) kept the Selic rate at 15.0% per year but began signaling more clearly that the start of an easing cycle is near—very likely as early as January. As a result, risk assets rallied strongly (Ibovespa +6.37%). In early December, however, electoral turbulence offered a preview of the tone expected for 2026, with substantial volatility surrounding candidacies and electoral outcomes, which remain highly uncertain.

Despite the strong performance of domestic assets, credit spreads on incentivized debentures ended the month roughly unchanged after the widening seen in October, suggesting a likely floor for issuance rates in the asset class.

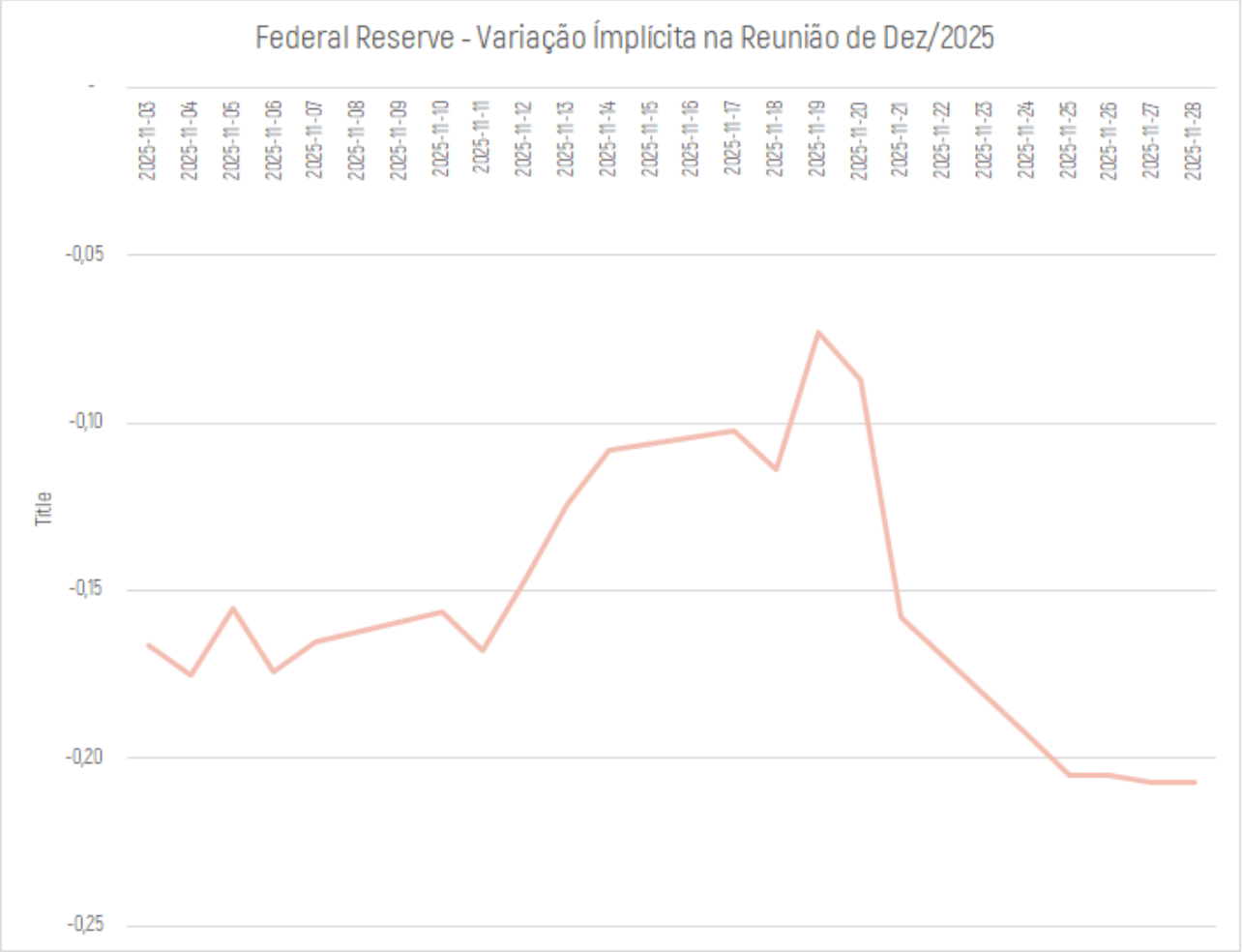
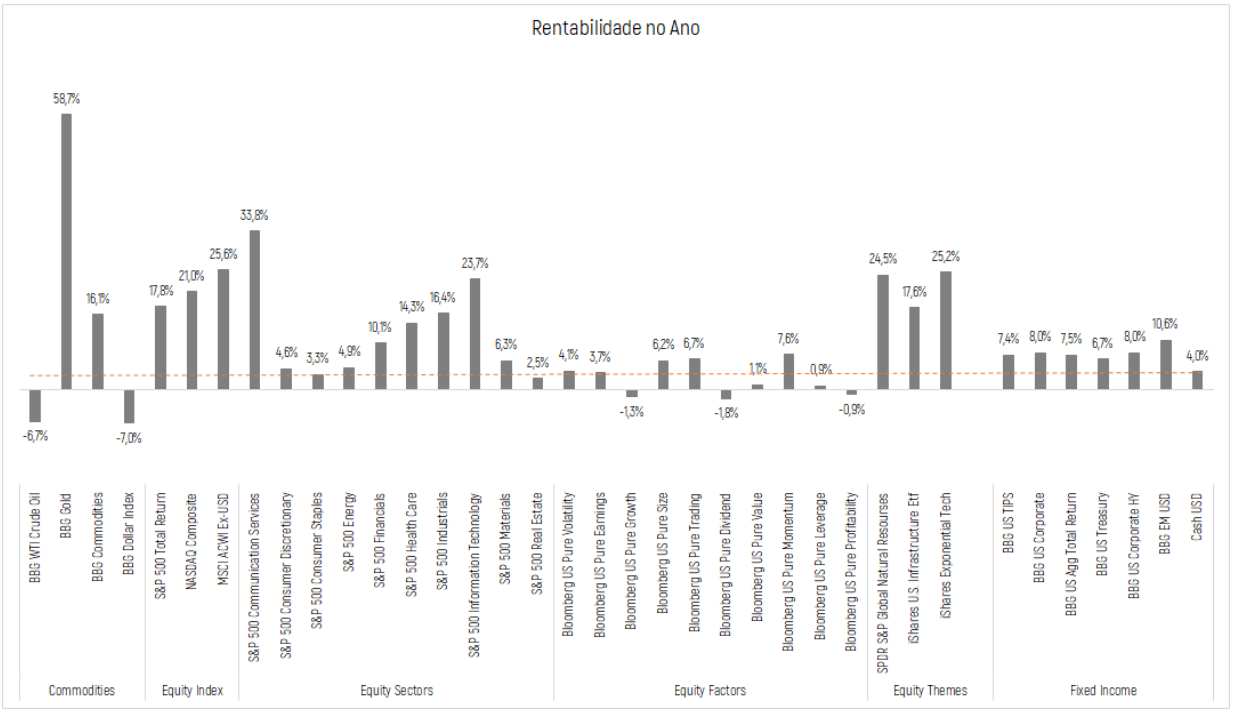


Figure 1: Implied variation in futures contracts for the December/2025 meeting (in percentage points). Source: Tera/BBG

Global Assets	1m	3m	6m	12m	24m	36m
Commodities						
BBG WTI Crude Oil	-3,10%	-5,74%	5,09%	-1,03%	0,18%	3,83%
BBG Gold	5,89%	21,18%	27,77%	56,94%	103,25%	136,12%
BBG Commodities	3,20%	8,47%	12,71%	17,33%	19,10%	9,95%
BBG Dollar Index	-0,25%	1,42%	0,16%	-4,48%	-1,70%	-4,09%
Equity Index						
S&P 500 Total Return	0,25%	6,34%	16,57%	15,00%	53,97%	75,28%
NASDAQ Composite	-1,51%	8,90%	22,25%	21,58%	64,24%	103,75%
MSCI ACWI Ex-USD	-0,16%	5,21%	11,72%	23,05%	35,62%	44,23%
Equity Sectors						
S&P 500 Communication Services	6,34%	14,18%	29,68%	38,50%	94,77%	164,40%
S&P 500 Consumer Discretionary	-2,44%	2,97%	11,52%	7,03%	43,26%	68,95%
S&P 500 Consumer Staples	3,94%	-0,57%	-3,83%	-2,08%	18,53%	9,70%
S&P 500 Energy	1,76%	0,03%	10,86%	-5,17%	7,07%	-1,10%
S&P 500 Financials	1,74%	-1,22%	4,69%	3,94%	48,81%	47,00%
S&P 500 Health Care	9,14%	14,73%	18,79%	6,99%	20,07%	13,27%
S&P 500 Industrials	-1,01%	1,13%	7,55%	6,96%	43,81%	51,33%
S&P 500 Information Technology	-4,36%	8,90%	25,99%	25,04%	74,16%	140,32%
S&P 500 Materials	3,97%	-3,61%	3,38%	-5,30%	8,87%	8,35%
S&P 500 Real Estate	1,84%	-1,07%	0,29%	-6,87%	12,58%	6,72%
Equity Factors						
Bloomberg US Pure Volatility	-1,23%	0,40%	3,04%	3,80%	6,36%	6,29%
Bloomberg US Pure Growth	-0,27%	-2,71%	-2,81%	-1,00%	1,03%	0,84%
Bloomberg US Pure Size	-0,62%	1,83%	3,01%	6,74%	7,49%	12,67%
Bloomberg US Pure Dividend	-0,44%	-1,29%	-0,96%	-1,70%	-2,34%	-4,11%
Bloomberg US Pure Value	0,62%	-0,87%	0,43%	0,44%	0,58%	2,55%
Bloomberg US Pure Momentum	-0,42%	3,30%	3,42%	6,41%	16,25%	15,68%
Equity Themes						
SPDR S&P Global Natural Resourses	3,88%	5,15%	16,65%	15,77%	18,37%	13,25%
iShares U.S. Infrastructure Etf	1,96%	3,62%	13,27%	5,97%	47,97%	49,18%
iShares Exponential Tech	-1,01%	9,13%	21,96%	21,63%	35,64%	48,35%
Fixed Income						
BBG US TIPS	0,18%	0,98%	3,63%	5,74%	12,36%	12,52%
BBG US Corporate	0,65%	2,56%	5,60%	5,90%	15,07%	19,15%
BBG US Agg Total Return	0,62%	2,35%	4,89%	5,70%	12,97%	14,30%
BBG US Treasury	0,62%	2,10%	4,06%	5,02%	10,89%	11,05%
BBG US Corporate HY	0,58%	1,56%	5,19%	7,55%	21,22%	31,74%
BBG EM USD	0,24%	3,09%	7,44%	9,32%	22,87%	29,73%
Cash USD	0,30%	1,04%	2,15%	4,42%	10,10%	15,72%



Brasil	1m	3m	6m	12m	24m	36m
Pós-Fixado						
Brazil CETIP DI Rate Accumulat	1,05%	3,59%	7,30%	13,98%	26,34%	43,14%
Anbima IMA-S	1,06%	3,63%	7,38%	14,13%	26,89%	43,96%
Anbima Debentures Index IDA DI	1,10%	3,41%	7,29%	14,56%	30,25%	47,19%
Prêmio de Crédito	0,05%	-0,18%	-0,00%	0,50%	3,09%	2,83%
Pré-Fixado						
Anbima IRF-M 1	1,07%	3,60%	7,29%	14,25%	25,31%	42,29%
Anbima IRF-M	1,67%	4,36%	8,29%	15,91%	21,83%	41,93%
Anbima IRF-M 1+	1,93%	4,70%	8,65%	16,59%	20,02%	42,09%
Indexado Inflação						
Anbima IMA-B 5	1,08%	2,78%	4,77%	10,29%	19,13%	32,89%
Anbima IMA-B	2,04%	3,66%	5,04%	9,87%	13,10%	27,49%
Anbima IMA-B5+	2,80%	4,35%	5,24%	9,42%	8,67%	23,22%
Anbima Debentures Index ID	1,47%	3,25%	6,25%	13,28%	22,14%	32,87%
Prêmio de Crédito (s/ média B5 e B)	-0,08%	0,02%	1,28%	2,91%	5,19%	2,06%
*Inflação IPCA**	0,09%	0,46%	1,23%	4,68%	9,66%	14,95%
Imobiliario						
Bovespa Real Est In Fund	1,86%	5,29%	5,73%	16,67%	15,23%	27,66%
Hedge Funds*						
Anbima Hedge Funds Index	1,38%	4,45%	8,07%	15,12%	24,54%	33,14%
Renda Variável						
BRAZIL IBOVESPA INDEX	6,37%	12,48%	16,09%	26,58%	24,93%	41,42%
BOVESPA Dividend Index	5,31%	10,21%	14,65%	21,85%	33,37%	55,68%
BM&FBOVESPA Small Cap	6,03%	8,16%	8,34%	24,94%	8,78%	15,43%
BRAZIL Financial Index	8,47%	13,26%	14,63%	46,03%	37,16%	71,94%
BOVESPA Utilities Index	9,74%	20,75%	25,12%	54,66%	61,98%	76,73%
BM&FBOVESPA REAL ESTATE	13,38%	19,15%	32,32%	68,45%	51,70%	105,44%
BM&FBOVESPA Consumption	7,05%	9,13%	5,83%	22,33%	8,28%	3,52%
BOVESPA INDUSTRIAL INDEX	2,81%	7,93%	8,19%	4,91%	32,34%	36,16%
BOVESPA Basic Mat Index	-0,53%	7,97%	13,54%	-3,68%	-3,48%	-5,18%
BRAZIL ELECTRIC.ENRGY IX	9,42%	17,90%	21,99%	49,40%	37,83%	51,82%
FX						
USD-BRL Carry Return	-1,48%	-4,00%	-11,02%	-18,11%	-4,73%	-15,67%

