

Dear clients, Dear readers,

The past month was not smooth sailing, even though most stock market indices ended the month with very slight gains, with the notable exception of the Nasdaq 100 and the Nikkei 225.

At the end of October, the Federal Reserve cut its key rates by 0.25%, as expected, and the market was counting on further monetary easing in December.

The shutdown of the US federal government, which had been underway since 1 October, finally came to an end on 12 November.

All of this was rather positive for the financial markets.

The health of the US economy, buoyed by the AI (artificial intelligence) craze, remained fairly good, even though employment statistics deteriorated slightly.

In mid-November, the probability of a rate cut in December plummeted following cautious statements by Jerome Powell.

When Nvidia (the leader in high-performance chips for AI) announced excellent results. The market, initially reassured by this good news, quickly took a nosedive, probably due to these nagging questions: aren't expectations for AI exaggerated? Is there a risk that this tech "bubble" will burst?

In addition, Alphabet (Google) announced the launch of competing chips that are cheaper, less feature-rich, but just as powerful for certain applications.

The hundreds, even thousands of billions of dollars invested will not yield a return in the short term, but the race for artificial intelligence is not about to stop.

This technological revolution is more than likely to change the way work is organised and even a little the way the world works.

On closer inspection, the euphoria in the tech sector masks a somewhat sluggish economy in the traditional sectors. The market capitalisation of large tech stocks is massive.

While an economic slowdown cannot be ruled out, we see no signs of a recession.

We often hear that the AI bubble could be reminiscent of the crises in 2000 (the dot-com bubble) and 2008 (the subprime crisis).

We believe the context is very different: the major players in the AI race are very large companies with huge profits and healthy balance sheets.

The trade war, or at least the tariffs imposed by Donald Trump on foreign imports, does not seem to be dampening momentum for the moment.

Furthermore, Trump seems to be selectively softening his stance (lower tariffs on Switzerland and South Korea, reduced tariffs on beef, coffee and certain fruits).

The US government has a duty to respond when potential voters express concerns about rising prices.

So far, tariffs have generated significant revenue for the United States and should make it possible to reduce corporate taxes as planned, even though the debt will inevitably rise.

China seems to be moving at two speeds: the domestic economy is sluggish, while exports are doing well despite the trade war.

The Japanese stock market, which had been in excellent health until then, lost some ground last month without jeopardising its magnificent performance since the start of the year.

Emerging markets continue to perform very well this year, but have a much higher risk profile than developed markets.

Although temporary corrections cannot be completely ruled out in the short term, risk assets (such as equities) should continue to perform well in the coming months, buoyed by tax cuts in the United States and continued moderate growth in Europe, where valuations are more attractive than in the United States.

Performance of the main markets in 2025

	November 2025	2025 YTD
EURO STOXX 50	0.11%	15.77%
STOXX Europe 600	0.79%	13.56%
BEL 20	2.74%	18.11%
S&P 500	0.13%	16.45%
S&P 500 Equal Weight	1.92%	9.30%
NASDAQ 100	-1.64%	21.05%
NIKKEI 225	-4.12%	25.97%
HANG SENG	-0.18%	28.91%
MSCI EMERGING	-2.47%	27.10%
MSCI WORLD	0.18%	18.63%

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