



December 1, 2025

Shoppers Are Keeping The Holidays Merry

The National Retail Federation is expecting a merry holiday shopping season with a total spend during the Thanksgiving weekend - including Black Friday and Cyber Monday - to bring in over \$1 Trillion.

That's up 3.7%-4.2% from last year. Consumers are helping to keep the holidays bright! As we have been reporting, the consumer has the disposable income and savings to spend - and holiday gifts top the shopping list! There is softness in the job market but having an unemployment rate below 5% still paints a strong employment backdrop.

41%

of consumers plan to do most of their shopping between Black Friday and Cyber Monday.

Source: PcW, November 25, 2025

2025 Winter Holiday spending highlights

- 91% of consumers plan to celebrate the winter holidays
- Consumers are budgeting an average \$890 for gifts and other seasonal items
- Families with children plan to spend \$33 more on average on gifts this year
- 186.9 million people are planning to shop from Thanksgiving Day through Cyber Monday this year
- Top toys include Legos, Barbie, Hot Wheels and a doll

Source: National Retail Federation, November 2025



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Will The Fed Keep The Markets Feeling Merry?

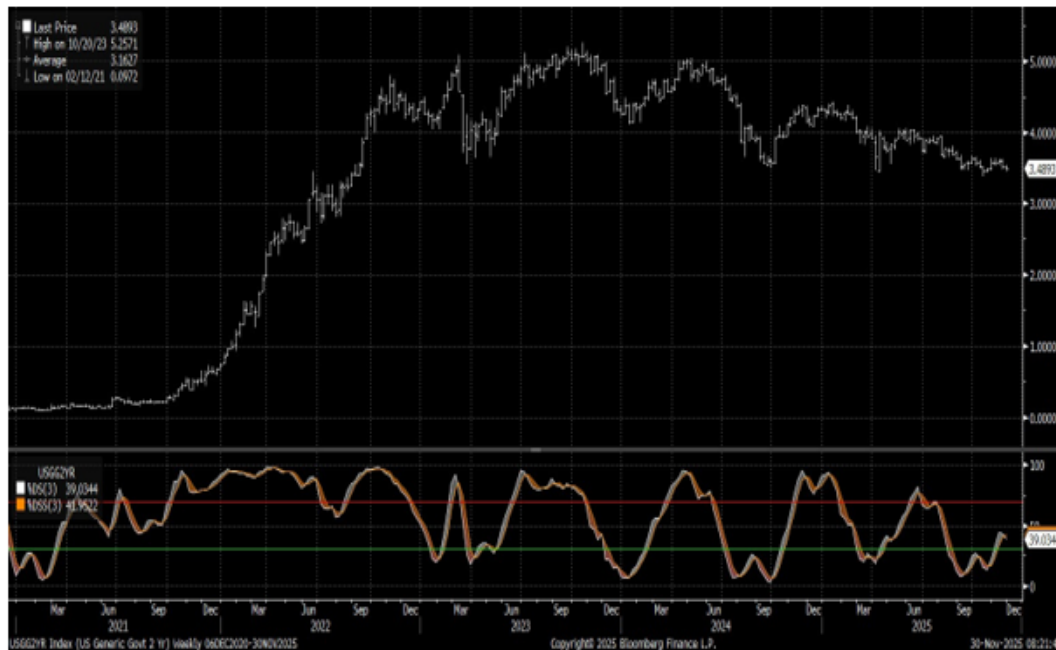
There's been plenty of volatility around the next interest rate move by the Federal Reserve (Fed). Will we see a 25-basis-point cut or not? Markets have swung back and forth on every new comment from Fed officials, and the FOMC (Federal Open Market Committee) itself appears divided. Markets are currently pricing in an 83% probability of a 25-bp cut, putting the Fed in a tough spot since it generally prefers not to surprise investors.

The next Fed meeting is on December 9-10, and, in our opinion, it will be hard for the Fed to not cut rates. What could be the outcome is a 25-bp cut with hawkish comments about future rate cuts. The Fed has been data dependent, but it still doesn't have all the data it likes to have. The employment data that has come out is still pointing to a softening labor market, so the Fed does have a rationale to justify a rate cut. Stay tuned.

2-Year Treasury Yield At Risk Of Rising

The 2-Year Treasury yield is positioned to rally technically with the 14-week stochastic on a buy signal, showing that interest rates can rise within the context of a downtrend. The Fed meeting will likely determine the next move in the 2-Year Treasury yield.

2-Year Treasury Yield With 14-Week Stochastic On A Buy Signal



Equity Markets Enter December Cheering

With equity markets very oversold and last week shortened by the holiday, the equity markets rallied 2% on good market breadth. The S&P 500 moved above the 50-day moving average and the price momentum indicator MACD (Moving Average Convergence Divergence) generated a buy signal. Stocks are on track to test the recent highs and move toward our year-end S&P 500 target of 7000.



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S&P 500 With 50-Day Moving Average And MACD On A Buy Signal





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Sector Readings: Communication Services Strongest, Consumer Staples Weakest

Communication Services remained in the top position last week, followed by Information Technology. These two sectors have swapped the top two positions for the past 24 weeks, beginning June 13. Health Care, recovering from a deeply oversold position over the summer months, is in third place. Consumer Staples returned to last place, followed by Real Estate and Materials.

A tactical sector rotation is underway, relieving overbought and oversold conditions within the market. We maintain that Growth sectors should continue to outperform Value sectors.

Our sector model analyzes S&P 500 GICS sector classifications, using a weighted measure of price momentum across three time periods. We rank each sector from best to worst based upon the average of its 40-, 26-, and 13-week relative price performances. We rank each sector from 1-11 with 1 being the strongest and 11 the weakest.

Sector Rankings By 40-, 26-, And 13-Week Average Relative Price Performance

	Nov 28	Nov 21	Nov 14	Nov 7	Oct 31	Oct 24	Oct 17	Oct 10
Consumer Discretionary	6	7	7	5	3	5	5	5
Consumer Staples	11	10	11	11	11	11	10	11
Energy	7	6	5	7	8	10	11	9
Financials	8	8	8	8	7	7	6	6
Health Care	3	3	3	6	6	6	7	7
Industrials	5	5	6	4	4	4	4	4
Information Technology	2	2	1	1	1	1	1	1
Materials	9	11	10	10	10	9	8	8
Communication Services	1	1	2	2	2	2	2	2
Utilities	4	4	4	3	5	3	3	3
Real Estate	10	9	9	9	9	8	9	10

Source: Bloomberg, Sanctuary Wealth, November 28, 2025



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OBOS List: Health Care And Communication Services Overbought; Materials, Industrials, And Consumer Discretionary Oversold

Health Care is still the most overbought sector, followed by Communication Services, which is also overbought. The market is continuing to correct the strongly divergent overbought and oversold conditions we saw over the past half year. Materials, Industrials, and Consumer Discretionary are oversold, with Consumer Staples, Financials, and Real Estate near oversold. There were no near overbought sectors this week.

The extreme overbought and oversold readings that prevailed over the summer months are shifting, leading the market into a tactical sector rotation.

Our tactical sector rotation model uses the S&P 500 GICS sector classifications. We apply a 13-week rate of change methodology that normalizes the rankings from overbought (OB) to oversold (OS). An industry group is overbought when it has risen too far too fast, relative to the rest of the market, based upon its normal movement. Conversely, it's oversold when it has lost too much too fast, relative to the rest of the market, based upon its normal movement. Over time, a sector tends to move back toward its normal rate of change, relative to the rest of the market. Overbought sectors tend to slow their pace of gains in relative price, while oversold sectors tend to improve in relative price until they reach their average performance again.

Here's our methodology: the overbought-oversold table of sectors measures the 13-week rate of change in the relative price of each sector. We then average (i.e., smooth) this for 3 weeks and normalize the results. Normalized oscillator values over 1.0 are considered overbought, while those between 0.6 and 1.0 are considered near overbought. Normalized oscillator values below -1.0 are considered oversold, while those between -0.6 and -1.0 are considered near oversold.

Sector Overbought / Oversold List as of 28 November 2025

rank	S&P Sector	normalized Oscillator
1	Health Care	1.5513
2	Communication Services	1.0238 <i>Overbought</i>
3	Information Technology	0.1745 <i>Neutral</i>
4	Utilities	0.1243
5	Energy	-0.0443 <i>Neutral</i>
6	Real Estate	-0.6301 <i>Near Oversold</i>
7	Financials	-0.8772
8	Consumer Staples	-0.9811
9	Consumer Discretionary	-1.0153 <i>Oversold</i>
10	Industrials	-1.1045
11	Materials	-1.3310

Source: Bloomberg, Sanctuary Wealth, November 28, 2025



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Market Performance: Gold Is The Best Performing Asset Year-To-Date

	Last 11/28/2025	Month End 10/31/2025	Month to Date	Quarter End 9/30/2025	Quarter to Date	Year End 12/31/2024	Year to Date	Year Ago 11/28/2024	Year To Year
S&P 500	6849.09	6840.20	0.1%	6688.46	2.4%	5881.63	16.4%	5998.74	14.2%
NASDAQ Composite	23365.69	23724.96	-1.5%	22660.01	3.1%	19310.79	21.0%	19060.48	22.6%
NASDAQ 100	619.25	629.07	-1.6%	600.37	3.1%	511.23	21.1%	505.30	22.6%
Russell 2000	2500.43	2479.38	0.8%	2436.48	2.6%	2230.16	12.1%	2426.19	3.1%
S&P Consumer Discretionary Sector	1915.26	1963.14	-2.4%	1917.97	-0.1%	1831.16	4.6%	1769.79	8.2%
S&P Consumer Staples Sector	882.17	848.70	3.9%	871.10	1.3%	853.65	3.3%	897.19	-1.7%
S&P Energy Sector	686.63	674.74	1.8%	682.82	0.6%	654.85	4.9%	721.60	-4.8%
S&P Financial Sector	885.58	870.44	1.7%	896.86	-1.3%	804.44	10.1%	851.82	4.0%
S&P Health Care Sector	1833.52	1680.03	9.1%	1623.95	12.9%	1604.75	14.3%	1709.26	7.3%
S&P Industrials Sector	1298.52	1311.71	-1.0%	1306.11	-0.6%	1115.65	16.4%	1208.86	7.4%
S&P Information Technology Sector	5700.38	5960.13	-4.4%	5612.00	1.6%	4609.52	23.7%	4513.50	26.3%
S&P Materials Sector	563.10	541.60	4.0%	570.71	-1.3%	529.77	6.3%	591.72	-4.8%
S&P Real Estate Sector	262.34	257.60	1.8%	264.79	-0.9%	255.92	2.5%	283.17	-7.4%
S&P Communications Sector	457.25	429.97	6.3%	422.60	8.2%	341.66	33.8%	329.02	39.0%
S&P Utilities Sector	458.15	452.13	1.3%	443.18	3.4%	384.95	19.0%	418.94	9.4%
S&P 500 Total Return	15211.14	15173.95	0.2%	14826.80	2.6%	12911.82	17.8%	13152.08	15.7%
3 month Treasury Bill Price	99.05	99.04	0.0%	99.01	0.0%	98.92	0.1%	98.88	0.2%
3 month Treasury Bill Total Return	267.08	266.29	0.3%	265.32	0.7%	256.97	3.9%	255.85	4.4%
10 Year Treasury Bond Future	113.34	112.67	0.6%	112.50	0.8%	108.75	4.2%	110.91	2.2%
10 Year Treasury Note Total Return	318.10	315.15	0.9%	313.63	1.4%	293.94	8.2%	298.55	6.5%
iShares 20+ Year Treasury Bond ETF	90.21	90.29	-0.1%	89.37	0.9%	87.33	3.3%	93.01	-3.0%
S&P Municipal Bond Total Return	289.46	288.63	0.3%	285.56	1.4%	278.14	4.1%	280.72	3.1%
iShares S&P National Municipal Bond NAV	107.22	107.22	0.0%	106.35	0.8%	106.40	0.8%	107.91	-0.6%
S&P 500 Investment Grade Corporate Bond Total Return	500.63	498.07	0.5%	495.91	1.0%	465.24	7.6%	471.53	6.2%
S&P Investment Grade Corporate Bond	93.25	93.10	0.2%	93.02	0.2%	90.28	3.3%	91.73	1.7%
S&P Investment Grade Corporate Bond Total Return	533.78	530.99	0.5%	528.51	1.0%	495.89	7.6%	501.76	6.4%
SPDR Bloomberg High Yield Bond ETF	97.65	97.39	0.3%	97.99	-0.3%	95.47	2.3%	97.14	0.5%
iShares iBoxx High Yield Corporate Bond ETF	80.99	80.80	0.2%	81.19	-0.2%	78.65	3.0%	79.88	1.4%
Gold	4239.43	4002.92	5.9%	3858.96	9.9%	2624.50	61.5%	2637.92	60.7%
Bitcoin	90914.64	109428.01	-16.9%	114640.81	-20.7%	93714.04	-3.0%	95132.86	-4.4%

Source: Bloomberg, Sanctuary Wealth, November 28, 2025

Delayed Data Released... But Does It Matter?

This week we digest data and Fedspeak in anticipation of next week's interest rate cut decision.

Delayed economic data is finally being released this week, but the question is whether the market will react to numbers that are already dated. Two reports will draw everyone's attention, though: the ADP employment report and September Core Personal Consumption Expenditures (PCE) inflation data, one of the Fed's favorite gauges. We'll also hear from several Fed officials this week, including Chair Jerome Powell today. Markets will be listening for any signal that a rate cut could happen next week.



Calendar

Mon.

9:45 am S&P final U.S. manufacturing PMI
10:00 am ISM manufacturing
8:00 pm Fed Chair Jerome Powell speaks

Tue.

10:00 am Fed Vice Chair for Supervision Michelle Bowman testifies
TBA Auto sales

Wed.

8:15 am ADP employment
8:30 am Import price index (delayed report)
8:30 am Import price index minus fuel
9:45 am S&P final U.S. services PMI
10:00 am ISM services
Earnings: Salesforce*

Thu.

8:30 am Initial jobless claims
8:30 am U.S. trade deficit
12:00 pm Fed Vice Chair for Supervision Michelle Bowman speaks
Earnings: Dollar General

Fri.

8:30 am Personal income (delayed report)
8:30 am Personal spending (delayed report)
8:30 am PCE index (delayed report)
8:30 am PCE (year-over-year)
8:30 am Core PCE index (delayed report)
8:30 am Core PCE (year-over-year)
8:30 am Consumer sentiment (prelim)
10:00 am Consumer credit
3:00 pm

*Earnings reflect highlights
Source: MarketWatch/Kiplinger's/CNBC

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