ZITAPLUS

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TRUMP'S SECOND GAME PLAN FOR TARIFFS IS READY

ZITA PLUS

ECONOMIC CALENDAR • TECHNICAL ANALYSIS
SENATE MOVES TO END SHUTDOWN • BOE KEEPS RATES AT 4%
CHINA PLANS TARIFFEASING • AND MORE...

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TIME	CUR.	EVENT	FORECAST	PREVIOUS
WEDNESDAY, NOVEMBER 12				
11:00		German CPI (MoM) (Oct)	0.3%	0.3%
14:00		Eurogroup Meetings	-	-
22:00		10-Year Note Auction	-	4.117%
THURSDAY, NOVEMBER 13				
11:00		GDP (QoQ) (Q3)	0.2%	0.3%
11:00		GDP (YoY) (Q3)	-	1.4%
11:00		GDP (MoM) (Sep)	0.0%	0.1%
17:30		Core CPI (MoM) (Oct)	-	0.2%
17:30		CPI (MoM) (Oct)	-	0.3%
17:30		CPI (YoY) (Oct)	-	3.0%
17:30		Initial Jobless Claims	-	218K
21:00		Crude Oil Inventories	-	5.202M
FRIDAY, NOVEMBER 14				
14:00		EU Economic Forecasts	-	-
14:00		GDP (QoQ) (Q3)	0.2%	0.1%
14:00		GDP (YoY) (Q3)	1.3%	1.5%

GMT+4 DUBAI TIME

TRUMP'S SECOND GAME PLAN FOR TARIFFS IS READY

The Trump campaign has revealed that it is preparing a backup strategy for U.S. tariff policy as the Supreme Court deliberates on presidential authority over trade measures. Speaking last week, Donald Trump said, "If the Supreme Court rules against us, we have a game two plan ready," confirming that no new tariff announcements will be made until the ruling is delivered. The comment signals that the president remains committed to using tariffs as a central tool of his economic agenda.

LEGAL BACKGROUND AND POLICY ORIGINS

The current dispute stems from a series of executive orders expanding tariffs on imports from China, Canada, and Mexico, introduced under the justification of addressing trade deficits and national security concerns. While the administration framed the measures as support for U.S. manufacturing, critics argued that such broad actions exceeded constitutional limits and bypassed congressional oversight.

Several states, trade groups, and companies filed lawsuits challenging the president's unilateral tariff powers. The case advanced through lower courts before reaching the U.S. Supreme Court, where justices are now weighing whether the International Emergency Economic Powers Act (IEEPA) grants presidents such expansive authority.

COURT DEBATE AND CONSTITUTIONAL QUESTIONS

Lower courts previously ruled that the legislation cited by the administration did not explicitly authorize sweeping import restrictions. Judges referenced the "major questions doctrine," noting that policies with significant economic or political consequences require explicit congressional approval.During oral arguments, several justices expressed skepticism about unlimited executive discretion, suggesting the ruling could set a lasting precedent for the scope of presidential power over trade.

STRATEGIC AND MARKET IMPLICATIONS

Trump's renewed tariff strategy appears aimed at maintaining leverage over key trade partners while managing domestic economic optics. Analysts suggest the administration's approach seeks to:

- **Influence currency dynamics by tempering dollar strength.**
- **Redirect global supply chains away from China.**
- **Pressure surplus economies into renegotiating trade terms.**

The reemergence of tariff rhetoric has already unsettled markets. Traders are closely monitoring for signs of another "tariff wave," which could spark renewed volatility in commodities, currencies, and inflation expectations. While the Supreme Court ruling will determine how far presidential authority extends, Trump's remarks make clear that tariffs, one way or another, will remain central to his economic playbook heading into 2026.


TARIFFS

EURUSD

EURUSD PRESSURED AS YEAR-END FLOWS CONTINUE

The dollar index has climbed to its strongest point in roughly three months, pulling EURUSD down toward 1.1470 before the pair attempted to steady near 1.1545. As we head toward the year's close, unwinding of short dollar positions opened earlier in the year may continue to weigh on the pair as dollar demand stays firm.

Technically, holding above 1.1545 is key. If the pair slips below this level, 1.1470 comes back into view, and a clear break there could open the way toward 1.1400. On the upside, staying above 1.1545 would point first to 1.1585, with 1.1700 marking the broader resistance zone.

- **Support:** 1.1470 - 1.1400
- **Resistance:** 1.1585 - 1.1700

XAUUSD

GOLD FIRM BEFORE FED'S DECEMBER SIGNAL

Gold has gained as progress toward ending the U.S. government shutdown improved market sentiment. Attention now shifts to the Fed's December meeting for signals on rate direction.

Staying above $4075 keeps upward momentum intact, with $4135 as the next key level. RSI is nearing 70, which suggests price may be entering stretched territory. A move below $4050 could trigger a pullback toward $4005, and if pressure deepens, $3890 comes into focus. Consistent strength above $4075 would open a path toward $4135 and eventually $4200.

- **Support:** $4050 - $4005 - $3890
- **Resistance:** $4135 - $4165 - $4200

BRENT OIL

BRENT CLIMBS AFTER OPEC LIMITS SUPPLY GROWTH

Brent opened the week on a firmer tone, moving above $63.00 after OPEC agreed to limit supply increases in December and hold off on further adjustments through the first quarter of 2026.

If price remains above $64.00, $65.00 becomes the first upside level to watch. A move beyond there could carry the rally toward $66.15. If the market slips back under $64.00, attention shifts to support at $62.70, followed by $62.00.

- **Support:** $62.70 - $62.00
- **Resistance:** $65.00 - $66.15

BTCUSD

BITCOIN AROUND $100K AFTER MARKET SELL-OFF

After the Fed signaled that a December rate cut is not guaranteed, crypto markets saw renewed selling, pushing Bitcoin down toward the major $100,000 level, where price has managed to stabilize for now.

If Bitcoin stays above $106,500, the next upside marker sits at $110,600. Losing $106,500 would shift attention back to $100,000, and a clear break below that zone could accelerate declines toward $94,000.

- **Support:** $100,000 - $94,000
- **Resistance:** $106,500 - $110,600

SENATE ADVANCES FUNDING BILL TO END RECORD U.S. GOVERNMENT SHUTDOWN

The U.S. Senate held a rare weekend session and voted to advance a House-approved funding bill, marking a significant move toward reopening the federal government. The measure passed with bipartisan support, including eight Democratic senators who joined Republicans to push the bill forward. The legislation still requires final approval from both the House and the President before implementation, but the vote signals real progress in resolving the shutdown.

LONGEST SHUTDOWN IN U.S. HISTORY

The shutdown began on October 1, 2025, and has now stretched into its 42st day, surpassing the previous 35-day record from 2018–2019. While the U.S. has experienced funding gaps before, full shutdowns have historically been short. The current stalemate reflects deeper divisions in Congress and a prolonged struggle over budget priorities.

During a closed-door meeting at the White House, President Donald Trump urged Republican senators to support measures to reopen the government, arguing that continued delays benefit the opposing party. He also renewed his call to abolish the Senate filibuster, which requires 60 votes to advance most legislation. However, many Republican senators opposed removing the rule, maintaining internal divisions that have slowed progress.

THE FILIBUSTER'S ROLE

The filibuster allows a minority group of senators to block or delay legislation by extending debate. Ending it requires a cloture vote with a 60-senator majority. While the rule is designed to encourage negotiation, it often becomes a barrier during urgent fiscal decisions. The debate over its future has intensified alongside the shutdown.

ECONOMIC CONSEQUENCES

The shutdown has affected both government services and the broader economy. Delayed pay for federal employees and partial agency closures have weighed on consumer spending and local business conditions.

Disrupted economic data releases, including labor market and inflation figures, have also reduced visibility for policymakers and financial markets. Analysts note that prolonged shutdowns can temporarily reduce GDP growth, though spending often rebounds once operations resume and back pay is distributed.

BOE HOLDS RATES AT 4% IN NARROW DECISION

The Bank of England maintained its base rate at 4% on 5 November 2025, with a close vote of five members in favor of holding and four preferring a cut to 3.75%. Officials noted that inflation, now at 3.8%, has likely peaked and is moving toward the 2% target. The slowdown is being driven by easing wage growth, softer services prices, and a labor market that continues to cool.

BAILEY HIGHLIGHTS WAGE GROWTH AND LABOR COOLING

Governor Andrew Bailey, who cast the deciding vote, underscored the importance of monitoring wage trends. Annual wage growth has eased to 4.5% from 5.1%, while unemployment has risen to 4.6%. The decision also came ahead of the government's autumn budget, which includes spending cuts and tax changes worth about 0.5% of GDP aimed at further reducing inflation. Analysts suggest the Bank held rates now to avoid signaling political influence, as expected tax increases could also help align inflation with the target.

INFLATION PATH AND GROWTH OUTLOOK

The Bank projects inflation to reach 2% by 2027, with growth expected to improve modestly through 2028 as economic conditions stabilize. Policymakers emphasized caution, aiming to prevent inflation from re-accelerating while acknowledging signs of easing price pressures.

Financial markets now see increased probability of a rate cut in December, signaling a gradual shift toward looser policy. A reduction would ease borrowing costs for households and businesses, though it may reduce returns for savers. The move would mark a step toward a more moderate interest-rate environment as the UK economy continues to normalize.

CHINA TO EASE TENSIONS WITH TARIFF ADJUSTMENTS

Beijing has taken a measured step toward easing trade tensions with the United States by partially suspending some retaliatory tariffs. The Tariff Commission announced the removal of a 24% additional duty on select U.S. imports for one year, while keeping the 10% baseline tariff in place on most goods. The move followed recent talks between Presidents Donald Trump and Xi Jinping, where both sides signaled interest in reducing friction, though without committing to a broad overhaul of trade policy.

AGRICULTURAL GOODS REMAIN A STICKING POINT

Progress in agriculture has been uneven. China agreed to lower or suspend tariffs on a range of U.S. farm products, but high duties on U.S. soybeans remain unchanged. This maintains a pricing gap that continues to favor Brazilian suppliers and keeps China's large agribusiness firms oriented toward South America. As a result, U.S. exporters still face structural disadvantages in a key market.

SYMBOLIC PURCHASES SIGNAL CAUTIOUS ENGAGEMENT

Chinese buyers recently made small purchases of U.S. wheat and sorghum, signaling tentative interest in trade normalization. However, analysts view these transactions as politically motivated rather than reflective of market demand. They function as signals of goodwill rather than indicators of a meaningful shift in supply channels or long-term procurement strategies.

SOYBEAN COMMITMENTS REMAIN UNCLEAR

The White House has stated that China agreed to expand soybean purchases through late 2025, yet Beijing has not confirmed these commitments. The absence of official acknowledgment underscores ongoing uncertainty and highlights the gap between public statements and concrete trade flows.

COOPERATION WITHOUT CONCESSION

China's tariff adjustment represents a selective easing rather than a comprehensive policy shift. By lifting targeted duties while preserving core trade safeguards, Beijing signals readiness to cooperate while maintaining leverage. The ultimate impact depends on whether upcoming negotiations move beyond symbolic gestures and result in structural commitments from both sides.

CRYPTO MARKET REBOUNDS AFTER SHUTDOWN EASE

The cryptocurrency market staged a recovery following earlier losses triggered by shifting expectations around U.S. monetary policy. After the Federal Reserve signaled that a December rate cut may not occur, Bitcoin fell sharply to test the critical $100,000 support level. This zone acted as a technical floor, helping stabilize prices after a period of intense volatility.

The downturn was fueled by several factors:

- **Reduced rate cut expectations from the Fed**
- **Continued outflows from institutional crypto ETFs**
- **Liquidations of leveraged long positions**
- **Broader weakness in global risk assets**

RENEWED OPTIMISM AND INVESTOR SENTIMENT

Market sentiment improved after the U.S. Congress passed legislation to avert a government shutdown, restoring confidence and easing macroeconomic uncertainty. As risk appetite returned, retail traders re-entered the market, driving modest price gains across major digital assets.

Institutional activity, however, remains subdued. Data from the week of 3–7 November shows Bitcoin spot ETFs recorded around $1.22 billion in net outflows, indicating persistent caution among large investors despite the rebound.
Analysts note that sustained recovery in crypto markets will depend on whether improved sentiment can attract institutional inflows in the coming weeks.

Market Roundup

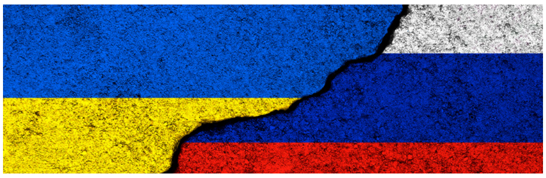
OPEC+ APPROVES LIMITED OUTPUT HIKE

OPEC+ agreed to raise oil production by 137,000 barrels per day in December 2025, then pause further hikes in Q1 2026 amid oversupply concerns. The "Voluntary 8" reaffirmed compliance monitoring and will reconvene on November 30.

FED REMARKS STIR GOLD VOLATILITY

Conflicting comments from Fed officials caused swings in gold prices—Raphael Bostic downplayed chances of a December cut, while Christopher Waller supported it, underscoring a divided Fed.

RUSSIA–UKRAINE TENSIONS RESURFACE



Reports of new Russian drone attacks and blockades were denied by Ukraine, highlighting ongoing uncertainty in the conflict.

CHINA–SOUTH KOREA CURRENCY SWAP

Beijing and Seoul signed a five-year, 400 billion yuan (₩70 trillion) swap deal to enhance financial stability and liquidity support.

EUROZONE PMI IN FOCUS

Investors await Eurozone PMI data from Spain, Italy, France, and Germany at 08:15 GMT, followed by the bloc's reading at 09:00 GMT.

U.S. DATA FACES SHUTDOWN DELAYS

Nonfarm Payrolls, PMI, and Crude Oil Inventories reports risk delays amid the U.S. government shutdown, potentially affecting sentiment after OPEC+'s limited supply increase.

Market Roundup

CHINA LOWERS U.S. TARIFFS

China began reducing tariffs on U.S. agricultural goods from November 10 to ease trade tensions.

BOJ MINUTES SIGNAL POSSIBLE TIGHTENING

October meeting minutes hinted at future rate hikes if inflation persists. The yen briefly strengthened, pushing USD/JPY below 153 before stabilizing.

BOE HOLDS RATES, EASING SUPPORT GROWS

The Bank of England held rates at 4% in a 5–4 vote, with four members backing a 25 bps cut, showing rising support for policy easing.

U.S. DATA TEMPERS CUT BETS

Stronger Nonfarm Payrolls and PMI figures lowered December Fed cut odds to 62% from 70%.

EUROZONE GROWTH IMPROVES

Global crude steel output dropped 1.6% in September to 141.8 million tons, driven by a 4.6% decline in China's production.

ZELENSKY URGES USE OF FROZEN RUSSIAN ASSETS

Better-than-expected PMI data signaled a recovery led by services, while falling producer prices eased inflation pressures.

U.S. OIL INVENTORIES SURGE

Crude stocks rose 5.2 million barrels, signaling weak demand and sending WTI below $60.

FED'S MIRAN FLAGS RESTRICTIVE POLICY

FOMC member Miran said monetary policy remains too tight and further cuts are needed, echoing dovish peers.

The Week Ahead

AMERICAS

The U.S. government shutdown, now the longest on record, continues to delay key data such as CPI. With limited releases, focus shifts to the ADP employment report and the NFIB Small Business Optimism Index, both expected to show softer conditions. Fed officials' comments will guide expectations ahead of December's policy meeting. Earnings season nears its end, with Cisco, Walt Disney, and Applied Materials still to report. In Latin America, Brazil's inflation, retail sales, and business confidence data are in focus.

EUROPE

The U.K. will release GDP, jobs, and production data, with Q3 growth seen at 0.2 percent and unemployment edging up to 4.9 percent. Wage growth is expected to cool further. In the Eurozone, second GDP estimates, industrial output, trade, and final inflation data from Germany, France, and Spain are due. Germany's ZEW sentiment may improve, France's jobless rate could reach 7.6 percent, and Italy's industrial output is likely to rebound by 1.5 percent. Poland's GDP is forecast to rise 3.8 percent, marking its fastest pace in over three years.

ASIA-PACIFIC

China will publish inflation, industrial output, and credit data. CPI is expected to be flat, PPI down 2.2 percent, and industrial growth easing to 5.6 percent. Retail sales may rise 2.7 percent, while fixed investment and new yuan loans could weaken. Japan's releases include the BoJ's Summary of Opinions, current account, and producer prices. India's inflation may ease to 0.48 percent. Australia's confidence, lending, and jobs data are due, with unemployment seen at 4.4 percent. Key releases also include South Korea's unemployment, New Zealand's PMI, and Q3 GDP from Malaysia and Hong Kong.

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