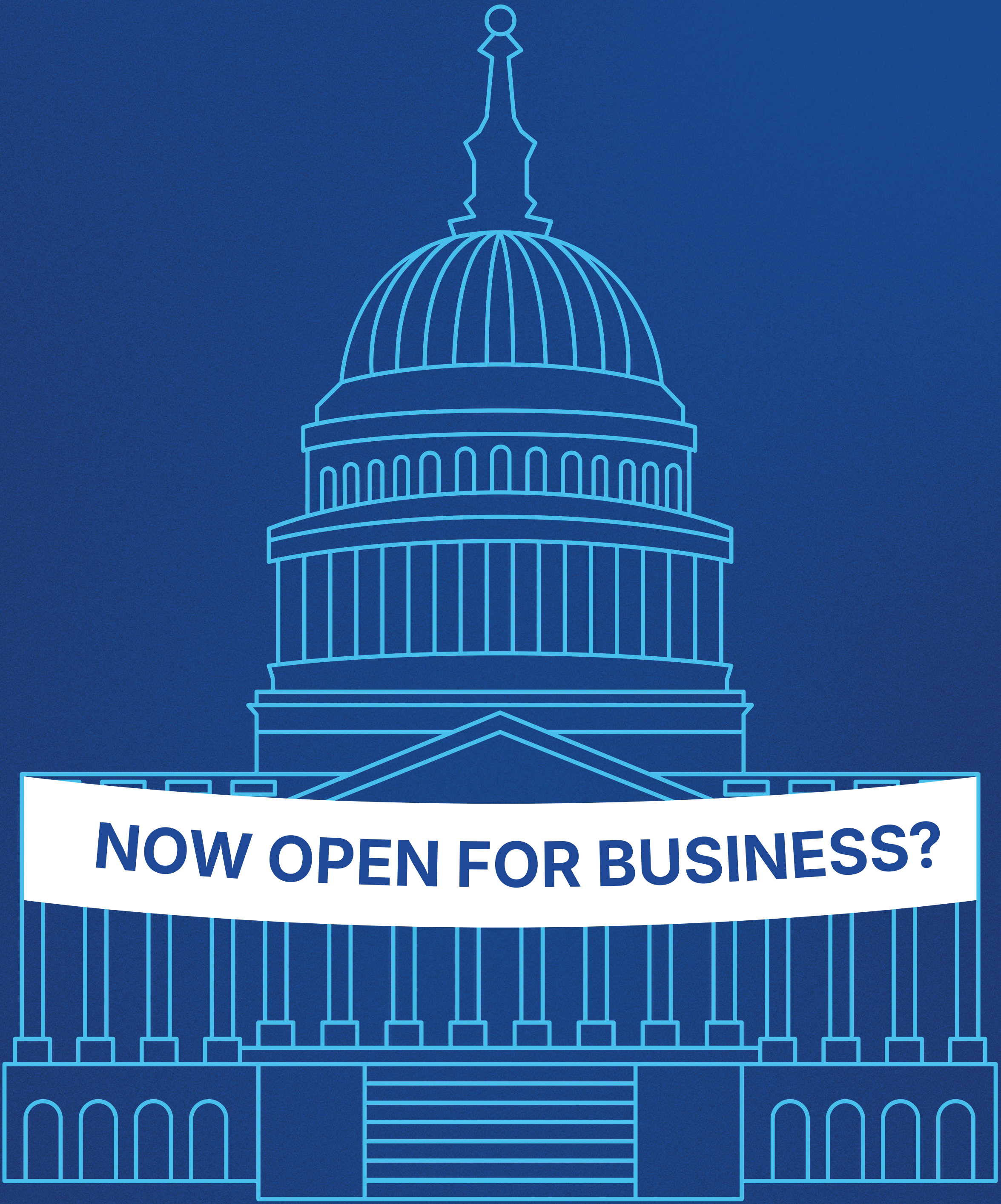
ZITAPLUS
WEEKLY BULLETIN

17— 21 NOV 2025
NO: 17

SHUTDOWN ENDS, UNCERTAINTY BEGINS



ZITA PLUS

ECONOMIC CALENDAR • TECHNICAL ANALYSIS
EU OPENS PROBE INTO GOOGLE'S SEARCH PRACTICES
AI RALLY HITS ITS FIRST REAL TEST• AND MORE...

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TIME	CUR.	EVENT	FORECAST	PREVIOUS
MONDAY, NOVEMBER 17				
03:50	JP	GDP (QoQ)	-0.6%	0.6%
WEDNESDAY, NOVEMBER 19				
11:00	GB	CPI (YoY) (Oct)	3.6%	3.8%
14:00	EU	CPI (YoY) (Oct)	2.2%	2.1%
19:30	US	Crude Oil Inventories	-	6.413M
23:00	US	FOMC Meeting Minutes	-	-
THURSDAY, NOVEMBER 20				
17:30	US	Average Hourly Earnings (MoM) (Sep)	-	0.3%
17:30	US	Initial Jobless Claims	223K	218K
17:30	US	Nonfarm Payrolls (Sep)	-	22K
17:30	US	Philadelphia Fed Manufacturing Index (Nov)	-1.4	-12.8
17:30	US	Unemployment Rate (Sep)	-	4.3%
19:00	US	Existing Home Sales (Oct)	4.06M	4.06M
FRIDAY, NOVEMBER 21				
18:45	US	S&P Global Manufacturing PMI (Nov)	-	52.5
18:45	US	S&P Global Services PMI (Nov)	-	54.8

GMT+4 DUBAI TIME

AFTER THE SHUTDOWN: POLITICAL FALLOUT, DATA GAPS, AND FED SIGNALS

Image Credit: AP Photo/Jacquelyn Martin

THE LONGEST SHUTDOWN ENDS

The 43-day U.S. government shutdown has finally wrapped up after President Donald Trump signed the funding bill cleared by the Senate. During the standoff, Trump repeatedly warned Republicans that the impasse was carrying a heavy political price and urged them to consider scrapping the filibuster. He also accused Democrats of using the situation to their advantage as public frustration deepened.

ECONOMIC DATA STILL AT RISK

Although federal operations are back online, the timeline for restoring full economic reporting remains uncertain. White House economic advisor Kevin Hassett confirmed that October employment figures will be published, but the unemployment rate won't be included due to gaps in data collection. Hassett estimated the shutdown cost roughly $15 billion per week and may shave 1 to 1.5 percentage points off fourth-quarter GDP.

FED OFFICIALS LEAN TOWARD A PAUSE

Comments from Neel Kashkari, Musalem, and Hammack indicate that several Fed officials prefer holding steady at the December 10 FOMC meeting rather than moving forward with a rate cut. Their stance aligns with recent remarks from Chair Jerome Powell and reflects growing caution as policymakers navigate missing data and an uneven economic backdrop.

MARKET PRICING SHIFTS

Rate-cut expectations have pulled back sharply. The probability of a December move now stands near 52%, down from 94% just a month ago. The adjustment proves how quickly the policy outlook has changed as traders respond to the murky data environment and the Fed's more restrained communication.

FOMC MINUTES TAKE ON NEW IMPORTANCE

With key labor indicators potentially incomplete for October, the minutes from the Fed's last meeting, set for release on November 19, are poised to become the most influential guide to the central bank's thinking heading into year-end. The lack of clarity around the data has already weighed on sentiment, adding another layer of uncertainty across financial markets.


GRAND REOPENING

EURUSD

EUR/USD STEADIES AS RISK APPETITE IMPROVES

Risk sentiment strengthened after the reopening of the US government, lifting EUR/USD above 1.16 and pushing the pair to multi-week highs. Markets now turn their attention to the delayed US data releases that will help shape expectations for the December Federal Reserve decision. European data remains limited, keeping overall volatility in the pair subdued.

Technically, initial support is located at 1.1580, with a break lower exposing 1.1470. On the upside, the 1.1640–1.1650 zone acts as immediate resistance, and a sustained move above it could pave the way toward 1.1750.

Key Levels

- **Narrow Range:** 1.1550 - 1.1640
- **Wide Range:** 1.1470 - 1.1700

XAUUSD

GOLD EYES U.S. DATA AFTER TESTING $4,050

Gold opened the week by revisiting the 4,050-dollar area. Last week's year-end profit-taking and shifting Fed expectations briefly lifted the metal to 4,255 dollars before prices eased. For now, attention is on the heavy flow of U.S. data returning after the government's reopening. Thursday's Non-Farm Payrolls report is expected to take the spotlight. Even as expectations for a December rate cut have cooled, gold remains up nearly 55% year-to-date. Steady central-bank buying, persistent geopolitical risks, and growing fiscal concerns continue to support the metal. Technically, 4,013 remains a key support level, while 4,115 marks the first significant resistance.

Key Levels

- **Narrow Range:** $4,013 - $4,115
- **Wide Range:** $3,975 - $4,165

BRENT OIL

BRENT HOLDS ITS RANGE AS SUPPLY PRESSURES SHIFT

Oil prices pulled back after Friday's sharp rise, following the restart of operations at Russia's Novorossiysk port on the Black Sea. The facility had been temporarily shut after a Ukrainian strike caused damage last week, disrupting loadings and tightening supply. With flows resuming, the immediate upward pressure on prices has eased.

Brent crude still remains firmly rangebound. Ongoing supply interruptions from Russia continue to lend support, while higher output from OPEC+ keeps the upside contained. This push-and-pull dynamic is likely to keep prices confined to their recent consolidation zone.

Key Levels

- **Narrow Range:** 63.50 - 65.20
- **Wide Range:** 62.10 - 66.50

BTCUSD

BITCOIN EXTENDS LOSSES AMID RISK APPETITE

Crypto markets remain under heavy pressure, with Bitcoin sliding below $95,000 and reaching a six-month low as reduced expectations for Fed rate cuts weigh on overall sentiment. The decline signals a broader reassessment across digital assets rather than a typical buying opportunity. In this environment, traders benefit more from disciplined positioning, controlled risk, and a long-term perspective than from chasing brief rebounds.

Key Levels

- **Narrow Range:** 90,200 - 97,300
- **Wide Range:** 88,500 - 103,00

EU OPENS PROBE INTO GOOGLE'S SEARCH PRACTICES

The European Commission has initiated a formal inquiry into whether Google has been unfairly reducing the visibility of media publishers in its search results under its "site reputation abuse" rules. Regulators are assessing allegations that publishers partnering with third-party commercial providers face disproportionate penalties, potentially limiting revenue and distorting competition.

DMA FRAMEWORK AND POTENTIAL PENALTIES

The investigation is being conducted under the Digital Markets Act, which requires major digital platforms to treat business partners and competitors in a fair and non-discriminatory manner. The Commission will evaluate whether Google's policies comply with the DMA. Possible consequences include:

- **Fines of up to 10% of global annual revenue**
- **Structural remedies that could force operational or organizational changes**

SCOPE, TIMELINE, AND MARKET RELEVANCE

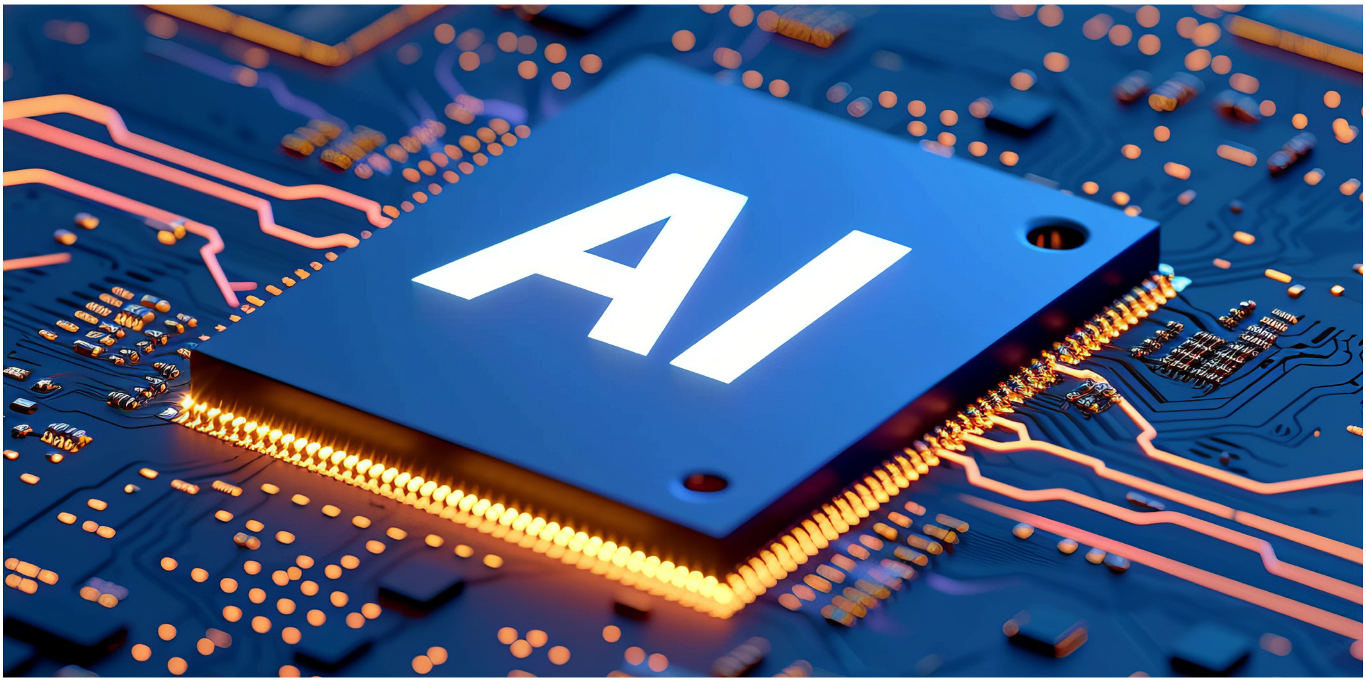
The investigation is expected to run for up to 12 months. During this period, the Commission will analyze Google's practices, request extensive documentation, and may issue interim measures. Any adverse finding could lead to both financial sanctions and significant operational adjustments.

BROADER IMPLICATIONS FOR TECH AND MARKETS

The probe adds to growing regulatory pressure on large U.S. tech firms. Investors are watching closely, as evidence of search bias could influence digital advertising revenues and reshape competitive dynamics in the sector. The case also reinforces the EU's more assertive stance on technology governance, with potential effects on transatlantic digital policy and compliance expectations for global platforms.


Google

AI RALLY HITS ITS FIRST REAL TEST



The rise of artificial intelligence stocks faced challenges this week, impacting U.S. equities. The S&P 500 slid 1.7%, the Nasdaq dropped 2.6%, and the Dow tumbled nearly 700 points, the steepest decline since April. After months of relentless gains, investors chose to lock in profits on heavyweights such as Nvidia, Palantir, and Broadcom. Lingering uncertainty around the next Federal Reserve move added to the pressure, turning a crowded trade into a fast pullback.

A BOOM BUILT ON PROMISE, AND BIG QUESTIONS

Economist Mohamed El-Erian describes the AI surge as a “rational bubble”: grounded in real technological progress, but stretched by outsized expectations. Companies are pouring extraordinary sums into chips, cloud infrastructure, and data centers without matching earnings to justify the pace. Global AI investment is projected to surpass $500 billion by 2026, while Nvidia’s rise to the world’s first $5 trillion valuation captures both the momentum and the risk shaping this cycle.

ECHOES OF THE DOT-COM ERA

Analysts point out unsettling similarities between today’s AI wave and the boom-and-bust pattern of the early 2000s. Capital is flowing at record speed, revenue clarity remains uneven, and some firms are turning to complicated funding structures reminiscent of pre-2008 financial engineering. With AI-linked activity making up more than 90% of U.S. GDP growth in early 2025, the narrative is shifting. The debate is no longer about the scale of the opportunity, but whether the massive investment machine can translate excitement into sustained profits.

BURRY WARNS OF A $176 BILLION GAP IN BIG TECH'S AI BOOM

Michael Burry, famed for calling the U.S. housing collapse, is raising fresh concerns about the financial foundations of the AI and cloud computing boom. His latest warning focuses on the hyper-scalers, the world's largest technology companies, which he believes are building massive infrastructure faster than they can profit from it.

Burry's argument centers on a growing mismatch between soaring AI demand and the escalating cost of supporting it. Data centers, power consumption, and rapid hardware turnover are becoming more expensive, creating what some analysts describe as a 176 billion dollar shortfall between infrastructure investment and current monetization.
Key cost pressures include:

- **Expanding global data centers**
- **High energy usage**
- **Expensive chip cycles and server upgrades**

Burry suggests this imbalance could become a long-term vulnerability if profit growth fails to catch up.

MARGINS UNDER PRESSURE BEHIND THE AI HYPE

Investors have rewarded Big Tech for years of consistent growth, and AI has intensified the optimism. Yet Burry argues that some revenue lines may not be as strong as they look. Several cloud operators rely on heavily discounted services, long-term contracts, or accounting practices that smooth over declining margins.

Regulation and rising global competition are also forcing companies to spend faster to defend their dominance, increasing financial strain.

NOT A COLLAPSE WARNING, BUT A NEEDED REALITY CHECK

Burry is not claiming that AI is overhyped or that the sector faces an imminent downturn. His point is that technological revolutions still require sustainable economics. If companies scale infrastructure without ensuring long-term profitability, valuations may eventually need to adjust.

His comments highlight a broader issue: the belief that AI can endlessly absorb costs may be masking real financial risks. Whether or not Burry proves correct, his warning has sparked a new debate around the true cost of the AI race. The question now is whether Big Tech can monetize its massive AI buildout quickly enough, or whether the industry is quietly accumulating pressures that could reshape growth expectations in the years ahead.

Market Roundup

WILLIAMS FLAGS A TIGHT DECEMBER OUTLOOK

New York Fed John Williams stated that December's meeting will require careful calibration. Inflation remains elevated with little clear moderation, even as the US economy shows pockets of strength. He noted that many low- and middle-income households continue to face heavy pressure from rent and daily expenses. Williams dismissed the idea of revising the Fed's policy framework but highlighted both the promise of AI-driven productivity and the risk that excessive investment could inflate another market bubble.


Image Source: Rob Kim/Getty Images

BOJ MINUTES HINT AT A DECEMBER MOVE

Minutes from the Bank of Japan pointed to a possible rate hike as early as December. One board member said conditions for further normalization are "almost met," though confirmation from underlying inflation is still needed. The broader tone shows a board gradually converging on the idea that the next step is close, aligning with recent comments from Governor Ueda.

MIRAN: STABLECOINS COULD PULL NEUTRAL RATES LOWER

Fed Board member Stephen Miran argued in New York that the rise of stablecoins may push long-run neutral interest rates lower by expanding the pool of loanable funds. A lower neutral rate, he said, would require policy rates to stay lower to maintain stability. Without adjustment, the effect could turn contractionary.


Image Source: Al Drago/Bloomberg

US-CHINA TAKE A BREATHER ON MARITIME DISPUTES

The US and China agreed to suspend their investigations into maritime shipping practices. Washington paused its probe into China's shipbuilding subsidies, while Beijing delayed special port fees for US vessels. The move reflects recent trade dialogue and offers a brief pause in tension, though deeper issues remain unresolved.

Market Roundup

ECB KEEPS A STEADY TONE

ECB Executive Board member Frank Elderson reaffirmed that current rates are still appropriate and stressed a data-driven approach. He said inflation risks are broadly balanced and expected to move toward the 2% goal over time. Austria's central bank chief Martin Kocher echoed that the ECB is in a solid position and does not anticipate major policy changes in the near term.

Image Source: Alex Kraus/Bloomberg

SOFTBANK'S RECORD QUARTER AND SON'S NVIDIA SALE

SoftBank founder Masayoshi Son sold 5.8 billion dollars in Nvidia shares ahead of planned AI-related investments. Strong Nvidia gains and an unexpected windfall from the Vision Fund helped push SoftBank's quarterly profit to 2.5 trillion yen, well above forecasts. The company's shares jumped 78% in the three months through September, marking their strongest quarter since 2005.

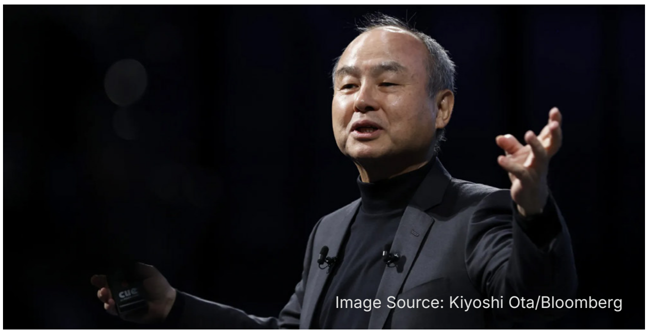


Image Source: Kiyoshi Ota/Bloomberg

BOSTIC TO RETIRE IN FEBRUARY

Atlanta Fed President Raphael Bostic announced plans to retire on February 28. He reiterated that inflation remains the central risk for the US economy and prefers to keep rates steady until clearer progress emerges. He also described current labor signals as difficult to read.


Image Source: Natrice Miller/AJC 2024

CZECH CENTRAL BANK TESTS CRYPTO HOLDINGS

The Czech National Bank disclosed that it purchased 1 million dollars' worth of Bitcoin and other digital assets as part of a pilot program designed to gain hands-on experience with tokenized instruments. The initiative will be reviewed over the next two to three years.

The Week Ahead

With the US government shutdown now over, markets turn to a heavy slate of rescheduled economic data, alongside key private-sector indicators and central bank updates. Nvidia and major US retailers will also guide sentiment, particularly on AI spending and consumer demand.

UNITED STATES

This week brings a mix of delayed government data and timely private surveys. Existing home sales should remain steady, while the NAHB index and regional manufacturing surveys may show further weakness. Flash PMIs and ADP employment figures will offer additional signals on economic momentum. The Federal Reserve remains in focus, with multiple FOMC members speaking and meeting minutes expected to clarify how policymakers are weighing inflation against softer demand. Earnings from Nvidia, Walmart, Target, and Home Depot will provide insight into technology investment and household spending. Canada releases October CPI and retail sales, while Mexico, Chile, and Colombia publish GDP.

EUROPE

Flash PMIs for the Eurozone and the UK are the main releases. Eurozone manufacturing is gradually stabilising, while services remain resilient. The UK is expected to see weaker manufacturing and softer services. Inflation and retail sales will also draw attention. UK CPI is projected to ease to about 3.6 percent, and retail sales may rise for a fifth month. Other key releases include Eurozone and Italian inflation, German producer prices, the Euro Area consumer survey, and GDP data from Switzerland, Denmark, and Norway. Turkey will release consumer confidence, and Hungary’s central bank is expected to hold rates.

ASIA-PASIFIC

The Asia-Pacific calendar is full even without major Chinese releases, with the PBoC likely to keep loan prime rates unchanged. Japan will be a focus with preliminary Q3 GDP, which is expected to show a notable contraction, as well as inflation, PMIs, machinery orders, and trade data. India will publish flash PMIs, unemployment, and infrastructure output. Australia will release RBA minutes, wage growth figures, and flash PMIs. Additional regional highlights include trade data from Singapore, New Zealand, and Malaysia, inflation from Hong Kong and Malaysia, Thailand’s Q3 GDP, and South Korea’s producer prices.

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