

ZITAPLUS

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EU INFLATION EASES IN OCTOBER, SERVICES LEAD



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TIME	CUR.	EVENT	FORECAST	PREVIOUS
MONDAY, NOVEMBER 24				
ALL DAY		Japan - Labor Day Holiday	-	-
TUESDAY, NOVEMBER 25				
11:00		German GDP (QoQ) (Q3)	0.0%	-0.3%
17:30		Core Retail Sales (MoM) (Sep)	-	0.7%
17:30		PPI (MoM) (Sep)	0.3%	-0.1%
17:30		Retail Sales (MoM) (Sep)	0.4%	0.6%
19:00		CB Consumer Confidence (Nov)	93.5	94.6
WEDNESDAY, NOVEMBER 26				
14:00		Autumn Forecast Statement	-	-
17:30		Durable Goods Orders (MoM) (Sep)	0.2%	2.9%
17:30		GDP (QoQ) (Q3)	-	3.8%
17:30		Initial Jobless Claims	-	220K
17:30		Chicago PMI (Nov)	-	43.8
17:30		Core PCE Price Index (MoM) (Sep)	0.2%	0.2%
17:30		Core PCE Price Index (YoY) (Sep)	2.9%	2.9%
17:30		New Home Sales (Sep)	710K	800K
17:30		Crude Oil Inventories	-	-3.426M
THURSDAY, NOVEMBER 27				
ALL DAY		Thanksgiving Day Holiday	-	-
FRIDAY, NOVEMBER 28				
		Thanksgiving Day Holiday - Early Close at 13:00	-	-
17:00		German CPI (MoM) (Nov)	-0.2%	0.3%
18:45		Chicago PMI (Nov)	-	43.8

EU INFLATION EASES IN OCTOBER, SERVICES LEAD

Inflation rates (%) measured by the HICP							
	Annual rate						Monthly rate
	Oct 24	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25
Euro area	2.0	1.9	2.0	2.0	2.0	2.2	2.1
EU	2.3	2.2	2.3	2.4	2.4	2.6	2.5
Belgium	4.5	2.8	2.9	2.6	2.6	2.7	2.5
Bulgaria	2.0	2.9	3.1	3.4	3.5	4.1	3.8
Czechia	3.0	2.3	2.8	2.5	2.4	2.0	2.3
Denmark	1.6	1.5	1.8	2.2	1.9	2.2	2.1
Germany	2.4	2.1	2.0	1.8	2.1	2.4	2.3
Estonia	4.5	4.6	5.2	5.6	6.2	5.3	4.5
Ireland	0.1	1.4	1.6	1.6	1.9	2.7	2.8
Greece	3.1	3.3	3.6	3.7	3.1	1.8	1.6
Spain	1.8	2.0	2.3	2.7	2.7	3.0	3.2
France	1.6	0.6	0.9	0.9	0.8	1.1	0.8
Croatia	3.6	4.3	4.4	4.5	4.6	4.6	4.0
Italy	1.0	1.7	1.8	1.7	1.6	1.8	1.3
Cyprus	1.6	0.4	0.5	0.1	0.0	0.0	0.2
Latvia	2.1	3.7	3.9	3.9	4.2	4.2	4.3
Lithuania	0.1	3.0	3.2	3.4	3.6	3.7	3.7
Luxembourg	0.9	2.1	2.4	2.6	2.8	3.1	3.0
Hungary	3.4	4.5	4.6	4.2	4.2	4.3	4.2
Malta	2.4	2.7	2.5	2.5	2.7	2.4	2.5
Netherlands	3.3	2.9	2.8	2.5	2.4	3.0	3.0
Austria	1.8	3.0	3.2	3.7	4.1	3.9	4.0
Poland	4.2	3.5	3.4	2.9	2.7	2.9	2.9
Portugal	2.6	1.7	2.1	2.5	2.5	1.9	2.0
Romania	5.0	5.4	5.8	6.6	8.5	8.6	8.4
Slovenia	0.0	1.9	2.5	2.9	3.0	2.7	3.1
Slovakia	3.5	4.3	4.6	4.6	4.4	4.6	3.9
Finland	1.5	2.0	1.9	1.9	2.2	2.2	1.4
Sweden	1.6	2.3	2.9	3.1	3.4	3.2	3.1
Iceland	3.7	3.5	3.9	3.7	3.7	4.3	3.9
Norway	2.2	2.7	2.7	3.1	3.5	3.6	3.0
Switzerland	0.7	-0.2	0.2	0.1	0.0	0.0	0.1

Source dataset: prc_hicp_mann and prc_hicp_mmor

Eurozone inflation slowed slightly in October 2025, which reinforced the region's broader disinflation trend as the European Central Bank evaluates the timing of potential policy adjustments. Eurostat reported that annual inflation in the euro area slipped to 2.1%, down from 2.2% in September and only slightly above the 2.0% level seen a year earlier. Across the wider European Union, inflation cooled to 2.5%, marking another month of steady moderation.

DIVERGING INFLATION ACROSS MEMBER STATES

Inflation data across EU countries continued to show a wide gap, highlighting varied economic conditions within the bloc.

- **Lowest inflation: Cyprus (0.2%), France (0.8%), Italy (1.3%)**
- **Highest inflation: Romania (8.4%), Estonia (4.5%), Latvia (4.3%)**

Compared with September, inflation fell in fifteen member states, remained unchanged in three, and increased in nine. This divergence reflects differing energy exposures, labor-market dynamics, and domestic demand patterns.

SERVICES DRIVE PRICE GROWTH

The breakdown of inflation components shows that services remained the primary force behind euro area price growth.

- **Services:** +1.54 percentage points, supported by firm demand in travel, leisure, and professional services
- **Food, alcohol and tobacco:** +0.48 pp
- **Non-energy industrial goods:** +0.16 pp
- **Energy:** -0.08 pp, as lower fuel prices and easing supply constraints helped reduce headline inflation

The strong contribution from services underscores persistent underlying price pressures, even as goods inflation continues to stabilize.

POLICY IMPLICATIONS FOR THE ECB

The October inflation report supports expectations that price growth is gradually moving toward the ECB's medium-term target. Headline inflation is now well within range, but the resilience of service-sector prices suggests that disinflation is not yet complete.

As the ECB prepares for upcoming policy meetings, investors will watch closely to see whether continued moderation in inflation strengthens the case for rate cuts in 2026. The next rounds of wage, services, and core inflation data will be key in determining the pace and timing of any adjustments.

2.2%

2.1%

EURUSD

EUR/USD SOFT AS LAGARDE TAKES THE SPOTLIGHT

EUR/USD extended its downward momentum last week, briefly touching 1.1496 on Friday before finishing slightly higher. The pair is now hovering close to the November low at 1.1468, though the broader trend still needs clearer confirmation before it can be considered a full breakdown. With attention shifting to delayed U.S. data releases, early-week movement is likely to stay restrained.

ECB President Lagarde's remarks will be the central point of interest today.



Key Levels

- **Narrow Range:** 1.1470 - 1.1625
- **Wide Range:** 1.1390 - 1.1750

XAUUSD

GOLD SOFTENS AS CUT BETS RISE

Gold eased toward 4,040 dollars on Monday, extending last week's softer tone as traders awaited key US data to guide expectations for the Fed. Dovish remarks from Williams helped revive December rate-cut bets, pushing the implied probability back toward 69% after last week's drop.

Technically, the 4,025–4,030 area remains the main short-term support. A break below it could drive losses toward 3,992, with further downside pointing to the 3,886 zone. On the topside, 4,110 is the first resistance, followed by 4,132 if momentum strengthens.



Key Levels

- **Narrow Range:** \$4,025/30 – 4,110
- **Wide Range:** 3,992 – 4,190

BRENT OIL

PEACE TALKS DEEPEN BRENT SUPPLY FEARS

Brent crude is down nearly 4% this month, putting it on course for its longest losing run since 2023 if the decline continues. Renewed discussion of a Russia-Ukraine peace framework has added pressure, raising the possibility of Russian barrels returning to global supply and expanding next year's expected surplus.

The near-term zone to observe is 57.65-58.65; a clean break below it would likely accelerate the move lower. If a peace deal brings fresh supply back to the market, Brent could fall toward 53.15, a major downside marker on the broader chart.

Momentum remains weak, and Brent needs to reclaim higher levels before any sustainable recovery can form.

Key Levels

- Narrow Range:** 60.30 – 63.10
- Wide Range:** 58.40 – 65.20



BTCUSD

BITCOIN STRUGGLES AS RISK SENTIMENT WEAKENS

Bitcoin continues to mirror global risk appetite, moving almost in sync with U.S. tech stocks. Last week's weaker sentiment pushed BTC below 88,000 for the first time since April, leaving it down nearly 23% this month. Momentum remains fragile as investors step back from high-beta assets, and focus now shifts to whether Bitcoin can hold major support. The key zone is 73,000, the lower boundary of the medium-term structure. A clean break below it could spark deeper retracements, while the upside is likely limited unless BTC recovers above the short-term trendline. Overall, Bitcoin is consolidating, driven more by global risk sentiment than crypto-specific factors.

Key Levels

- Narrow Range:** 83,140 – 88,000
- Wide Range:** 80,200 – 92,100



TAKAICHI'S STANCE ON TAIWAN SPARKS PUSHBACK FROM CHINA



Tensions between China and Japan have escalated quickly following Sanae Takaichi's arrival as Japan's new prime minister. Her first in-person conversation with President Xi Jinping at the APEC summit made the shift unmistakable: both leaders appeared rigid and cautious, underscoring a relationship moving into a sharper, more contentious phase.

A COLDER CHAPTER BEGINS BETWEEN BEIJING AND TOKYO

Takaichi is known for her firm stance on Taiwan and national security. She has framed the protection of Taiwan's democracy as a moral duty for Japan and recently described a potential conflict over the island as a "survival-threatening situation" for the country. Beijing responded immediately, accusing her of heightening tensions and disregarding long-standing diplomatic boundaries.

China's reaction extended well beyond official statements. State media labeled Takaichi's remarks as dangerous and warned Japan against crossing "red lines." Analysts note that the intensity of Beijing's criticism is partly tied to Takaichi's political history; her long-standing support for Taiwan and her visits to sites linked to Japan's wartime past, which China views as antagonistic.

A REGION BRACING FOR A MORE UNSETTLED PERIOD

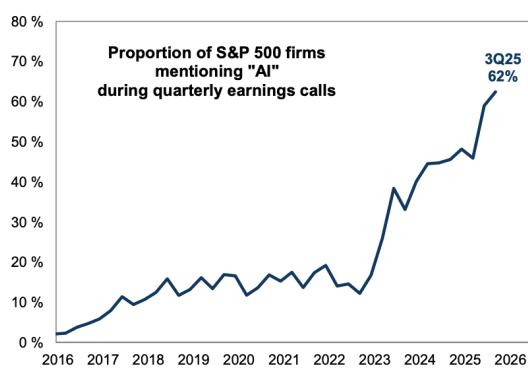
Both governments appear to be preparing for more friction ahead. Japan is strengthening its security cooperation with the United States, while China is tightening political and military pressure around Taiwan. Experts worry that miscommunication or political overreach could elevate the risk of a regional crisis. Japanese officials, however, continue to stress that their objective is stability, not confrontation.

As Beijing and Tokyo recalibrate under Takaichi's leadership, global attention is locked on Asia's shifting strategic balance. Diplomats, markets, and security analysts agree that how China and Japan manage this new tension will carry consequential implications for the region's future.



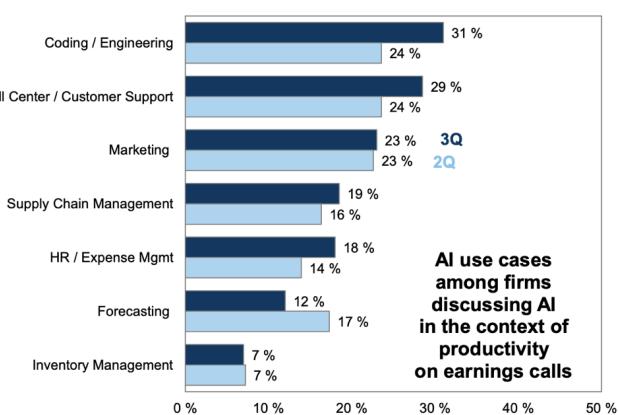
THE AI BOOM: HYPE VS. REALITY

Exhibit 1: The share of companies discussing AI on earnings calls continues to grow



Source: FactSet, Goldman Sachs Global Investment Research

Exhibit 4: Productivity-related AI use cases



Source: Goldman Sachs Global Investment Research

Artificial intelligence (AI) remains a dominant topic in corporate America, frequently highlighted by S&P 500 executives as a path to future profitability. However, a significant gap is widening between this widespread executive optimism and the measurable impact of AI in the real world. Data suggests that tangible deployment generating business results remains limited.

THE UNEVEN PACE OF ADOPTION

Despite the massive increase in AI mentions, adoption rates across many industries have not kept pace. The immediate financial beneficiaries have been a narrow set of players:

- **Key Gainers:** Revenue growth is primarily concentrated among semiconductor and cloud-infrastructure providers, who are meeting the rising demand for computational power.
- **Traditional Lag:** Sectors like retail and manufacturing have yet to report the meaningful productivity gains repeatedly promised by leadership.

This disparity suggests the AI transformation is highly uneven, with progress concentrated in the technology sector while traditional industries struggle to integrate these tools effectively. Furthermore, many companies offer only broad, aspirational statements about cost reduction and efficiency, often lacking concrete strategies for implementation. Analysts caution that this "AI storytelling" risks inflating expectations beyond near-term delivery.

FOUNDATIONS FOR FUTURE ACCELERATION

While the current transition is slower than markets hoped, the overall corporate AI push should not be dismissed. The strong performance of chipmakers and cloud platforms reflects genuine demand for the foundational elements of AI, including model training capabilities and enterprise tools.

As these infrastructure foundations deepen, AI adoption across other sectors is expected to accelerate. Ultimately, the next phase of the AI cycle will distinguish companies that merely talk about AI from those that successfully build the workflows and expertise needed to deliver measurable, real-world productivity improvements.

FED MINUTES REVEAL A DEEPENING DIVIDE



The latest minutes from the Federal Reserve's October 28-29 meeting show widening disagreement among policymakers over the next steps for interest rates. The committee delivered a 25-basis-point cut, bringing the policy range to 3.75-4.00%, but the minutes make clear that unity is fading.

Several officials argued that monetary policy remains restrictive even after October's adjustment, pointing to tight financial conditions and a fragile economic backdrop. Others reached the opposite conclusion, noting firmer activity data, easing financial conditions, and short-term real rate estimates that imply policy may no longer be restrictive in practice. These contrasting assessments are now shaping an unmistakable split within the committee.

DECEMBER MEETING: A RARE OPEN QUESTION

The minutes state directly that officials held "strongly differing views" on the most appropriate decision for December. Some participants indicated that, if the outlook unfolds as projected, another cut could be justified. A sizeable group, however, pushed for holding rates steady through year-end, citing uncertainty surrounding inflation trends and early signals of a softer labor market.

OCTOBER VOTE HIGHLIGHTS EARLY FRACTURES

The October cut passed with a 10-2 vote, already hinting at tension within the committee. Those fractures are now more pronounced. With delayed labor-market and inflation data still to be released due to the government shutdown, visibility is limited. As a result, the December meeting stands out as one of the most unpredictable moments of the Fed's year, with the path ahead defined as much by internal debate as by incoming data.

Market Roundup

RUSSIA: EUROPE'S GAS PIVOT COMES AT A HIGH COST

Russia's special envoy Kirill Dmitriyev said Europe's shift away from Russian natural gas has cost an estimated 1.4 trillion dollars, placing substantial strain on European industry. Speaking at the "AI Journey" forum in Moscow, he argued that short-term attempts to isolate Russia have not achieved their intended effect and predicted that many Western firms will try to re-enter the Russian market within the next two to three years. He referenced German business surveys showing that 41% of companies expect layoffs next year, while only 13% anticipate hiring. Dmitriyev also outlined Russia's plans to expand AI-driven satellite programs through the Russian Direct Investment Fund.



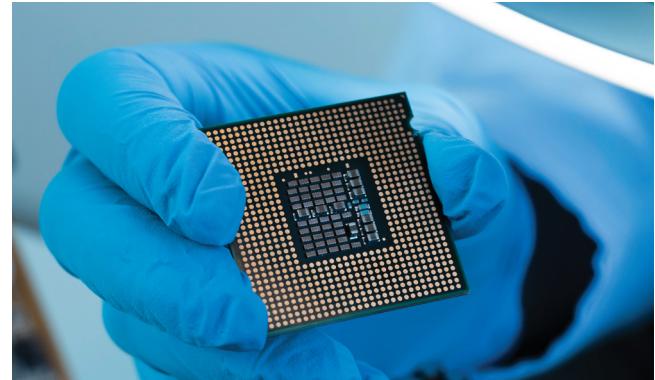
TRUMP ROLLS BACK TARIFFS ON BRAZIL

In the United States, President Donald Trump issued a decree lifting additional tariffs on certain agricultural products imported from Brazil. The duties had been increased from 10% to 50% in July over concerns tied to Brazil's policies and their perceived impact on US national security and economic stability. After progress in October negotiations between Trump and President Lula da Silva, the extra charges were removed on November 13, with the possibility of refunds on previously collected duties if needed.



INDIA RAMPS UP ITS CHIP AMBITIONS

India pressed ahead with its goal of becoming a major semiconductor production center. Technology Minister Ashwini Vaishnaw said the country's manufacturing capacity is on track to reach levels comparable to leading global players by 2032. A 10-billion-dollar government fund is supporting this expansion across design, assembly, packaging, and testing. Investments such as Micron's new facility in Gujarat and Tata Group's plans for domestic silicon production now anchor the country's growing semiconductor ecosystem.



Market Roundup

EUROPE OPENS ON A SPLIT TONE

European markets began the day mixed as regulatory decisions and cross-border policy shifts shaped sentiment. A notable development came from the Netherlands, where the government ended its temporary intervention in chipmaker Nexperia and returned full control to its Chinese owner, Wingtech. Officials framed the move as a goodwill signal toward Beijing after months of operational disruption. The decision points to a more constructive phase in EU-China relations, particularly within the semiconductor supply chain, following earlier concerns over technology handling and corporate oversight.



BRUSSELS REVEALS A 'MILITARY SCHENGEN' VISION

The European Commission introduced its new Military Mobility Package, an ambitious plan to create a streamlined defense transit zone across the bloc by 2027. The framework aims to speed up troop and equipment movements through simplified customs rules, emergency fast-track approvals, and unified procedures across member states. The proposal also includes the EMERS coordination system for EU and NATO missions, along with funding for infrastructure durability, cybersecurity, and dual-use transport networks.



UK INFLATION COOLS FOR THE FIRST TIME IN MONTHS

In the UK, the latest inflation report provided a dose of relief. Headline CPI eased to 3.6% in October, marking the first decline in seven months, helped by lower energy costs. Core inflation slipped to 3.4%, adding to signs that broader price pressures may be losing strength. The data strengthened expectations for a potential rate cut at the Bank of England's December 18 meeting, though wage trends and fiscal questions still influence the wider outlook.



The Week Ahead

A shortened Thanksgiving week in the United States brings another wave of shutdown-delayed data, including September producer prices, retail sales, durable goods orders, key housing indices, and multiple regional surveys. In the United Kingdom, Chancellor Rachel Reeves will present the Autumn Budget, while Germany, France, and Italy release preliminary November inflation figures. Canada and India will also publish GDP data, and the Reserve Bank of New Zealand is set to deliver its policy decision.

AMERICAS

In the Americas, lighter trading is expected due to US market closures, but the data flow remains active. September PPI is forecast to rise 0.3 percent, retail sales to ease to 0.4 percent, and durable goods orders to increase by 0.2 percent. Housing indicators, consumer confidence, pending home sales, and several Fed surveys will offer further insight. Canada releases Q3 GDP, while Brazil and Mexico report mid-month inflation.

EUROPE

In Europe, attention turns to the UK's Autumn Budget, where Reeves is expected to introduce £20–30 billion in new tax measures to address weak growth and high borrowing costs. Across the region, inflation prints will dominate the calendar, with Germany likely posting its first monthly CPI decline since January and France and Italy showing softer readings. Eurozone sentiment data, retail sales, labor-market indicators, and several final GDP releases will also be in focus, alongside the ECB's meeting minutes.

ASIA-PACIFIC

In the Asia-Pacific region, China's October industrial profits and November PMIs will signal the strength of its industrial recovery. Japan's unemployment rate is expected to improve slightly, though industrial production may contract after September's rebound. India's GDP growth is projected to remain above 7 percent, while Australia will publish inflation and capex data. Singapore reports CPI, several regional economies release trade figures, and the Reserve Bank of New Zealand is widely expected to cut rates by 25 basis points, even as prospects for a Bank of Korea cut fade.





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