

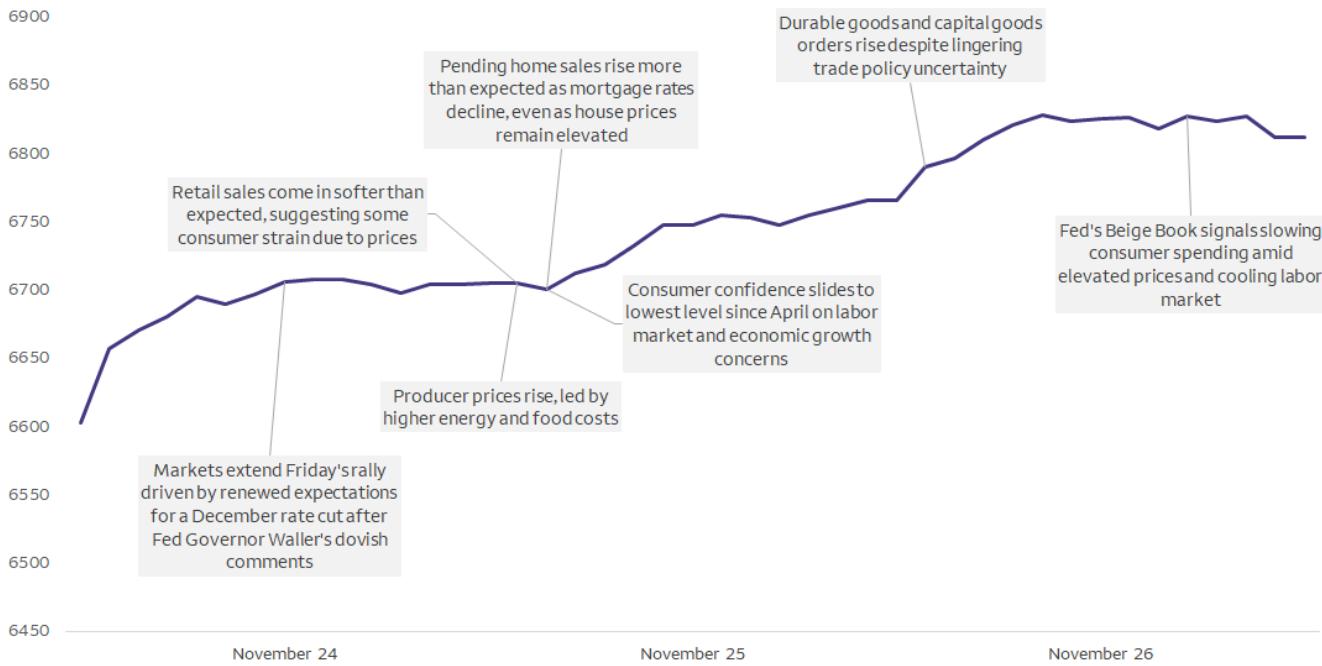
Looking Ahead

November 28, 2025

Stocks rally on rate cut optimism

Stocks were on track to end the week higher as markets began to price in higher odds for a December rate cut after recent comments from Federal Reserve (Fed) officials that signaled more willingness to cut rates. Investors also assessed a full docket of economic data. Retail sales showed modest growth, while durable goods orders advanced on strength in capital goods and technology categories. Inflation remained moderate, with producer prices rising slightly. Housing indicators were mixed. House prices remained elevated, continuing to contribute to affordability challenges. Pending home sales rose, supported by lower mortgage rates and improved inventory. Consumer confidence weakened, highlighting ongoing concerns about economic conditions. Meanwhile, the Fed's Beige Book suggested softer consumer spending and a more cautious outlook. Looking ahead, investors will monitor purchasing managers' indexes (PMIs), personal income, personal spending, personal consumption expenditures (PCE), labor market data, and consumer sentiment for signals on economic momentum.

S&P 500 Index performance week of November 24 – 26



Sources: Bloomberg, Wells Fargo Investment Institute. Data from November 24, 2025, through November 26, 2025, at 4:00 p.m. ET. **Past performance is no guarantee of future results.** An index is unmanaged and not available for direct investment.

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Week in review: November 24 - 26

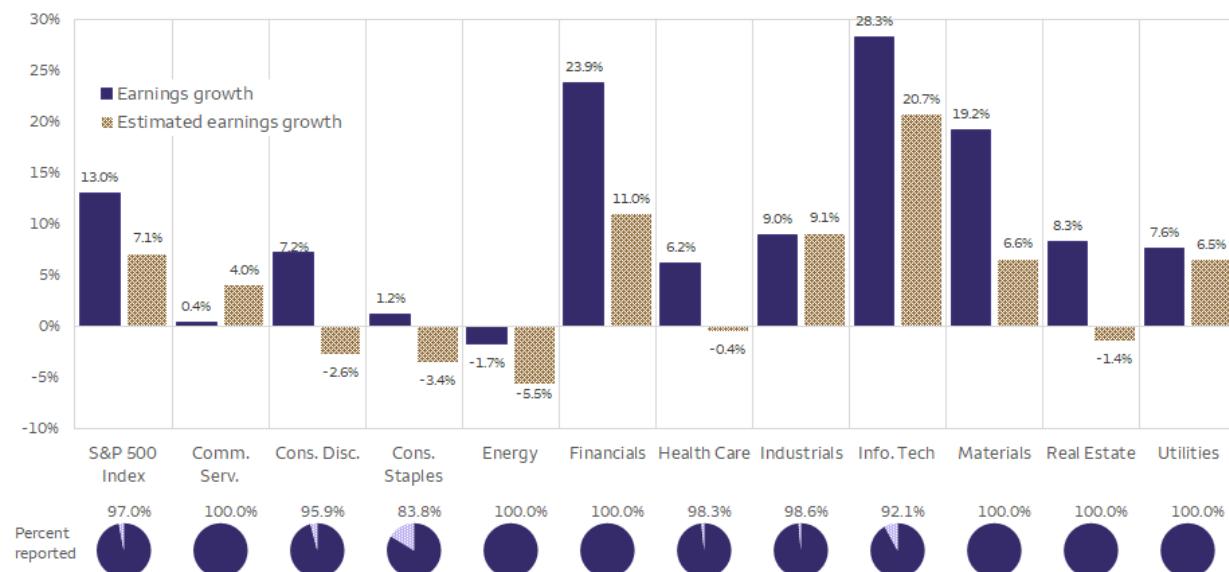
Economic data

- Retail sales for September rose by 0.2% month-over-month (MOM), marking more modest growth following August's 0.6% gain.
 - Control group sales, which feed into gross domestic product (GDP) calculations, slipped 0.1%, signaling softer underlying consumer demand heading into the fourth quarter.
- Producer Price Index (PPI) data for September showed moderate inflation trends, rising 0.3% MOM and 2.7% year-over-year (YOY). The core prints (which exclude energy and food) came in at 0.1% MOM and 2.6% YOY.
 - The report indicated that higher energy and food costs drove most of the increase, while services costs were unchanged. Margins shrank for machinery and equipment wholesalers but improved at food wholesalers compared to the prior month.
- The Federal Housing Finance Agency (FHFA) House Price Index remained flat MOM in September, following a 0.4% increase in August.
 - Prices remain elevated, contributing to lingering affordability challenges overall with regional softness in the Pacific and Mountain divisions offsetting modest gains in the East North Central area.
- Consumer confidence weakened further in November, as the government shutdown still weighed on sentiment.
 - The Conference Board Consumer Confidence Index fell to 88.7, compared to 112.8 in November 2024.
- Pending home sales rose by 1.9% MOM, following a prior month's upward revision to 0.1%.
 - The shift reflects a decline in mortgage rates to a one-year low and improved inventory, which encouraged buyers to step off the sidelines.
- Durable goods orders in September showed growth, with headline orders preliminarily rising by 0.5% MOM.
 - The change was driven by strength in core capital goods, as well as gains in computers & electronics, electrical equipment, and machinery, while weakness in civilian aircraft orders partially offset the increase.
- The Fed's Beige Book said economic activity was mostly unchanged, with consumer spending continuing to soften while higher-end retail held up and manufacturing showing modest improvement despite tariff-related headwinds. Labor markets cooled as hiring slowed and firms relied more on freezes and attrition than layoffs, while wage growth remained moderate.

Stock market recap

By market close on Wednesday, the major averages were on track to rally for the week, recovering from the recent slide. As of Wednesday, the S&P 500 Index was on track to climb 3.2%, the Nasdaq 4.2%, and the Dow 2.5%.

A strong third quarter earnings season is nearing a close



Sources: Bloomberg, Wells Fargo Investment Institute. Chart shows actual versus projected S&P 500 Index earnings growth by sector. Actual earnings growth as of November 26, 2025, at 4:00 p.m. ET. Bloomberg consensus estimated earnings growth as of September 26, 2025, at 8:30 a.m. ET. Past performance is no guarantee of future results. An index is unmanaged and not available for direct investment.

Looking ahead to next week: December 1 – 5

U.S.

- The highlight early in the coming week will be November PMIs for manufacturing and services from the Institute for Supply Management on Monday and Wednesday, respectively.
- On Friday, attention will then shift to September personal income, personal spending, PCE Deflator, and the preliminary December consumer sentiment and inflation expectations survey from the University of Michigan.
- Other potentially market-moving reports include November's ADP survey of private employment, Challenger job cuts report, and vehicle sales. Also on tap: October's consumer credit and September's industrial production, Import Price Index, and Export Price Index.
- Markets will also watch for the potential release of various reports that were delayed due to the shutdown.

Asia

- In China, the highlight of an otherwise data-light week will be private November PMIs for both the manufacturing and service sectors.
- From Japan, watch for finalized November PMIs, along with the leading index, monetary base, consumer confidence, household spending, capital spending, and company sales.
- Elsewhere in the region, South Korea's and Australia's trade balances, November PMIs, measures of inflation, and third-quarter GDPs hit the tape, along with the latter's building approvals and household spending.

Europe

- The focus will be on finalized November PMIs around the region, along with the eurozone's November Consumer Price Index; October PPI, unemployment rate, and retail sales; and final readings of third-quarter GDP and employment.
- From France, look for the trade balance, industrial production, and budget balance, while Germany releases their factory orders. Economic releases from the U.K. include house prices, mortgage approvals, and consumer credit.

Scheduled economic releases for week of December 1, 2025

Date	Time	Country	Release	For	Consensus	Prior
Monday, 12/1	4:00 AM	Eurozone	HCOB Eurozone Manufacturing PMI	November Final	49.7	49.7
Monday, 12/1	4:30 AM	U.K.	S&P Global UK Manufacturing PMI	November Final	50.2	50.2
Monday, 12/1	9:45 AM	U.S.	S&P Global US Manufacturing PMI	November Final		51.9
Monday, 12/1	10:00 AM	U.S.	ISM Manufacturing	November	49.0	48.7
Tuesday, 12/2	5:00 AM	Eurozone	CPI Estimate YoY	November Prelim	2.1%	2.1%
Tuesday, 12/2	8:45 PM	China	RatingDog China PMI Composite	November		51.8
Tuesday, 12/2	8:45 PM	China	RatingDog China PMI Services	November	52.0	52.6
Wednesday, 12/3	4:00 AM	Eurozone	HCOB Eurozone Services PMI	November Final	53.1	53.1
Wednesday, 12/3	4:30 AM	U.K.	S&P Global UK Services PMI	November Final	50.5	50.5
Wednesday, 12/3	8:15 AM	U.S.	ADP Employment Change	November	20k	42k
Wednesday, 12/3	9:15 AM	U.S.	Industrial Production MoM	September	0.10%	-0.08%
Wednesday, 12/3	9:45 AM	U.S.	S&P Global US Services PMI	November Final		55
Wednesday, 12/3	10:00 AM	U.S.	ISM Services Index	November	52.0	52.4
Thursday, 12/4	7:30 AM	U.S.	Challenger Job Cuts YoY	November		175.3%
Thursday, 12/4	8:30 AM	U.S.	Trade Balance	October		-59.55b
Thursday, 12/4	11:30 PM	India	RBI Repurchase Rate	December 5	5.3%	5.5%
Friday, 12/5	2:45 AM	France	Industrial Production MoM	October	-0.2%	0.8%
Friday, 12/5	5:00 AM	Eurozone	GDP SA QoQ	3Q Final	0.2%	0.2%
Friday, 12/5	10:00 AM	U.S.	U. of Mich. Sentiment	December Prelim	52	51
Friday, 12/5	3:00 PM	U.S.	Consumer Credit	October	15.000b	13.093b

Source: Bloomberg. Data as of November 28, 2025, as of 8:30 A.M. ET. Times shown in table are in Eastern Time. 3Q = third quarter.

Scheduled earnings releases for week of December 1, 2025

Ticker	Company	Report date	Call time	Revenue est. (billions)	EPS est.	EPS year ago
MRVL	Marvell Technology, Inc.	Tuesday, 12/2	4:45 PM	\$2.07	\$0.74	\$0.43
CRWD	CrowdStrike Holdings, Inc. Class A	Tuesday, 12/2	5:00 PM	\$1.21	\$0.94	\$0.93
GWRE	Guidewire Software, Inc.	Wednesday, 12/3	5:00 PM	\$0.32	\$0.61	\$0.43
CRM	Salesforce, Inc.	Wednesday, 12/3	5:00 PM	\$10.27	\$2.86	\$2.41
DLTR	Dollar Tree, Inc.	Wednesday, 12/3	8:00 AM	\$4.70	\$1.09	\$1.12
BF.B	Brown-Forman Corporation Class B	Thursday, 12/4	10:00 AM	\$1.02	\$0.48	\$0.55
KR	Kroger Co.	Thursday, 12/4	10:00 AM	\$34.25	\$1.03	\$0.98
ULTA	Ulta Beauty Inc.	Thursday, 12/4	4:30 PM	\$2.70	\$4.56	\$5.14
COO	Cooper Companies, Inc.	Thursday, 12/4	5:00 PM	\$1.06	\$1.11	\$1.04
HPE	Hewlett Packard Enterprise Co.	Thursday, 12/4	5:00 PM	\$9.90	\$0.58	\$0.58
HRL	Hormel Foods Corporation	Thursday, 12/4	8:00 AM	\$3.24	\$0.31	\$0.42
DG	Dollar General Corporation	Thursday, 12/4	9:00 AM	\$10.62	\$0.94	\$0.89

Source: FactSet. Data as of November 28, 2025, as of 8:30 A.M. ET. Times shown in table are in Eastern Time. EPS = earnings per share.

Risk Considerations

Different investments offer different levels of potential return and market risk. The level of risk associated with a particular investment or asset class generally correlates with the level of return the investment or asset class might achieve. **Stock markets**, especially foreign markets, are volatile. Stock values may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors. **Foreign investing** has additional risks including those associated with currency fluctuation, political and economic instability, and different accounting standards. These risks are heightened in emerging markets. **Bonds** are subject to market, interest rate, price, credit/default, liquidity, inflation and other risks. Prices tend to be inversely affected by changes in interest rates. **Real estate** has special risks including the possible illiquidity of underlying properties, credit risk, interest rate fluctuations and the impact of varied economic condition.

Sector investing can be more volatile than investments that are broadly diversified over numerous sectors of the economy and will increase a portfolio's vulnerability to any single economic, political, or regulatory development affecting the sector. This can result in greater price volatility.

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Definitions

An index is unmanaged and not available for direct investment.

The S&P 500 Index is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the US stock market.

The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market.

Business inventories track inventories (either goods ready for sale or shipment that are still being held by the producer, or goods acquired for the purpose of reselling them without further processing) in the manufacturing, as well as retail and wholesale trade industries.

The change in nonfarm payrolls measures the number of employees on business payrolls.

The change in real average hourly earnings measure the change in real earnings or hours of all workers on nonfarm payrolls.

Construction spending generally refers to the value of new construction activity on residential and nonresidential projects.

Consumer confidence (or consumer sentiment) tracks sentiment among households or consumers.

The Consumer Price Index (CPI) is a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.

Department store sales tracks the resale of new and used goods to the general public, for personal or household consumption. Specifically these data measure sales at department stores.

Durable goods orders track the value of new orders received during the reference period. Orders are typically based on a legal agreement between two parties in which the producer will deliver goods or services to the purchaser at a future date.

Existing home sales tracks the sales of previously owned homes during the reference period.

Factory orders track the value of new orders received during the reference period. Orders are typically based on a legal agreement between two parties in which the producer will deliver goods or services to the purchaser at a future date.

The German Ifo Business Climate survey tracks the general state of the economy as it relates to businesses.

Gross domestic product (GDP) measures the final market value of all goods and services produced within a country. It is the most frequently used indicator of economic activity. The GDP by industry approach (or output-based GDP) is the sum of the gross value added (output less intermediate consumption) of all industry and services sectors of the economy (at basic prices), plus all taxes less subsidies on products. This concept is adjusted for inflation.

House/home prices track changes in residential property prices.

Housing (or building) starts track the number of new housing units (or buildings) that have been started during the reference period.

Industrial or manufacturing sales/profits (sometimes referred to as shipments or turnover) tracks producers' sale or shipment of their goods to third parties. This concept tracks the value of those sales or shipments.

Industrial production measures the output of industrial establishments in the following industries: mining and quarrying, manufacturing and public utilities (electricity, gas and water supply). Production is based on the volume of the output.

The international trade balance (or foreign trade) measures the difference between the movement of merchandise trade and/or services leaving a country (exports) and entering a country (imports). This measure tracks the value of the merchandise trade balance.

Jobless (or unemployment) claims tracks the total number of people who have filed jobless claims with the appropriate government labor office; typically, in order to receive unemployment benefits.

The labor force participation rate is the total labor force as a percent of the working age population.

The money supply (or money stock) measures the total amount of money in circulation in a country or group of countries in a monetary union.

The National Association of Home Builders (NAHB) Housing Market Index (or homebuilder sentiment) tracks sentiment among participants in the housing industry.

PCE deflators (or personal consumption expenditure deflators) track overall price changes for goods and services purchased by consumers. Deflators are calculated by dividing the appropriate nominal series by the corresponding real series and multiplying by 100.

Pending home sales tracks signed real estate contracts for existing single-family homes, condos and co-ops that have not yet closed. As such it is a leading indicator for existing home sales.

Personal income or consumer/household income tracks all income received by households including such things as wages and salaries, investment income, rental income, transfer payments, etc. This concept is not adjusted for inflation.

Personal spending or consumer/household spending (also referred to as consumption) tracks consumer expenditures on goods and services. This concept is not adjusted for inflation.

Private sector credit tracks the outstanding amount of credit (or loans) extended to businesses and consumers.

The Producer Price Index (PPI) is a measure of the change in the price of goods as they leave their place of production (i.e. prices received by domestic producers for their outputs either on the domestic or foreign market).

Purchasing Managers' Indexes (PMIs) track sentiment among purchasing managers at manufacturing, construction and/or services firms. An overall sentiment index is generally calculated from the results of queries on production, orders, inventories, employment, prices, etc.

Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

The U.S. Empire State Manufacturing Survey General Business Conditions (Empire State Manufacturing) is a survey, conducted on a monthly basis by the Federal Reserve Bank of New York, that tracks sentiment among manufacturers in the state of New York.

The unemployment (or jobless) rate tracks the number of unemployed persons as a percentage of the labor force (the total number of employed plus unemployed). These figures generally come from a household labor force survey.

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