

WEEKLY BRIEFING

Week of November 10, 2025

Executive Take & Macro Regime

Executive Take

Markets are caught between decelerating growth and patient central banks. Inflation's stickiness keeps policy restrictive, while liquidity data show contraction. The result: a late-cycle, low-beta environment where selectivity matters more than direction. Volatility will rise as liquidity drains, and broad market upside is less reliable. Investors who keep chasing benchmarks risk round-tripping gains if credit spreads widen or the dollar strengthens. Quality balance sheets and real cash flows are the only true safety nets in a regime defined by tightening liquidity and policy hesitation.

Macro Regime

- Global PMIs and leading indicators signal slowing momentum.
- Inflation is plateauing above targets; policy in "wait-and-see."
- Risk premia creeping higher as liquidity stalls.
- Expect higher volatility and greater return dispersion.

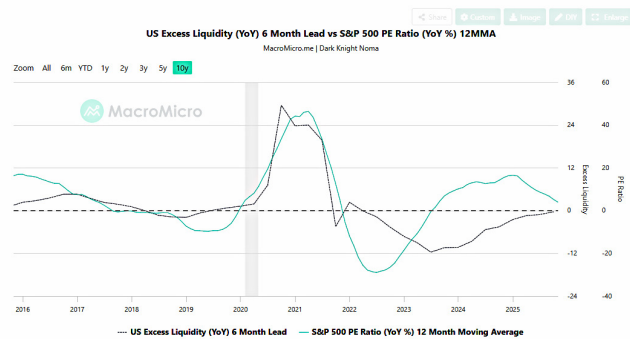
Liquidity Check & Cross Asset Pulse

Liquidity Check

- U.S. liquidity (flat to contracting): Fed balance sheet and RRP flows slipping.
- Money-market assets remain elevated → risk appetite capped.
- Expect dispersion rather than broad beta gains.

• U.S. Excess Liquidity vs S&P 500 Returns

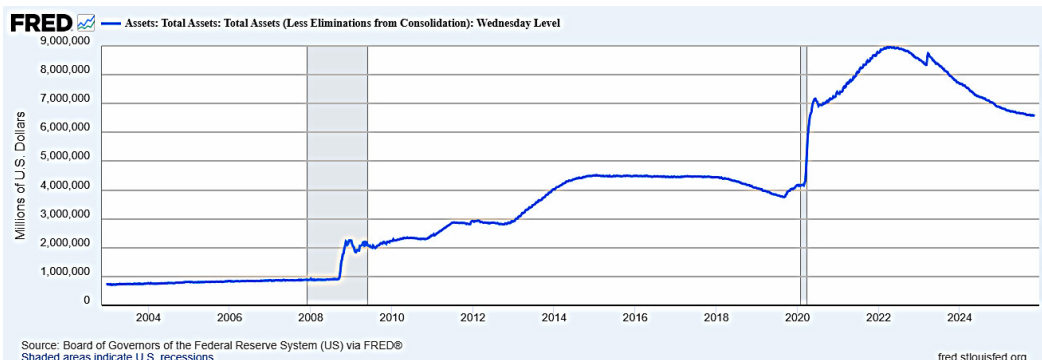
US Excess Liquidity (YoY) 6 Month Lead vs S&P 500 PE Ratio (YoY %) 12MMA



Cross-Asset Pulse

Asset Class	1-Week Change	YTD	Comment
S&P 500	-0.4%	+9.8%	Narrow breadth - defensive lead
10 - Yr UST Yield	↑ 7 bps	4.49%	Curve still steepened
IG Credit OAS	+ 5 ps	≈ 0.80 %	Tight but drifting wider
HY OAS	≈ 2.9%	Low vs avg 5.2%	Complacent
DX1	+0.6%	+6.5%	Dollar strength pressure commodities
Gold	-0.8%	+6.5%	Losing momentum vs USD
WTI Oil	-1.2%	+4.7%	Demand concerns resurface
BTC	+1.0%	+42%	Risk proxy holding ground

• Fed Balance Sheet vs Money Market Assets



Flows & Positioning | Theme of the Week | Trades

Flows & Positioning

- U.S. equity flows muted; rotation into non-U.S. and defensive assets.
- Institutional cash allocations falling — contrarian warning signal.
- Sentiment optimistic but not euphoric; large-cap tech still crowded.

Theme of the Week - “Quality over Breadth. Selectivity over Beta.”

Tightening liquidity and neutral sentiment leave little room for mistakes. The next phase isn't about chasing broad beta; it's about owning balance-sheet strength and cash-flow durability. Valuation stretch meets policy patience. Focus on firms and assets that can self-fund growth, withstand higher real rates, and sustain margins even if policy stays tight. Outside the U.S., pockets of easier policy (Japan, parts of EM Asia) create relative opportunities. Broad rallies fade; quality endures.

Contrarian Decoder — “Should You Stay in Cash When Everything Feels High?”

Retail advisors warn clients not to “sit in cash.” That's a signal, not advice. When narratives shift from fear of loss to fear of missing out, liquidity has already peaked. Money-market assets remain near records, real yields are positive, and cash is once again an asset, not an idle reserve. In this regime, cash represents optional risk — the capacity to buy when others must sell. Watch what cash does, not what it earns.

Final Signal

Liquidity flat, spreads tight, dollar firm — stay selective, stay liquid.