MARS CAPITAL PARTNERS

Weekly Macro Outlook

w/c 23 November 2026

Weekly Macro Outlook: Inflation-Growth Trade-offs

The key economic data releases, central bank events & speeches, and macro themes shaping global markets for the week of November 23, 2026.

Key Focus This Week:

- *Central banks: Fed Beige Book*
- *Major data: US PCE Inflation, Aus CPI, S&P prelim PMIs Nov*
- *Macro Backdrop: US Thanksgiving Holiday, Middle East conflict developments*

Recap of Last Week

The latest FOMC Minutes and a raft of Fed speeches since the October Fed meeting highlight differing views on the appropriate policy response to above-target inflation. While there is broad agreement that further tightening is likely needed, policymakers differ over its urgency and pace, reflecting competing assessments of how best to balance inflation risks against resilient growth and labour market conditions.

FOMC Minutes: Inflation Urgency Versus Policy Gradualism

The October FOMC minutes show that the decision to hold rates rested on a compromise between those who were advocating for more assertive tightening and those advocating for policy gradualism. The Minutes reconcile the two by retaining a hawkish commitment to restoring 2% inflation that narrows the tolerance for looking through "persistent relative-price shocks" while acknowledging the uncertainty over the neutral rate (r*), the interest sensitivity of AI-related demand, and the transmission of financial conditions.

Alongside two formal dissents for an immediate 25bps hike, several participants viewed holding as a "close call," while some who favored hiking only backed the pause provided "it was clearly understood by market participants that further tightening was likely." Indeed, "many" stressed the importance of signalling that holding did not weaken the Committee's 2% resolve.

The minutes also revealed that a couple of participants were open to a hike larger than 25bps in December if incoming inflation data were unfavourable - a threshold Governor Waller formalized in his November 10 speech. This conditional signal pre-dated the subsequent series of hot September and October inflation prints.

US inflation data since the October meeting has been worse-than-expected, with September and October data showing no progress toward the 2% target. The minutes' conditional discussion of

a larger hike or at least back-to-back hikes (Waller's Nov 10 speech) has gained traction in market pricing. While the probability of a December hike was already mostly priced, the prospect of a consecutive move in January had not been priced to the same extent (source: CME Fed Watch).

Fed speeches: Weighing Inflation and Growth Risks

The raft of speeches since the October meeting has provided further insight into how individual policymakers are weighing persistent inflation risks against the potential costs of tighter policy. While the broad positions remain consistent with the debate captured in the minutes, recent data appears to have strengthened the case for greater urgency for some policymakers.

Assertive tightening: The two formal dissenters at the October meeting, Cook and Hammack, voted for a hike before the hotter September and October inflation data. Last week, Governor Cook outlined her reasons for dissenting, citing financial conditions that remained too accommodative, stubbornly above-target inflation with no clear signs of disinflation in train, and the need for greater urgency in addressing price pressures.

A shift towards greater urgency: Several policymakers who supported the October hold, or viewed the decision as a "close call", have since moved towards prioritising inflation, with Logan and Waller expressing support for back-to-back hikes in December and January. Worse-than-expected inflation amid resilient growth and a stable labour market has strengthened the case for more urgent action.

Gradual tightening: Others who supported the hold continue to favour further tightening, but through a more gradual approach that balances restoring price stability in a timely manner while maintaining the solid labor market and ensuring a longer, more durable period of growth. This group includes Warsh, Williams, Jefferson, Barr and Paulson, although Paulson remains open to consecutive hikes.

Growth and financial-condition sensitivity: Vice Chair (Supervision) Bowman has endorsed a more cautious approach, highlighting the impact of tighter financial conditions on sectors such as housing. Kashkari has also framed his outlook cautiously. Governor Powell remains an unknown.

US Q4 Growth Run Rate

How much signal these speeches offer ahead of the December meeting will depend in part on how recent market volatility evolves and how policymakers assess its implications for financial conditions. Meanwhile, the growth backdrop remains resilient along similar lines. Last week's October retail sales, industrial production and housing construction data saw the Atlanta Fed's Q4 GDP nowcast estimate ease to a +3.2% annualised run rate (from +3.4% the previous week). Retail sales provided a slightly smaller contribution to consumption growth, while residential investment became a drag.

The Week Ahead: What We Are Watching

It will be a shortened week due to the US Thanksgiving holiday, but there is still a range of important inflation and activity data to assess. The focus will remain on how policymakers are

weighing persistent inflation risks against the potential costs of tighter policy, with several key releases providing further insight into the US growth and inflation outlook.

Key releases include US PCE inflation and activity data, Australia CPI, and the S&P prelim PMI's for November.

It is also the final week of Fed speeches before the December meeting blackout.

US inflation and activity data

The October PCE inflation report will provide the Fed's preferred measure of headline and underlying price trends. Based on October CPI and PPI, inflation is expected to continue moving further away from the Fed's target. Meanwhile, Q3 GDP, durable goods orders and personal income and spending will provide further insight into the resilience of US economic activity and demand at the start of Q4.

US PCE Inflation – October

- Headline PCE inflation is expected to increase by +0.3% in October, from +0.5% in September. Annual PCE inflation is expected to increase to +3.8% in October, up from +3.65% in September.
- Core PCE inflation is expected to increase by +0.3% in October, from +0.3% in September. Annual core PCE inflation is expected to increase to +3.2% in October, up from +3.1% in September.

US Activity Data

- GDP for Q3 (second estimate) is expected to be confirmed at +3.4% annualized.
- Personal income is expected to increase by +0.4% in October, up from +0.2% in September.
- Personal spending is expected to increase by +0.4% in October, down slightly from +0.5% in September.
- Durable Goods Orders are expected to be unchanged in October after a +1.9% increase in September.

Fed Speeches & The Beige Book

The official Fed calendar of speeches appears to be significantly lighter this week. However, NY Fed President Williams will give keynote remarks at the start of the week.

In preparation for the upcoming Fed meeting, the latest Fed Beige Book will be released, collating key inflation, growth, and labor market anecdotes from regional business contacts.

Australia CPI - October

Aus monthly CPI will be in focus following the RBA's recent minutes and a weaker-than-expected labour market report. A further deterioration in inflation alongside softer labour market conditions is likely to complicate the RBA's policy trade-off, increasing the tension between containing price pressures and preserving growth.

- Headline CPI is expected to increase to +4.8% over the year in October, up from +4.3% in September.

- Trimmed mean CPI (core) is expected to increase to +3.7% over the year in October, up from +3.6% in September.

S&P Prelim Global PMIs for November for key economies will provide an early read on growth momentum mid-way through Q4, helping to assess whether economic resilience is continuing more broadly.

US Treasury Issuance: 23 - 27 November 2026

This week, the US Treasury will auction and settle approx. $664bn in T-Bills, a CMB, and FRN, raising approx. $96bn in new money. The US Treasury will also auction the 2-year, 5-year, and 7-year Notes this week – all to settle next week. Approx. $47bn in T-Bills will mature on the Fed balance sheet this week and will be reinvested.

WEEK	Auction Date	Settlement Date	Marketable Securities	Auction Amount $B	Amount Maturing $B	New Money or (Paydown) $B	Actual	Prior Auction High Rate %
Thanksgiving Holiday - US								
23-27 Nov	19-Nov	24-Nov	4-Week Bill	115			Actual 4.050%	3.955%
	19-Nov	24-Nov	8-Week Bill	110			Actual 4.110%	4.080%
	18-Nov	24-Nov	17-Week Bill	75			Actual 4.230%	4.225%
	19-Nov	24-Nov	9-Day CMB	15			Actual 3.910%	n/a
				315	264	51		
	23-Nov	27-Nov	13-Week Bill	95			Announced	4.155%
	23-Nov	27-Nov	26-Week Bill	82			Announced	4.310%
	24-Nov	27-Nov	6-week Bill	90			Announced	4.055%
	24-Nov	27-Nov	52-Week Bill	54			Announced	4.290%
				321	304	17		
	24-Nov	27-Nov	2-Year FRN	28			Announced	0.038%
				28		28		
		Total - securities settling this week		664	568	96		
		Net New Cash Raised Qtr to Date		***5489***	***4913***	***576***		
		Estimated Net Cash to be Raised Q4				*618*		
	Face value of US Federal Reserve SOMA securities maturing			**$B**				
		Maturing & reinvestment						
		24-Nov	T-Bills	22.5				
		27-Nov	T-Bills	24.4				
				47.0				
	Upcoming Auctions			**$B**				
	23-Nov	30-Nov	2-Year Note	69				
	24-Nov	30-Nov	5-Year Note	70				
	25-Nov	30-Nov	7-Year Note	44				
				183				

SOMA Reinvestment & Reserve Management Purchase (RMP) Operations

Quantitative Tightening (QT), or balance sheet roll-off, ended as of 1 December 2025. See note here. All principal payments from the Fed's holdings of Treasury securities will be rolled over, and all principal payments from the Fed's holdings of agency securities will be reinvested into Treasury Bills through secondary market purchases. Reserve Management Purchase Operations began on 12 Dec 2025. See announcement here. See operation details and announcements here and here.

Recommended US Treasury Financing: Q4 2026 & Q1 2027

The latest update on US Treasury borrowing requirements for Q4 (final) and Q1 2027 (estimate) was announced last week. Details can be found on the US Treasury website here.

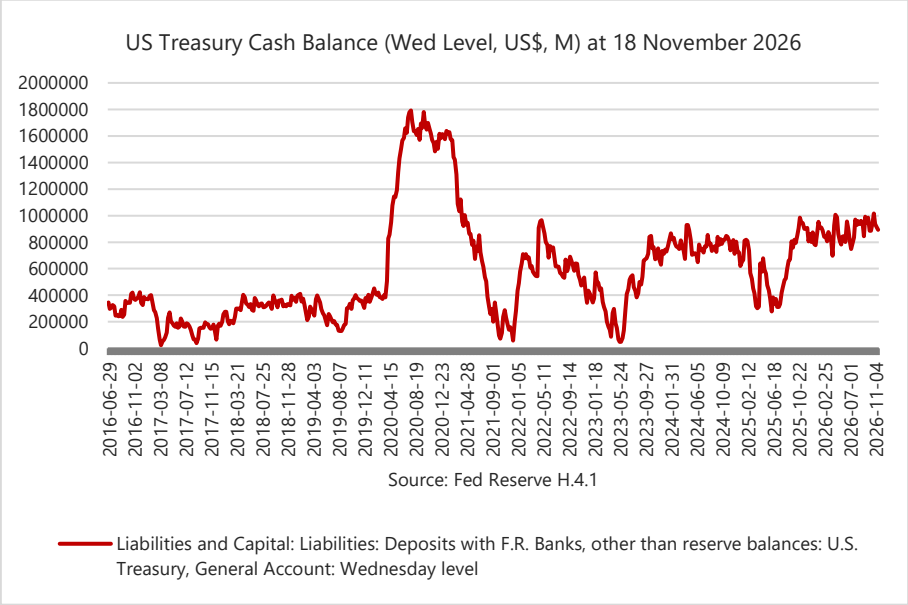
The prior quarterly refunding announcement showed:

Q4 2026 borrowing requirement (final): The US Treasury expects to borrow $618 billion in privately-held net marketable debt, assuming an end-of-December cash balance of $850 billion. The borrowing estimate for Q4 is $10 billion lower than announced in August 2026, primarily due to the higher-than-assumed beginning-of-quarter cash balance, partially offset by lower projected net cash flows.

Estimated Q1 2027: Treasury expects to borrow $800 billion in privately-held net marketable debt, assuming an end-of-March cash balance of $1.000 trillion.

US Treasury Cash Levels (TGA)

As of Wed 18 November 2026, the level of the TGA decreased to $892bn (-$19bn compared to the week prior). The TGA balance is now approx. $8bn *lower* than the same week a year ago. (Source: US Fed)



CALENDAR W/C 23 November 2026

MONDAY 23 NOVEMBER (US Eastern Time, unless stated otherwise)	
Aus	S&P Manufacturing & Services PMI – Prelim (Nov)
Europe	Eurozone S&P Manufacturing & Services PMI – Prelim (Nov)
UK	S&P Manufacturing & Services PMI – Prelim (Nov)
US	S&P Manufacturing & Services PMI – Prelim (Nov), Fed speeches: Williams
Japan	S&P Manufacturing & Services PMI – Prelim (Nov)

TUESDAY 24 NOVEMBER	
US	Case-Shiller S&P House Price Index (Sep), CB Consumer Confidence (Nov), Richmond Fed Manufacturing Index (Nov)
Australia	**Monthly CPI Series (Oct),** Construction Work Done Q3

WEDNESDAY 25 NOVEMBER	
US	MBA Mortgage Applications wk ending 21 Nov, Initial Jobless Claims wk ending 21 Nov, **PCE Price Index (Oct),** GDP Q3 (second est), Durable Goods Orders (Oct), Personal Spending & Income (Oct), New Home Sales (Oct), **Fed Beige Book**
Australia	Private Capex Q3

THURSDAY 26 NOVEMBER	
US	Thanksgiving Holiday
Japan	Tokyo CPI (Nov)

FRIDAY 27 NOVEMBER	
US	Goods Trade Balance – Prelim (Oct)