MARS CAPITAL PARTNERS | Weekly Macro Outlook

w/c 16 November 2026

Weekly Macro Outlook: US Growth & Fed Minutes

The key economic data releases, central bank events & speeches, and macro themes shaping global markets for the week of November 16, 2026.

Key Focus This Week:

- *Central banks: FOMC & RBA Minutes, US Fed Speeches*
- *Major data: US Retail Sales, global CPI reports, Aus Labour Market*
- *Macro Backdrop: Middle East conflict developments, US-China-Russia Summit, US tech earnings*

Recap of Last Week

The focus last week shifted back to US inflation, with October CPI and PPI providing the next assessment of progress towards the Fed's price stability target. CPI came in firmer than expected, with underlying measures pointing to broadening inflation pressures. While monthly PPI moderated, several components continued to signal pipeline pressures. Taken together, the data offered little evidence of meaningful progress towards price stability. Against this backdrop, key Fed speeches revealed differing views on the urgency of the policy response, weighing the need to contain persistent inflation risks against the importance of preserving the economic expansion.

US Inflation Pressures Broaden

CPI Oct: The absence of a base-year CPI index due to last year's government shutdown means a year-over-year inflation rate could not be calculated for the BLS CPI reports in October.

Headline CPI was expected to moderate to +0.2% over the month as the pace of growth in energy prices abated. Instead, headline CPI came in higher at +0.4% over the month in October – with a clearer trend of firmer near-term inflation pressure. This wasn't just about energy prices; food prices increased at the equal fastest monthly pace of growth this year. Core CPI for October was also higher than expected at +0.3% (expecting +0.2%). More broadly, core CPI and its main components, including core goods, core services and core services excluding shelter, also point to a firming trend in near-term inflation over recent months.

Underlying CPI – Rising Breadth: The Cleveland Fed measures of underlying inflation (no base year disruption) also indicated a broadening in inflation pressures this month, led by higher near-term inflation pressure. Both the trimmed mean and median CPI accelerated over the month in October (to +0.4% and +0.3% respectively), while annual rates continued to rise to +2.9% and +2.8%, respectively.

PPI Oct: Headline PPI increased by +0.4% over the month in October, easing from the notable +1.3% increase in September, as energy price pressures eased considerably. However, the annual rate continued to rise, reaching a YTD high of +6.5%, pointing to a firmer inflation backdrop despite the slower energy price increase this month. Importantly, the data continued to point to broader producer price pressures beyond energy, with several major components continuing to record elevated price increases. This included:

- Final demand goods excluding food and energy goods increased to a YTD high of +5.2%.
- Final demand services remained unchanged at +5%. However, transportation and warehousing prices point to significant energy and supply chain cost pressures, increasing by an average of +2.5% a month over the last three months, with the annual rate reaching a YTD high of +18% in October.
- Final demand construction prices also reached a YTD high of +5.5%.
- Final demand food prices have also firmed notably over the last two months.

PCE Projections for Oct: Based on the CPI and PPI for October, the Fed-preferred PCE inflation measures are expected to increase further – suggesting little near-term improvement in the trajectory of inflation. According to the latest Cleveland Fed inflation nowcast, headline PCE is expected to increase by +0.3% over the month, taking the annual rate up to +3.8%, from +3.65%. Core PCE inflation is expected to increase by +0.27%, also taking the annual rate higher to +3.2% from +3.1%.

Taken together, the latest inflation data and the PCE projections point to a deterioration in the progress of inflation, with broader and firmer price pressures making the return to price stability increasingly challenging.

Fed Speakers – Striking a Policy Balance

Key FOMC remarks last week highlighted differing views on the appropriate policy path given this elevated and persistent inflation backdrop. While there was broad recognition of the need to contain persistent inflation pressures, policymakers differed in their assessment of how forcefully to act, balancing the risk of more entrenched inflation against the potential cost of undermining economic growth and employment.

Governor Waller – No Silver Lining: Speaking hours before the October CPI release, Governor Waller pivoted from his October 8 view supporting lower urgency on consecutive hikes toward a more hawkish reaction function. Citing "bad" September PCE breadth and new Fed research showing heightened risks of post-pandemic energy pass-through, Waller signalled he is "leaning" toward a 25bps December hike (mostly priced in anyway). However, he warned that if October core CPI printed at +0.3% MoM or higher, a 50bps move should be considered (not priced in), as hiking only 25bps in the face of persistent inflation would put Fed credibility at risk.

Vice Chair Jefferson –Data-Dependent Calibration: Speaking after the October CPI print, Vice Chair Jefferson confirmed that inflation has become the primary signal for policy given resilient growth and stable unemployment. While noting the upside risks from energy spillovers and AI-related input bottlenecks, he stopped short of endorsing Waller's 50bps discussion. Instead, Jefferson emphasized that policy adjustments should be carefully calibrated against incoming data, the balance of risks, and uncertainty over whether AI-driven investment is lifting the neutral rate.

NY Fed President Williams – Mandate-Preserving: Also speaking post-CPI, NY Fed President Williams remained at the gradualist end of the spectrum. While acknowledging that inflation remains stubbornly elevated and the Fed "still has work to do" to restore price stability, he emphasized acting "over time" and pushed back on larger, front-loaded moves so the Committee does not inflict undue harm on its maximum employment mandate. Williams noted that the expansion, while solid, could prove fragile if AI enthusiasm cools.

The Fed Fund Rate Probabilities Update

Markets digested the significant crosscurrents from the US inflation data and Fed speeches last week - especially the initial floating of a 50bps hike discussion, and the resulting pushback. Markets continue to price a 90% probability of a 25bp hike at the 9 December meeting, but are also now pricing follow-up hikes at the January and March (lower probability) 2027 meetings (Source: CME FedWatch tool)

The Week Ahead: What We Are Watching

The focus this week remains on the Fed's challenge of restoring price stability while preserving the resilience of the US economy. Following last week's stalled progress on inflation and differing views among policymakers on the appropriate policy response, attention turns to a busy schedule of Fed speeches and the release of the October FOMC Minutes. Together, these should offer further insight into how policymakers are weighing persistent inflation risks against the potential costs of tighter policy.

Meanwhile, the first major releases feeding into the Q4 growth picture, including retail sales and industrial production, will provide an early assessment of whether economic activity is maintaining its resilience. The key question is whether the economy can continue to absorb persistent price pressures without a more material deterioration in growth.

Outside of the US, global CPI reports will be in focus as central banks continue to monitor the effects of higher energy prices.

FOMC Minutes & Fed Speeches

The Minutes of the October meeting (a hold, but with two dissents) will be released this week. With much of the decision nuance delivered via the press conference Q&A, these Minutes will be important for assessing the underlying consensus on the Fed's approach to tightening financial conditions to address inflation risks while preserving the economic expansion as much as possible.

There will also be a notable number of Fed speeches this week. While there aren't specific speeches this week on the key "economic outlook" topic, there will still be several speeches to watch: Fed Chair Warsh will provide opening remarks at the Productivity & Jobs Task Force conference, Vice Chair Jefferson will speak on "economic shocks", NY Fed President Williams will speak at several events this week, Fed Governor Cook will speak on "the US economy in global context", and Fed Governor Waller will speak on "payments".

US Q4 GDP Growth Inputs

This week sees the first major releases feeding into Q4 US GDP tracking:

- Retail sales for Oct are expected to slow to +0.2% over the month from +0.8% in September. The retail control measure is an important metric for how retail sales feed into the consumption measurement. In September, the retail control increased by +0.1%.
- Industrial production for Oct is expected to slow to +0.1% over the month from +0.7% in September.
- Building permits are expected to slow to an annualized pace of 1.38m from 1.4m in September. Housing starts will feed into the GDP calculation and is expected to lift to a 1.25m annualized pace, from 1.22m in September.
- Other US data will include the Michigan consumer sentiment index (final) for November, which should gauge the reaction to the US midterm election results.

Global Inflation Reports – October

- Canada CPI is expected to increase over the month to +0.3% from +0.1% in September, while headline inflation is expected to be little changed at +3.1%. The BOC core measures are expected to tick up slightly over the year: trimmed mean CPI is expected to increase to +1.9% (from +1.8% in September), and the median CPI is expected to increase to +2% (from +1.9% in September).
- UK headline CPI is expected to increase to +3.6% in October, up from +3.5%. Core CPI is expected to remain unchanged at +2.8%.
- Euro area headline CPI (final) for Oct is expected to be confirmed at +4% over the year, up from +3.8%. Core CPI is expected to be confirmed at +2.5% over the year, unchanged from September.
- Japan National Core CPI – ex fresh food for October is expected to increase to +2.3%, from +2.1% in September.

Aus Labour Market Data & RBA Minutes

- The latest RBA minutes (hike, with several dissents) will be released this week. Again, it will be important for gauging the Board's view on a pause in hikes at this point and how it has assessed financial conditions.
- RBA Governor Bullock will also take part in a panel at the ASIC Forum.
- The Aussie labour market data will be important for the RBA outlook. Employment growth in October of +25k is expected to partially retrace the -39k fall in September. The unemployment rate is expected to be unchanged at 4.7%.
- The quarterly wage price index will also be of interest to the RBA as it assesses the broader inflation backdrop. The wage price index in Q3 is expected to increase by +0.9%, up from +0.8% in Q2, and is expected to edge slightly higher over the year.

US Treasury Issuance: 16-20 November 2026

This week, the US Treasury will auction and settle approx. $702bn in T-Bills, Notes, and Bonds, raising approx. $76bn in new money. The US Treasury will also auction the 20-year Bond and the 10-year TIPS, to settle at the end of the month. Approx. $65bn in T-Bills, Notes, and Bonds 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) $B	Actual	Prior Auction High Rate %
16-20 Nov	12-Nov	17-Nov	4 week bill	115			Actual 3.955%	3.890%
	12-Nov	17-Nov	8 week bill	110			Actual 4.080%	3.975%
	12-Nov	17-Nov	17 week bill	75			Actual 4.225%	4.090%
				300	266	34		
	16-Nov	19-Nov	13 week bill	95			Announced	4.060%
	16-Nov	19-Nov	26 week bill	82			Announced	4.145%
	17-Nov	19-Nov	6-week bill	100			Announced	3.990%
				277	263	14		
	09-Nov	16-Nov	3yr Note	58			Actual 4.627%	4.932%
	10-Nov	16-Nov	10yr Note	42			Actual 5.020%	5.300%
	12-Nov	16-Nov	30yr Bond	25			Actual 5.441%	5.618%
				125	97	28		
		Total - securities settling this week		702	626	76		
		Net New Cash Raised Qtr to Date		***4825***	***4345***	***480***		
		Estimated Net Cash to be Raised Q4				*618*		
	Face value of US Federal Reserve SOMA securities maturing			**$B**				
		Maturing & reinvestment						
		17-Nov	T-Bills	20.0				
		19-Nov	T-Bills	19.8				
		16-Nov	Notes & Bonds	25.4				
				65.1				
	Upcoming Auctions			**$B**				
	19-Nov	30-Nov	10-Year TIPS (R)	19				
	18-Nov	30-Nov	20-Year Bond	16				
				35				

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:

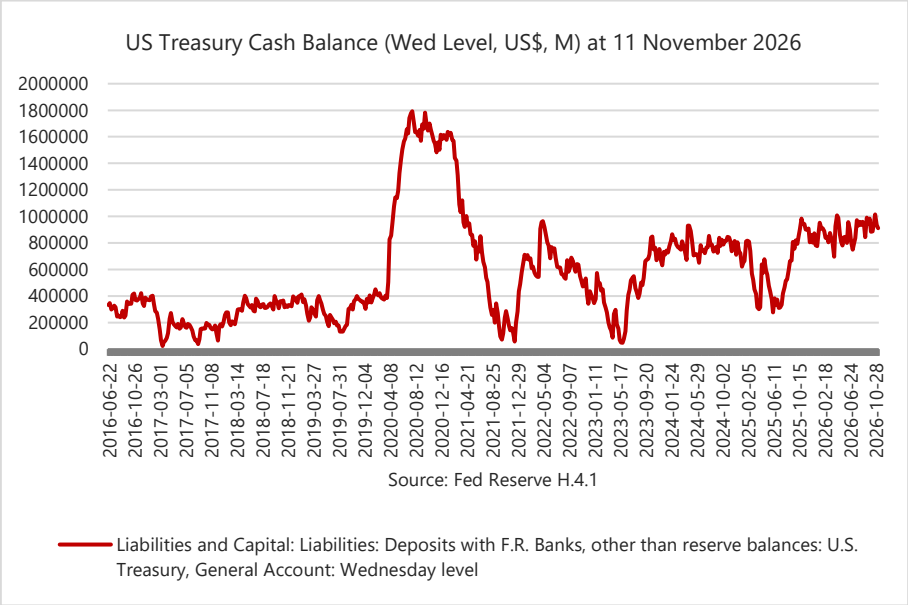
Q4 2026 borrowing requirement (final): The US Treasury expects to borrow $618 billion in privately-held net marketable debt, assuming an end-of-December cash balance of $850 billion. The borrowing

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 11 November 2026, the level of the TGA decreased to $912bn (-$24bn compared to the week prior). The TGA balance is now approx. $31bn *lower* than the same week a year ago. (Source: US Fed)



CALENDAR W/C 16 November 2026

MONDAY 16 NOVEMBER (US Eastern Time, unless stated otherwise)	
Japan	GDP Q3 – prelim, Industrial Production – Final (Sep)
China	Industrial Production, Retail Sales. Fixed Asset Investment (Oct)
US	NY Fed Empire State Manufacturing Index (Nov), Fed speeches: Barr, Williams (opening remarks), Barkin, **Chair Warsh** (Opening remarks; productivity & jobs task force conference)
Canada	**CPI (Oct)**
Australia	**RBA Minutes**, RBA Governor Bullock panel participation (ASIC Conference)

TUESDAY 17 NOVEMBER	
UK	Labor Market Survey 3mths (Sep)
US	**Retail Sales (Oct)**, Export & Import Price Indexes (Oct), Industrial Production (Oct), NAHB Housing Market Sentiment Index (Nov), Fed speeches: Waller (payments), Williams (fireside chat)
Australia	Wage Price Index Q3

WEDNESDAY 18 NOVEMBER	
UK	**CPI (Oct),** BOE Governor Bailey speech
Europe	**Euro area CPI – Final (Oct)**
US	MBA Mortgage Applications wk ending 14 Nov, Building Permits & Housing Starts (Oct), Pending Home Sales (Oct) **FOMC Minutes**, Fed speeches: Williams, Barr, Kashkari
Australia	**Labour Market Survey (Oct)**

THURSDAY 19 NOVEMBER	
US	Initial Jobless Claims wk ending 14 Nov, Philadelphia Fed Manufacturing Index (Nov), Kansas City Fed Manufacturing Index (Nov), Fed speeches: **Vice Chair Jefferson (Economic Shocks),** Goolsbee, Barkin, Barr (AI)
Japan	**National CPI (Oct)**

FRIDAY 20 NOVEMBER	
US	Michigan Consumer Sentiment – Final (Nov), Fed speeches: Waller (welcoming remarks), Cook (US Economy in Global Context)