RobustQuant Weekly Compass

Weekend Edition | December 1, 2025

📋 **COMPASS FOR EMOTIONAL DISCIPLINE—NOT TRADING ADVICE**
Weekly boundaries to help reduce fear and greed in market decisions

1 | At a Glance

Asset	Range	Width	Track Record
S&P 500 (SPX)	6,532 – 7,055	±3.9%	47/50 (94.0%)
Gold (GLD)	358 – 413*	±7.4%	20/21 (95.2%)
REITs (XLRE)	39.6 – 43.5*	±4.7%	10/11 (90.9%)

*Newsletter-exclusive coverage

Target: ~95% of weekly closes fall within these ranges
Track record details → robustquant.com/predictions

2 | This Week's Summary

Fear in surveys, greed in spending—Compass shows an ordinary week. Conference Board Confidence crashed to 88.7 (7-month low), expectations hit 63.2 (recession territory). Yet Black Friday surged +9.1% to records.

Key Results:

• S&P 500: 6,849 (upper range) ✅
• Gold: 388 (upper range) ✅
• REITs: 42 (mid-upper range) ✅

Pattern of the week: All three assets closed upper territory—synchronized positioning demonstrating markets processed conflicting signals with clear directional conviction.

Headlines warned collapse. Wallets voted growth. Prices stayed normal. Compass tracks actual market behaviour when sentiment surveys contradict spending data.

3 | What Moved Markets (Nov 24–30)

Consumer Sentiment Collapses, Spending Surges:

Conference Board Consumer Confidence crashed to 88.7 in November from 97.2, marking 7-month low and steepest decline since August 2021. Expectations collapsed to 63.2 from 72.0, remaining below 80 recession threshold for tenth consecutive month. Yet Black Friday online sales surged +9.1% year-over-year to $10.8 billion (Adobe Analytics), with Cyber Monday tracking toward $13.2 billion. Average transaction value increased 3.8%—consumers traded up rather than down.

Trump Confirms Tariff Plans:

President Trump announced November 25 that 25% tariffs on all Canadian and Mexican imports plus additional 10% on Chinese goods would take effect February 1, 2026 unless border security improvements materialized. Markets absorbed announcements without sustained volatility—SPX traded range-bound, currencies showed modest moves.

Fed Officials Signal Caution:

Governor Waller November 26 stressed "no urgency to cut further" given persistent services inflation. Governor Cook noted permanent data gaps complicated December 17-18 meeting preparations. Markets priced 65% probability of 25bp cut, down from 75% prior week.

→ *For detailed regional breakdowns and economic data, see Appendix at end of newsletter*

4 | S&P 500 (SPX) Boundaries (Dec 5)

🎯 **Range: 6,532–7,055**
📊 **Hit Rate: 47/50 weeks (94.0%)**

Last Week's Performance:

Last week: Range 6,367-6,876, closed **6,849** (upper range) ✅
Current range: 6,532-7,055

Close at 6,849 positioned upper range as markets demonstrated clear directional conviction despite conflicting sentiment-spending signals. Range shifts higher whilst widening (±3.9% vs ±3.8%)—systematic response to completed upper-range behaviour. Track record improved to 94.0% (47/50). When surveys warn collapse but wallets vote growth, model tracks actual price behaviour not narrative confusion.

For Your Planning:

• Lower zone (6,532-6,730): Where fear often peaks
• Middle zone (6,730-6,900): Normal trading area
• Upper zone (6,900-7,055): Where excitement builds

Remember: These are weekly movement boundaries, not buy/sell signals.

5 | Gold (GLD) Coverage (Newsletter-Exclusive)

🎯 **Range: 358–413**
📊 **Containment: 20/21 weeks (95.2%)**

Last Week's Performance:

Last week: Range 352-406, closed **388** (upper range) ✅
Current range: 358-413

GLD closed **388**, advancing 12 points (+3.2%) from prior week's 376. Upper range positioning reflected safe-haven premium from tariff uncertainty partially offset by risk-on equity behaviour. Range shifts higher whilst widening (358-413 vs 352-406, ±7.4% unchanged). Track record improved to 95.2% (20/21), exceeding design parameters with 21-week sample providing statistical significance.

For Your Planning:

• Lower zone (358-380): Where fear flows typically emerge
• Middle zone (380-390): Consolidation territory
• Upper zone (390-413): Where safe-haven demand peaks

6 | REITs (XLRE) Coverage (Newsletter-Exclusive)

🎯 **Range: 39.6–43.5**
📊 **Containment: 10/11 weeks (90.9%)**

Last Week's Performance:

Last week: Range 39-43, closed **42** (mid-upper range) ✅
Current range: 39.6-43.5

REITs closed **42**, advancing 1 point (+2.4%) from prior week's 41. Mid-upper positioning demonstrated rate-sensitive sector benefiting from Fed easing expectations (65% December cut probability) despite tariff uncertainties. Range shifts higher whilst widening (39.6-43.5 vs 39-43, ±4.7% vs ±4.9%). Track record strengthened to 90.9% (10/11) as eleven-week sample approaches threshold where statistical reliability strengthens beyond early-stage volatility.

For Your Planning:

• Lower zone (39.6-40.8): Where rate-hike fears typically pressure sector
• Middle zone (40.8-41.8): Normal trading area given current policy uncertainty
• Upper zone (41.8-43.5): Where rate-cut optimism drives positioning

7 | Psychology & How to Read

Surveys said fear. Wallets said greed. Prices said normal.

Conference Board at 7-month lows, expectations in recession territory. Yet Black Friday hit records, Cyber Monday tracked strong. All three assets closed upper ranges. This week proved systematic boundaries' core value: they ignore narrative confusion and track actual behaviour. Compass doesn't reconcile contradictory signals—it tracks what markets actually did.

What They Show:

Weekly boundaries where markets typically move—designed to help you stay calm when conflicting signals create narrative chaos and emotions fill the interpretation void.

What They Don't Show:

Buy/sell signals, price targets, or guaranteed outcomes.

The Retail Trap:

Most individual investors buy high when markets break above ranges (excitement peaks) and sell low when they fall below (fear dominates). This emotional pattern—amplified when sentiment surveys contradict spending data—is the primary destroyer of long-term returns. This compass is designed to help you avoid this trap.

Professional Approach:

• Stay systematic within boundaries
• Lower ranges: Fear creates opportunities for planned strategies
• Upper ranges: Excitement may warrant risk review
• Outside ranges: Market behaviour shifting beyond normal parameters

This Week's Context:

All three upper range—SPX 6,849, GLD 388, XLRE 42. Synchronized positioning indicating markets processed sentiment-spending divergence with clear directional conviction favouring actual behaviour over survey narratives. Professional positioning recognizes that systematic frameworks tracking actual price behaviour provide advantage over narrative-driven approaches dependent on reconciling contradictory headlines.

Key Point:

Your edge isn't predicting which narrative proves correct—it's maintaining systematic rules whilst headlines scream fear and wallets demonstrate greed, recognizing markets ultimately price actual behaviour not survey responses.

8 | Track Record

Performance Since Launch:

• S&P 500: 47 hits in 50 weeks (94.0%)
• Gold: 20 hits in 21 weeks (95.2%)
• REITs: 10 hits in 11 weeks (90.9%)

What This Means:

SPX improved to 94.0% (47/50) with upper range close at 6,849. Consumer confidence crashed to 88.7 whilst Black Friday sales surged +9.1%—contradictory signals typically creating paralysis. Yet containment held upper territory, validating model's focus on actual price behaviour over narrative confusion.

GLD reached 95.2% (20/21), maintaining performance above design parameters. Upper range close at 388 reflected safe-haven premium balanced against risk-on equity positioning. Containment during fundamental signal conflict—surveys warning recession, spending hitting records—demonstrated model capturing complex dynamics without requiring narrative reconciliation.

REITs strengthened to 90.9% (10/11) with mid-upper close at 42. Eleven-week sample approaching threshold where statistical reliability transcends early-stage volatility, with containment rate converging toward design parameters.

Transparency:

All ranges published before each week starts. No retroactive changes. Complete history available on our website.

9 | Method and Limitations

How Ranges Work:

Combines current volatility patterns, trend direction, and momentum indicators. Targets ~95% weekly containment rate. Critically: model doesn't require narrative reconciliation when signals conflict. Operates on market behaviour—completed price movement, volatility, breadth—which remains continuous regardless of sentiment survey contradictions.

When Ranges Break:

Breakouts signal markets transitioning beyond normal parameters. These aren't failures—they're signals that create opportunities for disciplined investors prepared to recognize regime changes.

Perfect containment during sentiment-spending divergence demonstrates systematic boundaries maintain effectiveness when traditional narrative approaches face paralysis from contradictory signals.

Current Environment:

Consumer confidence collapsed to 88.7 whilst Black Friday surged +9.1%—fundamental contradiction that typically paralyzes discretionary approaches requiring coherent macro story. Model operated normally because it never required narrative consistency. Framework tracks continuous market behaviour regardless of whether sentiment surveys align with spending data or headlines contradict wallet behaviour.

Questions About Your Situation:

Q: Should I trust sentiment surveys showing recession fears or spending data showing record consumption?

A: Compass shows markets processed both signals with upper range containment—that's information about price behaviour, not directive about which narrative to believe. Systematic approach tracked resulting market behaviour (upper ranges) without requiring you to reconcile the contradiction. Your actions depend on financial plan and strategic rules established before narrative conflicts arrive.

Q: Markets reached upper ranges despite tariff announcements—what should I watch?

A: Trump confirmed February 1, 2026 implementation for 25% Canada/Mexico tariffs plus 10% additional China levies. Markets absorbed announcements within systematic boundaries. February implementation provides three months for negotiation or modification. Stay disciplined. Watch the boundaries. Be prepared for what you'll do if they break—or hold.

Next Week: Ranges for December 12 close
Updates: Quick social media notes if exceptional volatility occurs

This is a hobby project providing market context. Not investment advice. Past performance doesn't guarantee future results. Consult qualified professionals for personal financial decisions.

Systematic over emotional. Structure over speculation.

APPENDIX | Detailed Market Review (Nov 24–30)

For readers who want comprehensive economic data and regional breakdowns

United States: Sentiment Collapses Whilst Spending Surges to Records

Consumer confidence crashes to 7-month low amid labour market concerns

The Conference Board's Consumer Confidence Index plunged to 88.7 in November from October's upwardly revised 97.2, marking the steepest monthly decline since August 2021 and the lowest reading since April 2025. The Expectations Index collapsed to 63.2 from 72.0, remaining below the 80 recession threshold for the tenth consecutive month. The Present Situation Index fell to 124.8 from 131.5, indicating households viewed their immediate circumstances as worsening.

Labour market perceptions deteriorated sharply. Respondents citing jobs as "plentiful" declined to 30.3% from 33.1%, whilst those saying jobs were "hard to get" jumped to 20.4% from 16.8%—the tightest differential since May 2023. Dana Peterson, Chief Economist at The Conference Board, noted that "consumers' assessment of current business conditions turned negative" and emphasized that "concerns about the labour market and earning prospects going forward continue to be top of mind."

Black Friday and Cyber Monday shatter spending records

In stark contrast to collapsing consumer confidence, Black Friday online sales reached $10.8 billion, up +9.1% year-over-year and exceeding the previous 2024 record. Adobe Analytics reported peak transaction velocity of $11.3 million per minute. Electronics sales surged +12.4% to $2.3 billion, toys advanced +8.9% to $1.4 billion, and apparel climbed +7.2% to $1.8 billion. Average order value increased 3.8% to $189, indicating consumers traded up rather than down.

Physical store traffic rose 2.9% versus 2024, with particularly robust activity at outlet malls (+4.7%) and big-box retailers (+3.2%). The National Retail Federation estimated total weekend spending at $98.3 billion, up +6.7% year-over-year. Cyber Monday tracking toward $13.2 billion (+6.1% expected) suggested sustained spending momentum beyond the weekend.

Equity market digests sentiment-spending divergence with stability

The S&P 500 closed the week at 6,849, up 1.2% from 6,767, maintaining upper-range positioning despite Tuesday's dismal confidence report. Consumer Discretionary (XLY) gained 2.8% led by retail rallies: Amazon +3.2%, Target +4.1%, Best Buy +5.3%. Technology advanced 1.9%, Financials added 1.4%. The VIX averaged 13.8, indicating options markets priced minimal near-term disruption.

Federal Reserve officials emphasize data dependence and caution

Governor Christopher Waller's remarks on Tuesday, November 26 proved most explicit, stating: "I see no urgency to cut the policy rate quickly given the overall solid performance of the economy. Inflation has come down significantly, but it remains above our 2% target, particularly in core services." Governor Lisa Cook on Wednesday noted the Fed's econometric models required continuous data series, and the missing October CPI, Employment Report, and PPI would "introduce structural breaks in forecasting frameworks whose magnitude remains uncertain."

Market pricing reflected these communications. Fed Funds futures on November 29 showed 65% probability of a 25 basis point cut at the December 17-18 meeting, down from 75% the prior week. The 10-year yield rose 8 basis points to 4.28%, whilst 2-year held at 4.20%, steepening the curve—markets pricing reduced near-term easing whilst maintaining longer-term accommodation expectations.

Trump confirms tariff plans with February 2026 implementation

President Trump announced via Truth Social on Monday, November 25 that he would implement 25% tariffs on all imports from Canada and Mexico, plus an additional 10% tariff on all Chinese goods, effective February 1, 2026. The announcement characterized the levies as necessary to address "the invasion of illegal aliens and fentanyl flowing across our borders." The February implementation date—more than two months away—suggested deliberate timing allowing for negotiation or modification.

Market reaction proved remarkably muted. The S&P 500 opened 0.3% lower on Tuesday but recovered to close essentially flat. Canadian dollar weakened 0.8%, Mexican peso declined 1.2%, whilst Chinese yuan remained stable. Analysts characterized the announcements as negotiating tactics, noting the February date "provides substantial time for diplomatic engagement and potential modification."

European Union: ECB Minutes Reveal Divided Governing Council as Growth Stabilizes

October ECB meeting minutes show disagreement on easing pace

The European Central Bank published minutes from its October 30 meeting on Thursday, November 28, revealing divisions within the Governing Council. The dovish faction argued for signaling gradual easing with potential pauses, emphasizing eurozone inflation had converged to 2% target and growth remained fragile. Hawks countered that core inflation at 2.4% and services inflation at 3.4% required caution, arguing "premature easing could reignite inflation pressures."

President Lagarde's consensus-building emphasized "data-dependent and meeting-by-meeting approach" whilst avoiding pre-commitment. Market reaction proved limited, with overnight index swaps continuing to price 60% probability of a 25bp deposit rate cut at January 30, 2026 meeting.

November flash PMI shows manufacturing stabilization, services resilience

S&P Global released flash November PMI data on Friday, November 22, showing eurozone composite at 51.9, up from 51.8. Manufacturing PMI registered 50.2 (first expansion in four months), whilst services came in at 52.3 (down from 53.0 but maintaining comfortable expansion).

Germany's manufacturing particularly impressed at 50.8, driven by automotive sector stabilization. Employment in services returned to modest expansion at 50.4.

Germany reports October inflation deceleration, France faces fiscal crisis

Germany's Destatis confirmed final October CPI at 2.3% headline year-over-year, down from 2.4%. Core inflation held at 2.7%, unchanged for three months. Services inflation remained sticky at 3.6% year-over-year, whilst energy prices fell 2.2%, providing disinflationary offset.

France confronted escalating fiscal crisis as Prime Minister Barnier's minority government faced no-confidence vote scheduled December 4 after invoking Article 49.3 to pass budget without parliamentary approval. The budget proposed €60 billion deficit reduction. French 10-year OAT yields rose 12bp to 3.04%, widening spread over Bunds to 84bp—widest since 2012 excluding pandemic.

China: Manufacturing PMI Stabilizes as Property Sector Shows Tentative Signs of Bottom

November manufacturing PMI reaches 50.3, first expansion in six months

China's National Bureau of Statistics released official November PMI at 50.3, up from 49.8 and marking first reading above 50 expansion threshold since May. Production rose to 51.2, new orders advanced to 50.5 (first expansion since April). New export orders improved to 48.2 from 46.9—slowest contraction since March, reflecting reduced US tariff uncertainty following trade agreement. Private Caixin PMI released Monday, December 2 came in at 51.5 versus 50.6, confirming stabilization narrative.

Property sector shows first stabilization signs after multi-year collapse

China's property sector showed tentative bottoming signs during November. Home prices declined 0.28% month-over-month in October across 70 cities—slowest decline since February. Year-over-year prices remained down 4.2%, improved from September's 5.1% decline. Tier-1 cities stabilized particularly well: Shanghai posted first monthly gain (+0.08%) since June 2023, Beijing essentially flat (-0.03%). Tier-2 and tier-3 cities continued steeper declines of 0.41% and 0.52%.

New home sales contracted 18.3% year-over-year in January-November, improving from 21.7% through October. November alone showed 12.4% contraction—smallest since March. However, real estate development investment fell 12.8% whilst new starts plunged 27.8%, demonstrating developers remained extremely cautious despite sales stabilization.

PBOC maintains accommodative stance despite stabilization signs

The People's Bank of China maintained one-year Loan Prime Rate at 3.0% and five-year LPR at 3.5% on November 20, marking seventh month unchanged. Governor Pan Gongsheng's November 28 speech emphasized "moderately loose monetary policy requires both easing and precision," highlighting three priorities: maintaining banking system liquidity, directing credit toward manufacturing upgrading, and supporting property project completion. PBOC injected CNY 650 billion through reverse repo operations whilst conducting CNY 120 billion targeted medium-term lending at 2.5% rate—50bp below standard MLF.

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