

Economic Situation and Strategy

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Black Friday: What bargains reveal about the economy

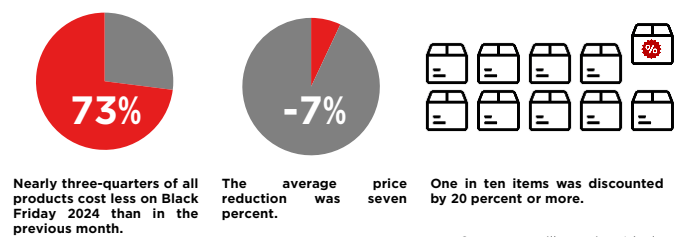
What began as an American tradition conquered Germany in the 2010s and has since become a fixture on the local retail calendar. Black Friday (this year on November 28th) refers to the Friday after Thanksgiving and traditionally marks the start of the Christmas shopping season. Retailers lure customers with enticing discounts, and what started as a single day has long since become a whole Black Week, culminating in Cyber Monday on December 1st. But can you really save money here? And what conclusions can this shopping spectacle draw about the current economic climate?

The reality behind the discount promises

A recent price study by a leading comparison portal has revealed surprising findings: In 2024, nearly three-quarters of all products examined were actually cheaper on Black Friday than in the previous month of October. This initially seems to confirm retailers' advertising promises. However, a closer look reveals a sobering picture: The average savings amounted to a mere seven percent, far from the often-advertised discounts of 30, 40, or even 50 percent. Only one in ten products was actually reduced by 20 percent or more.

Conscious consumers should distinguish genuine discounts from fake reductions. While 69 percent of consumers believe that retailers artificially inflate prices before Black Friday, studies show the opposite. Nevertheless, the discounts for popular product categories were modest: smartphones were only an average of five percent cheaper, and tablets and game consoles six percent cheaper. Paradoxically, the biggest

savings were not found among bestsellers, but rather among more specialized products such as speakers, electric razors, and televisions. A thought-provoking pattern: often, the hardest-to-sell products are the ones with the biggest discounts.



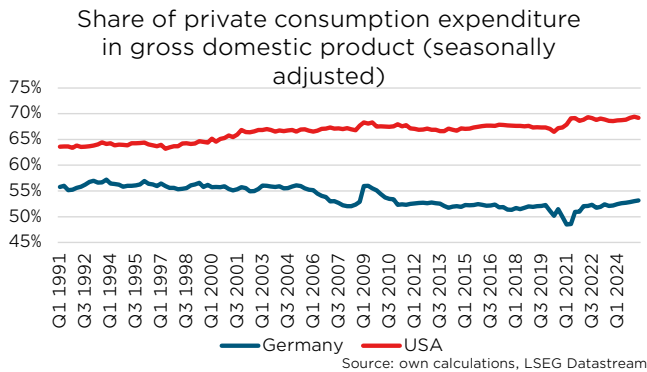
Even more revealing is the temporal dimension: Over half of the analyzed products were cheaper on a different day in November than on Black Friday itself. This finding aligns with analyses by the major bank JPMorgan Chase, which, based on millions of credit card transactions, determined that holiday shopping has been more evenly distributed throughout November since 2021. The difference between online and offline retail is dramatic: Mastercard SpendingPulse documented online growth of 14.6 percent for Black Friday 2024, while sales in physical stores increased by only 0.7 percent.

Consumption as an economic engine: What Black Friday reveals about our economy

Every euro consumers spend sets off a chain reaction throughout the entire economy. In Germany, private consumption accounts for approximately 53 percent of the gross domestic product, while in the US it's as high as 69 percent. These figures illustrate why Black Friday has become an economic seismograph. When people buy less, companies reduce production, hire fewer

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employees, or even lay them off. These employees, in turn, have less money available and buy even less. This creates the dreaded downward spiral of a recession. Black Friday, therefore, reveals whether people are still willing to buy or are they holding back.

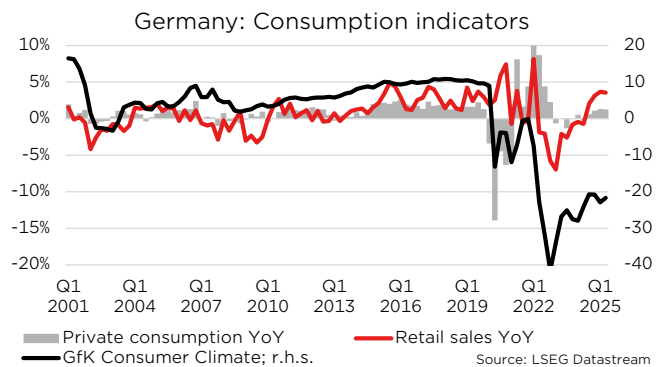


However, caution is advised when interpreting this in macroeconomic terms. A strong shopping day is not the cause of a robust economy, but rather a symptom. The record-high \$10.8 billion that American consumers spent online on Black Friday 2024 (an increase of 10.2 percent compared to the previous year) didn't appear out of thin air. Rather, it demonstrates that consumers are generally willing to buy and have disposable income. While intense shopping days often correlate with strong economic performance in the fourth quarter, both reflect the same thing: consumers' fundamental willingness to spend and their disposable income.

However, Black Friday does have value as a leading indicator. While official retail sales data from statistical offices only appear weeks later, credit card companies like Mastercard and data analysts like Adobe deliver the first reliable figures on consumer behavior as early as the weekend after Black Friday. This speed makes the data valuable: When people take advantage of discounts despite economic uncertainty, it signals confidence in their own financial situation.

This reveals a fascinating paradox of the modern consumer. Surveys often show a generally pessimistic mood. The GfK consumer climate index in Germany recently stood at minus 24.1 points, yet retail sales remained surprisingly stable. People often speak more pessimistically than they actually act. Psychologists explain this with the distinction between necessary and

postponed purchases. Black Friday thus becomes a psychological justification for spending: it's discounted, so you can buy.



Nevertheless, the significance of Black Friday figures should not be overestimated. The November boom often simply represents a postponement of December purchases. What appears to be spectacular growth frequently turns out to be a zero-sum game within the quarter. Economists therefore measure overall consumption over longer periods and view Black Friday as an interesting, but not overvalued, piece of the puzzle in the overall economic picture.

Conclusion: A second look is worthwhile

Black Friday 2025 will be an interesting indicator of both economic sentiment and your personal savings potential. For savvy consumers, Black Friday remains worthwhile, provided they approach the bargain hunt with realistic expectations and appropriate preparation. The key lies in distinguishing between fake discounts and genuine savings: observe price trends over several weeks, focus on online electronics, and keep an eye on the entire month of November rather than just the single advertised day. From a macroeconomic perspective, the absolute sales figures are less important than what they reveal about people's general willingness to consume. With moderate inflation in Germany and the Eurozone, but persistent geopolitical uncertainties, this will be particularly evident. Along with other indicators, the shopping spectacle offers important insights into economic developments before official data is available.

Jan Mooren

Market data

	As of 14.11.2025 09:24	07.11.2025 -1 week	13.10.2025 -1 month	Change versus 13.08.2025 -3 months	13.11.2024 -1 year	31.12.2024 YTD
Stock markets						
Dow Jones	47457	1,0%	3,0%	5,6%	8,0%	11,5%
S&P 500	6739	0,2%	1,3%	4,2%	12,6%	14,6%
Nasdaq	22870	-0,6%	0,8%	5,3%	18,9%	18,4%
DAX	23895	1,4%	-2,0%	-1,2%	25,7%	20,0%
MDAX	29448	2,3%	-3,3%	-4,8%	12,2%	15,1%
TecDAX	3518	1,5%	-4,5%	-6,4%	5,5%	2,9%
EuroStoxx 50	5707	2,5%	2,5%	5,9%	20,4%	16,6%
Stoxx 50	4816	2,3%	2,0%	6,5%	13,2%	11,8%
SMI (Swiss Market Index)	12700	3,3%	1,7%	6,0%	8,5%	9,5%
Nikkei 225	50377	0,2%	4,8%	16,4%	30,1%	26,3%
Brasilien BOVESPA	157162	2,0%	10,8%	15,0%	23,0%	30,7%
Indien BSE 30	84169	1,1%	2,2%	4,5%	8,3%	7,7%
China CSI 300	4628	-1,1%	0,7%	10,8%	12,6%	17,6%
MSCI Welt	4358	0,8%	1,7%	4,3%	15,7%	17,5%
MSCI Emerging Markets	1410	2,0%	4,2%	10,4%	28,9%	31,1%
Bond markets						
Bund-Future	128,92	-20	-48	-91	-291	-452
Bobl-Future	117,88	-25	-47	42	-54	2
Schatz-Future	106,98	-8	-17	-12	19	-1
3 Monats Euribor	2,05	4	2	1	-98	-67
3M Euribor Future, Dec 2025	2,05	1	3	13	14	15
3 Monats \$ Libor	3,96	4	-6	-33	-64	-41
10 year US Treasuries	4,13	4	10	-9	-32	-44
10 year Bunds	2,71	8	12	7	32	34
10 year JGB	1,71	3	4	19	67	63
10 year Swiss Government	0,18	6	2	-7	-22	-9
US Treas 10Y Performance	638,14	-0,1%	0,0%	2,1%	7,5%	7,8%
Bund 10Y Performance	563,87	-0,1%	-0,2%	0,6%	0,4%	-0,1%
REX Performance Index	460,86	0,1%	0,0%	0,6%	2,3%	1,8%
IBOXX AA, €	3,16	2	9	7	13	12
IBOXX BBB, €	3,44	1	7	8	-5	-2
Commodities						
MG Base Metal Index	474,23	1,7%	3,4%	9,6%	14,6%	16,9%
Crude oil Brent	63,91	0,4%	0,9%	-2,7%	-11,5%	-14,5%
Gold	4179,20	4,5%	2,0%	24,4%	60,6%	59,2%
Silver	52,34	8,3%	0,0%	35,9%	72,5%	81,1%
Aluminium	2870,07	1,2%	3,1%	9,9%	15,0%	13,6%
Copper	10950,04	2,4%	-0,9%	12,6%	22,9%	26,6%
Iron ore	104,05	0,7%	-2,3%	2,0%	1,1%	0,4%
Freight rates Baltic Dry Index	2077	-1,3%	-3,1%	2,6%	27,4%	108,3%
Currencies						
EUR/ USD	1,1621	0,5%	0,4%	-0,8%	9,3%	11,9%
EUR/ GBP	0,8862	0,7%	2,2%	2,6%	6,5%	7,2%
EUR/ JPY	179,61	1,5%	2,1%	4,1%	9,0%	10,1%
EUR/ CHF	0,9183	-1,4%	-1,3%	-2,4%	-2,1%	-2,4%
USD/ CNY	7,1011	-0,4%	-0,4%	-1,1%	-1,8%	-2,8%
USD/ JPY	154,57	0,7%	1,5%	4,9%	-0,6%	-1,7%
USD/ GBP	0,76	0,3%	1,6%	3,5%	-3,0%	-4,5%

Source: LSEG Datastream

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