



December 12, 2025

U.S. equity markets were muted to begin the week as investors looked toward the Federal Reserve's last meeting of the year. While the committee's decision to reduce interest rates by 25 basis points (bps) to a range of 3.50-3.75% was widely anticipated, markets were more focused on deciphering the Fed's path in 2026. The latest Summary of Economic Projections (SEP) showed 25 bps of interest rate cuts in 2026, unchanged from September's meeting, though four Fed officials see at least three 25 bps cuts in 2026, highlighting the wide divergence of views for a path forward in the coming year. Policymakers anticipate Personal Consumption Expenditures (PCE) inflation easing to 2.4% in 2026, down from the most recent reading of 2.8% in September. The market is now pricing in a 75% chance the Fed will hold rates steady in January, up from 68% prior to the announcement. In economic data, the New York Fed Survey of Consumer Expectations showed that consumers expect inflation to hold steady at roughly 3%, though some conveyed pessimism about overall household finances. Despite this, the outlook around labor market expectations for the next twelve months improved modestly. The October Job Openings and Labor Turnover Survey (JOLTS) showed that job openings were essentially unchanged at 7.67 million, better than consensus. Mixed data showed a moderate decline in quits and a rise in layoffs, with job openings at stable levels lower than recent years, but still above pre-pandemic norms – indicating that the labor market remains resilient but is slowing. In corporate news, technology stocks were notably weaker due to concerns over elevated valuations and outsized spending on artificial intelligence infrastructure. Paramount Skydance launched a hostile takeover bid for Warner Brothers Discovery, attempting to usurp the agreement made with Netflix the week prior. Warner Brothers has until December 22<sup>nd</sup> to review the offer and make a recommendation to shareholders.

Stocks	Wk		Div Yield	YTD % Change	12 Mos % Change
	Close	Net Change			
DJII-USA	48,458.05	503.06	1.05	1.75	13.90
S&P 500	6,827.41	-42.99	-0.63	1.43	16.08
NASDAQ	23,195.17	-382.96	-1.62	0.88	20.12
S&P MidCap 400	3,350.95	30.83	0.93	2.23	7.37
EAFE	96.50	0.69	0.72	3.13	27.63
Emerging Markets	66.89	-0.54	-0.80	2.85	28.09

Sector - Large Cap	Wk		MTD	QTD	YTD
	Close	Net Change			
<b>Defensive</b>					
Staples	879.34	9.68	1.1%	(0.3%)	0.9%
Health Care	1,791.00	7.60	0.4%	(2.3%)	10.3%
CommsServices	446.19	-14.74	(3.2%)	(2.4%)	5.6%

Eco Sensitive	Wk		MTD	QTD	YTD
	Close	Net Change			
Consumer Disc	1,936.82	6.31	0.3%	1.1%	1.0%
Energy	692.03	-4.22	(0.6%)	0.8%	1.3%
Industrials	1,323.34	17.85	1.4%	1.9%	1.3%
Info Tech	5,645.84	-132.94	(2.3%)	(1.0%)	0.6%
Materials	568.07	13.52	2.4%	0.9%	(0.5%)

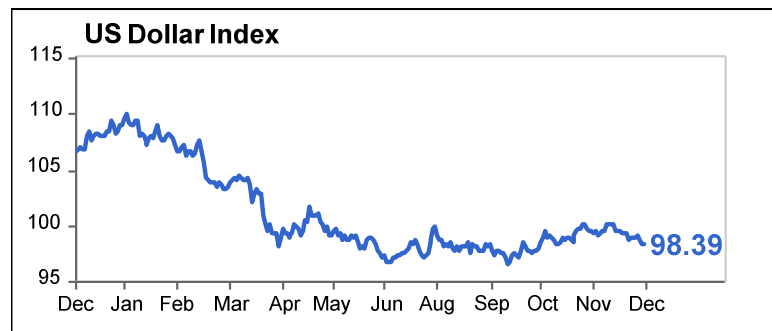
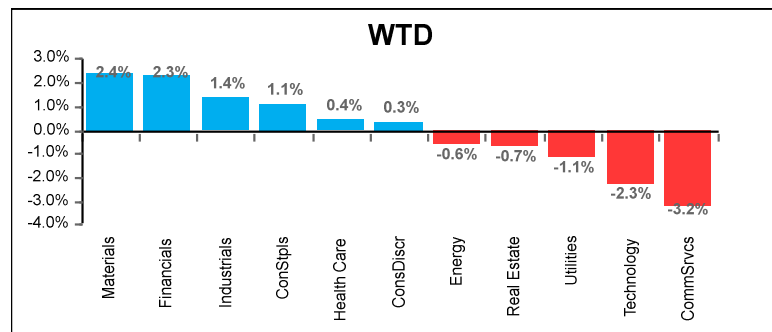
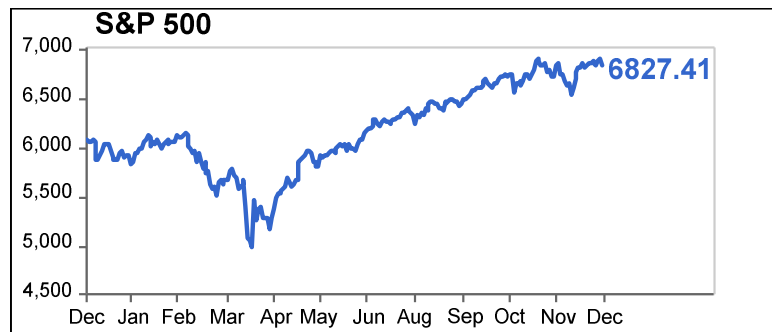
Interest Rate Sensitive	Wk		MTD	QTD	YTD
	Close	Net Change			
Financials	911.66	20.56	2.3%	2.9%	1.7%
Utilities	432.45	-4.97	(1.1%)	(5.6%)	(2.4%)
REIT	253.14	-1.87	(0.7%)	(2.3%)	(2.7%)

### Russell Style Returns

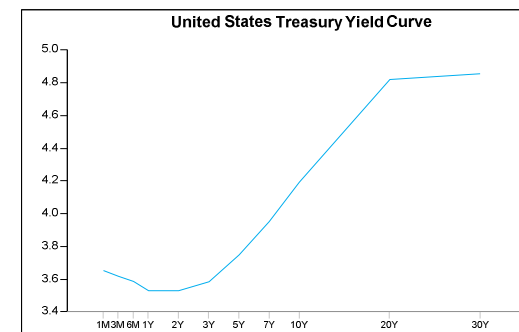
	WTD	Value	Blend	Growth	YTD	Value	Blend	Growth
Large	0.63%	-0.53%	-1.55%	15.91%	16.94%	17.73%		
Medium	0.75%	0.55%	-0.01%	11.93%	11.63%	10.14%		
Small	1.99%	1.23%	0.53%	15.59%	15.79%	16.11%		

Commodity	Price	Wk % Change	FOREX	Price	Wk % Change
Copper	5.36	-1.82	EUR/USD	1.17	0.82
Gold	4,333.20	2.13	USD/JPY	155.89	0.31
WTI	57.46	-4.36	GBP/USD	1.34	0.26
Brent	61.16	-4.06	USD/CAD	1.38	-0.36
Natural Gas	4.12	-22.05			

Source: FactSet



Treasuries	Current Yield	12/31/24 Yield
1 - Year	3.52	4.15
2 - Year	3.52	4.24
5 - Year	3.74	4.38
10 - Year	4.18	4.57
30 - Year	4.85	4.78



COMING UP NEXT WEEK	Consensus	Prior
12/16 Nonfarm Payrolls SA	(Nov) 40.0K	-
12/16 Private Nonfarm Payrolls	(Nov) 45.0K	-
12/16 Unemployment Rate	(Nov) 4.4%	-
12/16 Capacity Utilization NSA	(Oct) 77.4%	75.9%
12/16 Industrial Production SA M/M	(Oct) 0.10%	0.10%
12/17 Retail Sales ex-Auto SA M/M	(Nov) 0.20%	-
12/17 Retail Sales SA M/M	(Nov) 0.10%	-
12/18 CPI ex-Food & Energy SA M/M	(Nov) 0.30%	-
12/18 CPI ex-Food & Energy NSA Y/Y	(Nov) 3.1%	-
12/18 Leading Indicators SA M/M	(Nov) 0.0%	-0.30%
12/19 Existing Home Sales SAAR	(Nov) 1,140K	4,100K
12/19 Michigan Sentiment NSA (Final)	(Dec) 53.5	53.3P
12/19 Personal Income SA M/M	(Nov) 0.40%	-

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