

MARKET VIEW WEEKLY

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ECONOMIC REVIEW¹

- The Federal Reserve (Fed) cut interest rates by 0.25%, bringing the target range to 3.50% - 3.75%.
 - This marks the third consecutive rate cut in 2025, with a combined 1.75% of rate cuts since September 2024.
 - Nine Fed board members voted to support the rate cut of 0.25%, two members voted for no cut, and one member voted for a 0.50% cut.
 - In its updated economic projections for next year, the Fed increased its GDP forecast from 1.8% to 2.3% and lowered its inflation forecast from 2.6% to 2.4%.
 - Fed Chairman Jerome Powell noted in his press conference that the Fed is well positioned to wait and see how the economy evolves, noting that the threshold for additional rate cuts would be higher moving forward.
- The Job Openings and Labor Turnover Survey (JOLTS) pointed to a jobs market that was little changed in October.
 - Job openings rose by 12,000 to 7.670 million, following a 431,000 increase in September.
 - The quits rate was little changed at 1.8% but over the year total job quits have fallen by 276,000.
 - Similarly, the layoff rate was virtually unchanged at 1.2%.
- Initial weekly jobless claims increased to 236,000, surpassing the consensus expectation of 220,000.
 - However, continuing jobless claims fell to 1.838 million, marking their lowest point in eight months.
 - It's important to note that claims data has historically been volatile around year-end holiday periods, such as during the Thanksgiving week.

How does the most recent economic data impact you?

- Most labor market data points to a still-stable but slowing employment environment, with job openings and layoffs largely unchanged, supporting income stability for most workers.
 - Average hourly wage growth, when adjusted for inflation, has been positive for 29 consecutive months helping support consumer spending and economic growth.
- After delivering three rate cuts this year, the Federal Reserve will likely remain on hold for the next few months as it assesses continued economic data, unless there is a deterioration in labor market conditions.



A LOOK FORWARD¹

- This week investors will be closely watching the November Consumer Price Index (CPI) report, October retail sales data, and the nonfarm payrolls report for October and November.

How does this week's slate of economic data impact you?

- Inflation is expected to tick up higher to 3.1% as tariff-related costs continue to filter through the economy.
- Preliminary data indicates that consumer spending remains resilient; however, with the latest retail sales report reflecting October activity, a seasonal slowdown may emerge in the interim period between back-to-school purchases and the start of holiday spending.
- Heightened attention will be paid to the jobs report, as it incorporates two months of data following delays caused by the government shutdown.
 - While the unemployment rate is expected to remain at 4.4%, investors will be closely focused on underlying job creation trends for signs of reacceleration.

Market Index Returns as of 12/12/2025	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	-0.61%	2.33%	17.51%	14.28%	21.04%	14.94%
NASDAQ	-1.61%	2.49%	20.87%	17.16%	28.20%	14.23%
Dow Jones Industrial Average	1.10%	4.85%	15.84%	12.47%	14.57%	12.17%
Russell Mid-Cap	0.56%	1.31%	11.87%	7.14%	13.23%	9.45%
Russell 2000 (Small Cap)	1.21%	4.95%	15.85%	10.19%	13.29%	7.37%
MSCI EAFE (International)	0.85%	3.46%	29.47%	26.33%	15.44%	9.24%
MSCI Emerging Markets	0.43%	3.57%	32.09%	28.43%	15.68%	4.55%
Bloomberg Barclays US Agg Bond	-0.20%	0.56%	6.73%	5.97%	3.77%	-0.41%
Bloomberg Barclays High Yield Corp.	-0.13%	0.73%	8.00%	7.33%	9.05%	4.57%
Bloomberg Barclays Global Agg	0.03%	-0.23%	7.66%	6.39%	3.15%	-2.11%



OBSERVATIONS

- Major U.S. large-cap indices finished mixed on the week, as weakness in large-cap tech weighed on broader benchmarks, but other areas of the market saw positive performance.
 - The Nasdaq declined for the week (-1.61%), followed by the S&P 500 (-0.61%), while the Dow Jones (+1.10%) finished positive.
- Small cap (+1.21%) and mid-cap (+0.56%) stocks also finished positive for the week, benefitting from improved sentiment following the Fed's rate cut.
- International markets also posted positive returns on the week. Developed markets rose +0.85% while emerging markets posted a return of +0.43%.
- Domestic and international fixed income indices were mixed for the week as interest rates remained largely unchanged. The U.S. Aggregate Bond Index dropped -0.20% while high yield corporate bonds declined -0.13%.
 - International bonds also experienced muted returns for the week and finished up +0.03%.



BY THE NUMBERS

- **At Least 15 Killed in Mass Shooting at Hanukkah Event on Sydney's Bondi Beach:** A pair of father-and-son gunmen killed at least 15 people in a mass shooting at a Hanukkah celebration on Bondi Beach in Sydney, Australia, on Sunday, according to officials. At least 42 people have been hospitalized. The attack occurred around 6:45 p.m. local time on Sunday, when emergency services were called to the beach after reports of shots fired, NWS police also said. Hundreds of people had gathered at the popular beach for Chanukah by the Sea, an event celebrating the start of Hanukkah, the annual Jewish festival. The attack is the first deadly mass shooting in Australia since 2022, when six people, including two police officers, were shot in a suspected ambush at a property as officers responded to a missing person's report. Mass shootings are rare in Australia, largely due to the country's strict gun laws. The country implemented some of the world's toughest gun laws after its worst-ever mass shooting in 1996, when a lone gunman killed 35 people at a café and tourist site in Tasmania's Port Arthur.³
- **Powerball's Second-Biggest Jackpot of the Year Climbs to \$1.1 Billion:** The Powerball jackpot rose to an estimated \$1.1 billion after there were no winners in Saturday's night drawing. It's the second-largest jackpot this year and the 12th to cross the \$1 billion threshold in the past five years. The winning numbers were 1, 28, 31, 57 and 58 with a Powerball of 16. While no one took home the jackpot, five ticket holders across the country won \$1 million and two ticket holders won \$2 million, according to Powerball. The largest jackpot this year was in September, valued at \$1.787 billion before taxes. That went to two winners from Missouri and Texas who split the prize. This jackpot's lump sum is \$503.4 million before taxes, a growth of over \$74 million since Wednesday. The odds of winning Powerball's jackpot are 1 in 290.2 million. The next drawing is set for tonight at 10:59 p.m. ET.⁴

Economic Definitions

CPI (headline and core): Consumer prices (CPI) are a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.

Continuing Jobless Claims: Continuing claims are the number of people filing for unemployment benefits who have already filed an initial claim. To be included in continuing claims, the person must be covered by unemployment insurance and must be currently receiving benefits. They must have been unemployed for at least a week after filing the initial claim, per Department of Labor (DoL) specifications.

Federal Reserve (Fed): The Federal Reserve System is the central banking system of the United States of America.

Initial Jobless Claims: Initial unemployment claims track the number of people who have filed jobless claims for the first time during the specified period with the appropriate government labor office. This number represents an inflow of people receiving unemployment benefits.

Job Openings and Labor Turnover Survey – JOLTS: This concept tracks the number of specific job openings in an economy. Job vacancies generally include either newly created or unoccupied positions (or those that are about to become vacant) where an employer is taking specific actions to fill these positions.

Nonfarm Payrolls: This indicator measures the number of employees on business payrolls. It is also sometimes referred to as establishment survey employment to distinguish it from the household survey measure of employment.

Retail Sales: Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

Unemployment Rate: The unemployment rate tracks the number of unemployed persons as a percentage of the labor force (the total number of employed plus unemployed). These figures generally come from a household labor force survey.

Index Definitions

S&P 500: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

NASDAQ: The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971.

Dow Jones Industrial Average: The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

Russell Mid-Cap: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represents approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell 2000: The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

MSCI EAFE: The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

MSCI EM: The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg Barclays US Agg Bond: The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg Barclays High Yield Corp: The Bloomberg Barclays US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded.

Bloomberg Barclays Global Agg: The Bloomberg Barclays Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Barclays Municipal Bond Index: The Bloomberg Barclays U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

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¹ Data obtained from Bloomberg as of 12/12/2025.

² Data obtained from Morningstar as of 12/12/2025.

³ [Gunmen kill at least 15 at Jewish holiday event in Australia : NPR](#)

⁴ [Powerball's second biggest jackpot of the year climbs to \\$1.1 billion | CNN](#)