

# Weekly Market Recap

December 1, 2025

Index	Price	Price Returns	
	Close	Week	YTD
S&P 500® Index	6,849	3.7%	16.4%
Dow Jones Industrial Average	47,716	3.2%	12.2%
NASDAQ	23,366	4.9%	21.0%
Russell 2000® Index	2,500	-0.8%	12.1%
MSCI EAFE Index	2,794	2.6%	23.5%
Ten-Year Treasury Yield	4.01%	-0.1%	0.1%
Oil WTI <sup>1</sup> (\$/bbl <sup>2</sup> )	\$59.53	2.5%	-17.0%
Bonds <sup>3</sup>	\$100.82	0.4%	7.5%

<sup>1</sup>WTI = West Texas Intermediate Oil. <sup>2</sup>bbl = Barrel. <sup>3</sup>Bonds are represented by the iShares U.S. Aggregate Bond ETF. Sources: Bloomberg L.P.; FactSet.

## Last Week:

### U.S. Equity Market

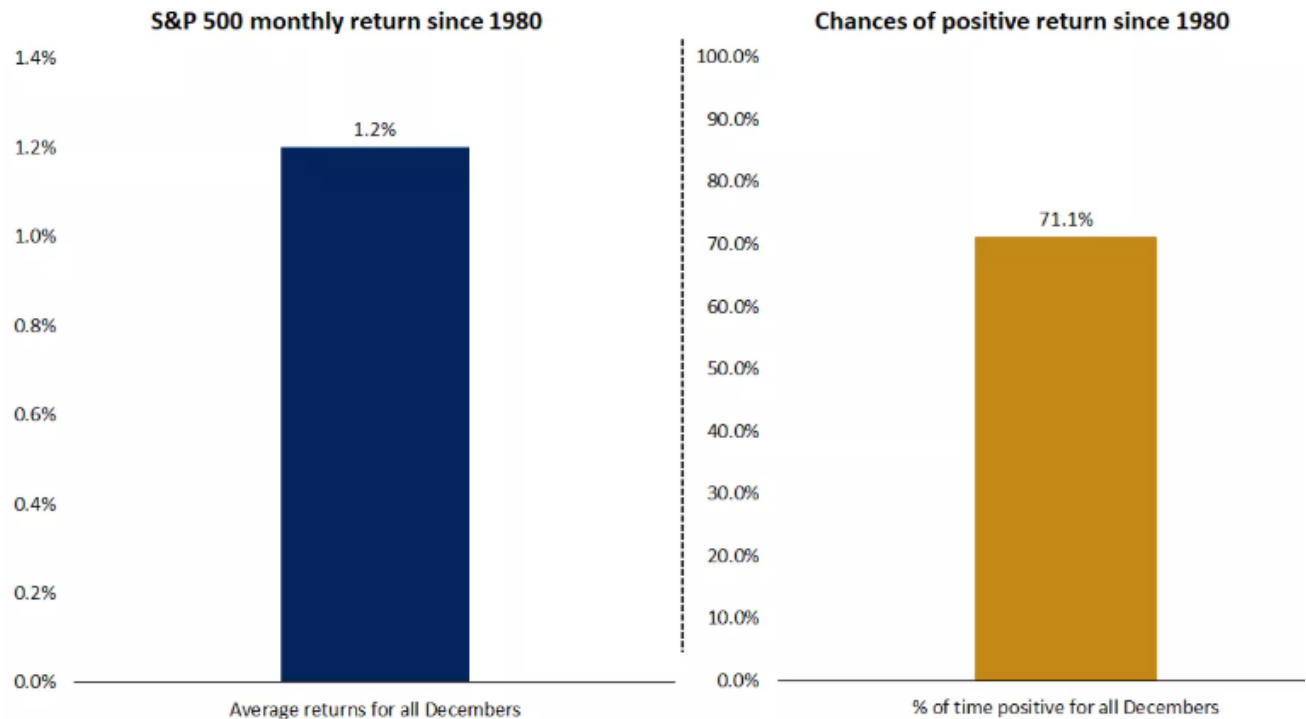
- U.S. large cap equities (S&P 500 Index) rose +3.7% as the odds that the Federal Reserve (Fed) will cut interest rates at the December meeting jumped back above 80% after briefly falling below 30% in the prior week. Fed members Christopher Waller and Mary Daley provided dovish comments that referenced labor market concerns. Artificial intelligence (AI)-related stocks rebounded after three challenging weeks that reduced concerns associated with elevated valuations, lack of return on investment, increasing debt financing for AI capital expenditures, and cash burn associated with private AI companies. Initial jobless claims for the week ended November 22 fell to 216k from 222k in the prior week, which was below analyst expectations for 225k. The 10-year Treasury yield fell to 4.01% from 4.06%.
- S&P 500 Index Sector Returns:
  - Communication services (+5.9%) rose, led by social media and traditional media.
  - Consumer discretionary (+5.3%) rose, led by home improvement retailers Amazon and Tesla.
  - Technology (+4.3%) rose, led by AI semiconductor and software stocks.
  - Materials (+3.3%) rose, led by precious metals miners and chemical companies.
  - Financials (+3.2%) rose, led by banks.
  - Utilities (+2.9%), healthcare (+1.9%), and consumer staples (+1.7%) underperformed as investors tend to favor less defensive sectors.
  - Industrials (+2.7%) rose, led by airlines, electric grid suppliers, and aerospace and defense companies.
  - Real Estate (+1.8%) rose, led by cell towers and office real estate.
  - Energy (+1.0%) rose, with the price of oil increasing +2.5%.

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All data is as of 11.28.2025 unless otherwise noted. Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful. Please reference important disclosures on pages 6-7.

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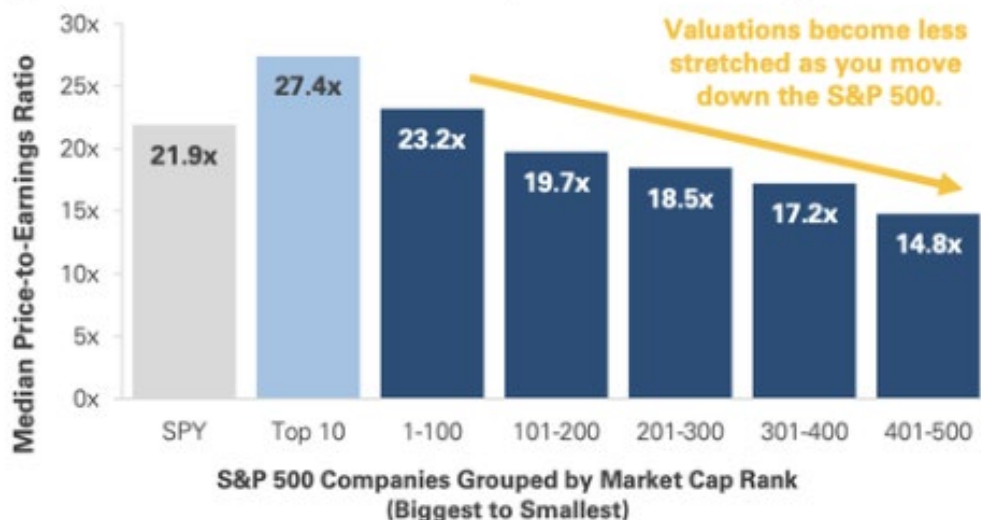
- Since 1980, December has generated an average return of 1.2% with a historical probability of a positive return of 71.1%.



Sources: Bloomberg L.P.; Edward Jones.

- Price-to-earnings valuations for the next 12 months appear more attractive for smaller market cap stocks relative to the top ten and mega-cap stocks.

**Figure 3: Median Next 12-Month P/E by S&P 500 Index Weight**



Companies grouped into quintiles by index weight rank. 1-100: includes companies with the 1 to 100 largest index weights. SPY= S&P 500 Index. P/E= price-to-earnings. Sources: MarketDesk; The Daily Shot. Data as of 11.25.2025.

- Since April, global equities outside the U.S. (excluding technology) have generally kept pace with U.S. equities in terms of relative price performance.

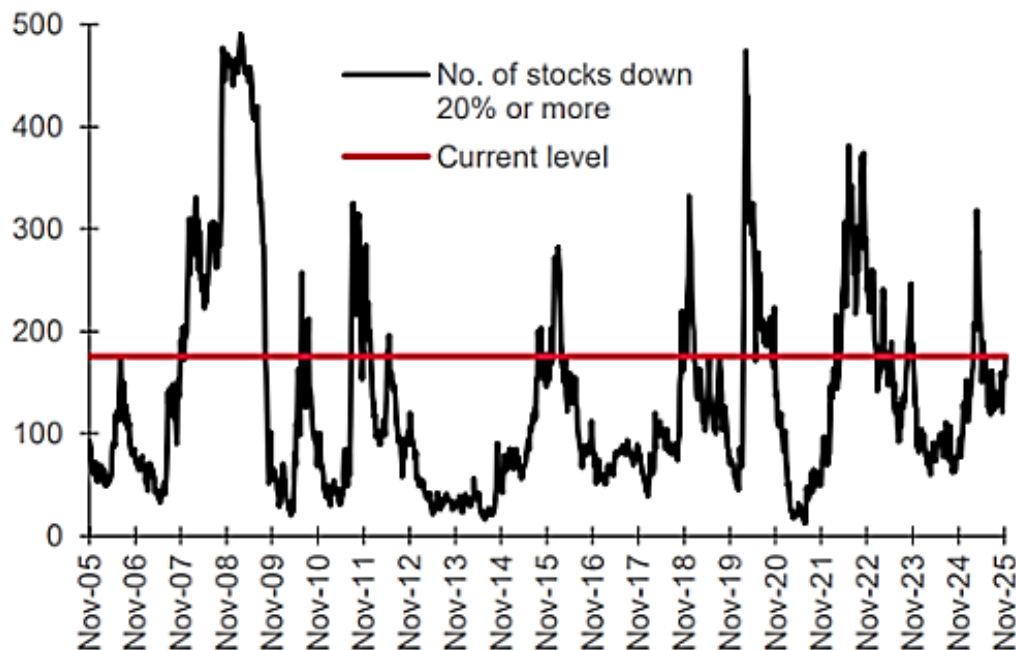
Chart 5 **Ex-Tech, Global Ex-U.S. Has Matched The U.S. Even Since April**



\*U.S. dollars; rebased; shown in log scale. Sources: MSCI; The Daily Shot.

- 35% of stocks in the S&P 500 Index are in a bear market in 2025.

## 35% of stocks in the S&P 500 are in a bear market (i.e. down 20% from one-year highs)



Sources: Societe Generale Cross Asset Research/Quant; FactSet; The Daily Shot.

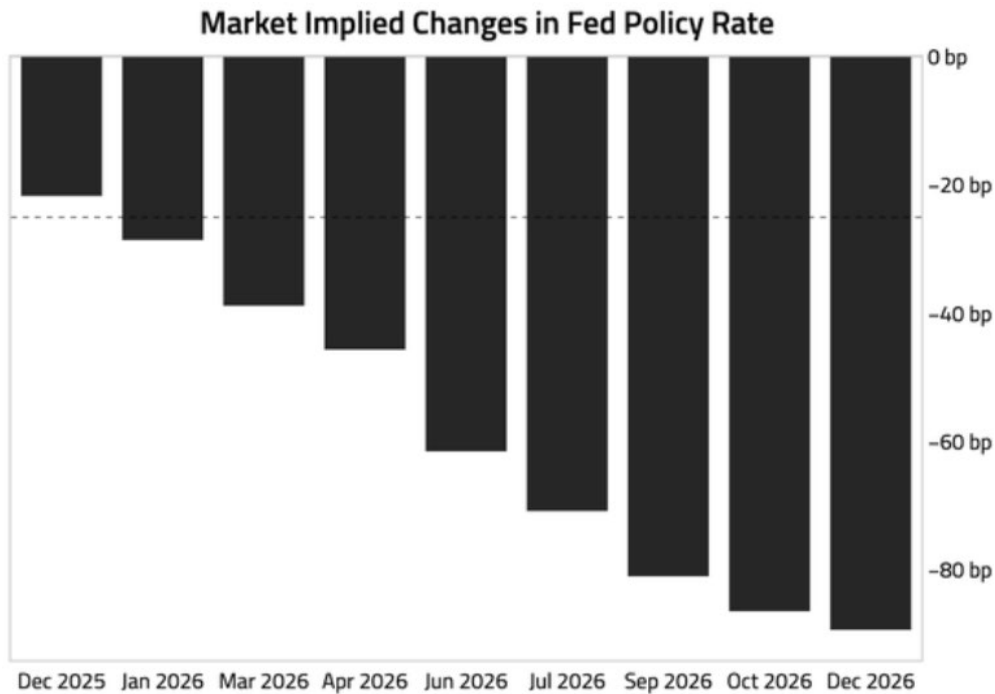
## Fixed Income Markets

- The U.S. 10-year Treasury yield continues to hover around 4.0%.



Source: The Daily Shot.

- The futures market indicates the Fed may cut rates by over 0.80% by the end of 2026.



bp= basis point. Source: The Daily Shot.

## U.S. Economic and Political News

- Chicago Purchasing Managers' Index (PMI) unexpectedly declined in November, falling to the lowest level since May 2024 and marking the 24<sup>th</sup> consecutive month in contraction.

## International Markets and News

- European markets (STOXX 600 Index) rose +2.4% along with U.S. markets as consumer prices increased only 0.8% year-over-year in France, while inflation data in Spain eased to 3.1% from 3.2%.
- The Chinese stock market (Shanghai Composite) fell -3.9% as Chinese AI-related tech stocks followed similar increases to U.S. AI-related technology companies.
- Japanese equities (Nikkei 225 Index) rose +3.4% as Japanese AI-related tech stocks rebounded following U.S. tech stocks, while Tokyo's core inflation held steady in November at around 2.8% year-over-year.

## This Week:

- The volume of corporate earnings reports will be lighter this week.
- Economic data:
  - Monday: PMI Manufacturing Final, Construction Spending, Institute of Supply Management (ISM) Manufacturing Index;
  - Tuesday: Fed Speaking Engagements: Fed Vice Chair for Supervision Michelle Bowman;
  - Wednesday: Mortgage Bankers Association Mortgage Purchase Applications, Automatic Data Processing Employment Report, Export Prices, Import Prices, Capacity Utilization, Industrial Production, PMI Services Final, ISM Non-Manufacturing Index;
  - Thursday: Challenger Job Cuts, Continuing Jobless Claims, Initial Claims, Trade Balance;
  - Friday: Core Personal Consumption Expenditure, Personal Spending, Personal Income, Factory Orders, Michigan Consumer Sentiment (Preliminary), Consumer Credit.

As always, thank you very much for your interest in our thoughts and support of our services.

Whitney Stewart, CFA®  
Executive Director

Griffith Jones, Jr.  
Executive Director

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## Index Definitions

Performance is compared to an index, however, the volatility of an index varies greatly. Indices are unmanaged and investments cannot be made directly in an index.

The **S&P 500® Index** is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P 500 Composite includes 500 of the largest stocks (in terms of stock market value) in the United States and covers approximately 80% of available market capitalization.

The **Russell 2000® Index** measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

The **Dow Jones Industrial Average (DJIA)** is an index that tracks 30 large, publicly-owned blue chip companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

The **NASDAQ Composite Index** is the market capitalization-weighted index of over 2,500 common equities listed on the NASDAQ stock exchange. The types of securities in the index include American depositary receipts, common stocks, real estate investment trusts (REITs) and tracking stocks, as well as limited partnership interests. The index includes all Nasdaq-listed stocks that are not derivatives, preferred shares, funds, exchange-traded funds (ETFs) or debenture securities.

The **MSCI EAFE Index** is an equity index which captures large and mid-cap representation across 21 Developed Markets countries around the world, excluding the U.S. and Canada. With 900 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The **STOXX Europe 600 Index** is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The **Nikkei 225** is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

The **Shanghai Stock Exchange Composite Index** is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange.

## Technical Terms:

The **Michigan Consumer Sentiment Index (MCSI)** is a monthly survey of consumer confidence levels in the United States conducted by the University of Michigan. The survey is based on telephone interviews that gather information on consumer expectations for the economy. A monthly **Purchasing Managers Index (PMI)** highlighting the manufacturing sector is made available by the Institute for Supply Management (ISM), a nonprofit supply management organization. The **Services PMI** (Purchasing Managers' Index) is a key economic indicator that measures business activity in the services sector. It provides a forward-looking perspective on the health of the economy, specifically within the service industry. The **ISM Manufacturing Index** is a monthly economic report that measures the health of the U.S. manufacturing sector based on a survey of purchasing and supply executives. The **ISM Non-Manufacturing Index** is an index that measures the economic condition and performance of service-based companies. The **Chicago PMI** is a monthly measure of the level of business activity for the Chicago area in the manufacturing sector. The **Core Personal Consumption Expenditure (PCE) Index** is a measure of prices that people living in the U.S., or those buying on their behalf, pay for goods and services. A **futures market** is a regulated exchange where traders buy and sell standardized contracts for the future delivery of a commodity or financial asset at a predetermined price. It allows producers and consumers to hedge against price risk, while speculators can use the market to bet on future price movements. A **bear market** is a decline of 20% or more in market prices, often accompanied by negative investor sentiment and weakening economic conditions. The **price-to-earnings (P/E) valuation** is a financial metric that compares a company's current stock price to its earnings per share (EPS). It tells an investor how much they are hypothetically paying for each dollar of a company's earnings, with a higher P/E suggesting investors expect higher future growth. The ratio is calculated by dividing the stock's price by the earnings per share. **Return on investment (ROI)** is a performance measure used to evaluate the profitability of an investment, calculated by dividing the net profit or gain by the cost of the investment, and is expressed as a percentage. **Capital expenditures (CapEx)** are funds used by a company to acquire, upgrade, or maintain its long-term physical and intangible assets, such as buildings, equipment, software, and patents. **Mega cap stocks** are stocks with a capitalization or market value over \$200 billion. **Capacity utilization** is a measure of how much of a company's maximum possible output is actually being used. **Challenger job cuts** refers to the number of layoffs and job cuts announced by companies, compiled in a monthly report by the outplacement firm Challenger, Gray & Christmas.

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