

Weekly Market Update

December 15, 2025

Economic & Market News

This Week:

- U.S. economic reports scheduled to be released this week include nonfarm payrolls, industrial production, capacity utilization, retail sales, Consumer Price Index (CPI), and personal consumption expenditures (PCE).
- Non-U.S. economic reports scheduled to be released this week include industrial production in the Eurozone, trade balance in Japan, and foreign direct investment in China.

Week in Review:

- The trade deficit in goods and services came in at \$52.8B in September. Exports rose by \$8.4B, led by nonmonetary gold, while imports rose by \$1.9B, led by pharmaceuticals.
- The Federal Reserve cut rates by 25 basis points (bps) to 3.50–3.75%. The decision drew two-sided dissents: Governor Stephen Miran favored a 50 bps cut while Presidents Jeffrey Schmid (for a second meeting) and Austan Goolsbee preferred no change.
- In Japan, gross domestic product (GDP) contracted by 0.6% for the third quarter, notably down from the previous quarter which saw GDP grow by 0.5%.

Commodities	Latest	1M Ago	3M Ago	6M Ago
Oil (\$/barrel)	57.44	58.49	62.69	68.04
Gold (\$/oz)	4300.10	4204.40	3649.40	3380.90
Gasoline (\$/gallon)	1.75	1.96	1.99	2.14

Currencies	Latest	1M Ago	3M Ago	6M Ago
Euro (\$/€)	1.17	1.16	1.17	1.16
Pound (\$/£)	1.34	1.31	1.36	1.36
Yen (\$/¥)	155.88	154.75	147.67	143.76

S&P 1500 by Capitalization & Style¹

1-Week Value	1-Week Blend	1-Week Growth		YTD Value	YTD Blend	YTD Growth
0.73%	-0.61%	-1.71%	Large	13.47%	17.51%	21.20%
1.53%	0.95%	0.44%	Mid	9.25%	8.87%	8.56%
2.42%	2.04%	1.67%	Small	9.21%	8.90%	8.60%

Upcoming U.S. Economic Events: Dec 15-19, 2025

Day	Indicator	Period	Consensus	Last ²
MON	NAHB Housing Market Index SA	DEC	38.0	38.0
TUE	Building Permits SAAR (Prelim)	NOV	1,355K	-
TUE	Nonfarm Payrolls SA	NOV	40.0K	-
TUE	Unemployment Rate	NOV	4.4%	-
TUE	Capacity Utilization NSA	OCT	77.3%	75.9%
TUE	Industrial Production SA M/M	OCT	0.10%	0.10%
WED	Retail Sales SA M/M	NOV	0.10%	-
THU	CPI ex-Food & Energy SA M/M	NOV	0.30%	-
THU	CPI ex-Food & Energy NSA Y/Y	NOV	3.1%	-
THU	Continuing Jobless Claims SA	12/06	1,950K	1,838K
THU	CPI SA M/M	NOV	0.25%	-
THU	CPI NSA Y/Y	NOV	3.1%	-
THU	Initial Claims SA	12/13	200.0K	236.0K
THU	Philadelphia Fed Index SA	DEC	3.5	-1.7
THU	Leading Indicators SA M/M	NOV	0.0%	-0.30%
FRI	Existing Home Sales SAAR	NOV	4,140K	4,100K
FRI	Michigan Sentiment NSA (Final)	DEC	54.0	53.3 P
FRI	PCE SA M/M	NOV	-	-

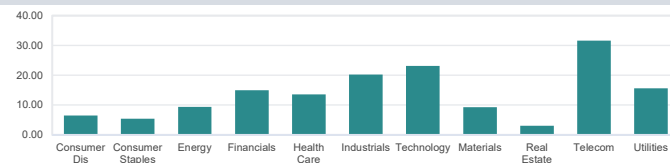
Equity Index Characteristics ³	P/E (TTM)	P/B (TTM)	P/CF (TTM)	Wtd Avg Mkt Cap (\$B)
MSCI ACWI IMI	22.31	3.11	14.90	145.12
S&P 500	27.56	5.07	19.85	465.35
S&P MidCap 400	20.83	2.53	12.55	9.90
S&P SmallCap 600	17.63	1.80	9.56	3.33
MSCI World ex U.S.	18.29	2.14	11.09	63.76
MSCI EM IMI	15.75	1.96	10.35	42.29

S&P 500 Sector Returns (%)

1-Week



YTD



Index Returns	1 Week	MTD	3M	YTD
MSCI ACWI IMI	-0.04	0.51	4.00	21.44
S&P 500	-0.61	-0.26	4.00	17.51
S&P MidCap 400	0.95	1.35	2.46	8.87
S&P SmallCap 600	2.04	2.67	5.12	8.90
MSCI World ex USA	0.90	1.64	4.51	30.12
MSCI EM IMI	0.43	1.64	4.58	30.01
Bloomberg U.S. Agg Bond	-0.20	-0.68	0.31	6.73
Bloomberg Commodity	-2.63	-1.15	6.02	14.81
DJ Equity All REIT	-0.48	-2.11	-2.03	2.44

Bond Rates	Latest	1M Ago	3M Ago	6M Ago
Fed Funds Target Rate	3.64	3.87	4.33	4.33
2Y U.S. Treasury	3.53	3.56	3.57	3.90
10Y U.S. Treasury	4.19	4.07	4.06	4.35
ICE 3M LIBOR	4.85	4.85	4.85	4.85
Bloomberg 10Y Muni	3.24	3.21	3.28	3.74
Bloomberg U.S. IG Corp.	4.87	4.82	4.74	5.14
Bloomberg U.S. HY Corp.	6.70	6.77	6.64	7.36



Important Information

Source Information & Technical Terms

¹Style boxes are derived from the components of the S&P 1500® Index. ²May include flash/preliminary estimates. ³Characteristics are as of 11.30.2025.

Economic & market news provided by Sterling Capital Advisory Solutions.

Commodity rates (oil, gold, gasoline), **currency rates** (dollar per pound sterling, dollar per euro, yen per dollar), **upcoming U.S. economic events**, **bond rates** (fed funds target rate, 2Y Treasury, 10Y Treasury, 3M LIBOR, 10Y municipal, U.S. IG corporate, U.S. HY corporate), **10Y Treasury yields** and **S&P 500 Index levels** are all sourced from FactSet.

Capitalization/style returns are based on S&P Indexes. All values are cumulative total return for stated period including the reinvestment of dividends. Top row indices (L-R): S&P 500 Value; S&P 500; S&P 500 Growth. Middle row indices (L-R): S&P Mid Cap 400 Value; S&P Mid Cap 400; S&P Mid Cap 400 Growth. Bottom row indices (L-R): S&P Small Cap 600 Value; S&P Small Cap 600; S&P Small Cap 600 Growth. The S&P 500, S&P Mid Cap 400, and S&P Small Cap 600 are defined on the next page. S&P Style indices measure growth and value along two separate dimensions, with three factors each used to measure growth and value. Growth factors: 3-year change in earnings per share over price per share; 3-year sales per share growth rate; momentum. Value factors: book value to price ratio; earnings to price ratio; sales to price ratio. Source: Morningstar Direct.

Equity index characteristics: P/E, P/B, and P/CF ratios for all indices are based on trailing twelve months (TTM) period. Source: Morningstar Direct. Index definitions are on the next page.

S&P 500 sector returns are based on the GICS Classification model. Returns are calculated by Morningstar Direct using constituents and weights provided by Standard and Poor's. Returns are cumulative total return for the stated period, including reinvestment of dividends. Source: Morningstar Direct.

Index returns: Prices reflect closing price level for each stated date. Source: Morningstar Direct.

The Consumer Price Index (CPI), calculated by the Bureau of Labor Statistics (BLS), measures the monthly change in price for a figurative basket of goods and services.

The Composite Index of Leading Indicators, or Leading Economic Index (LEI), is a monthly index published by The Conference Board that combines ten economic components to predict the direction of the U.S. economy.

Gross Domestic Product (GDP) measures the total value of everything a country produces in goods and services over a set period.

Nonfarm payroll refers to the number of jobs in the private sector and government agencies. It excludes farm workers, private household employees, proprietors, non-profit employees, and actively serving military.

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.

The NAHB/Wells Fargo Housing Market Index (HMI) is a monthly survey that measures U.S. builder sentiment on sales, future prospects, and buyer traffic to assess the health in the single-family home market.

A non-seasonally adjusted (NSA) dataset shows the original, unmanipulated figures, retaining the full impact of regular, predictable patterns like holiday shopping or weather changes.

Personal Consumption Expenditures (PCE) is a measure of all consumer spending on goods and services in an economy, accounting for about two-thirds of the U.S. GDP.

The Philadelphia Federal Index (or Philly Fed Index) is a regional federal-reserve-bank index measuring changes in business growth covering the Pennsylvania, New Jersey, and Delaware regions.

Price-to-book (P/B) compares the book value of fund's stocks with their market value. The P/B ratio indicates how much an investor is paying for a company's assets based on historical valuations. It does not reflect current market value.

Price-to-cash flow (P/CF) is a stock valuation indicator or multiple that measures the value of a stock's price relative to its operating cash flow per share.

Price-to-earnings (P/E) compares the price of a fund's stocks with their per-share earnings. A higher ratio indicates the market's belief that a company is able to increase its earnings.

A seasonal adjustment (SA) is a statistical technique designed to even out periodic swings in statistics or movements in supply and demand related to changing seasons. It can, therefore, eliminate misleading seasonal components of an economic time series.

A seasonally adjusted annual rate (SAAR) is a rate adjustment used for economic or business data, such as sales numbers or employment figures, that attempts to remove seasonal variations in the data.

Weighted average market capitalization refers to a type of stock market index construction that is based on the market capitalization of the index's constituent stocks.

Important Information

Index Definitions

A Note on Indices: The volatility of an index varies greatly. All indices are unmanaged, and investments cannot be made directly in an index.

The **Bloomberg U.S. Aggregate Bond Index** is an unmanaged, market-value-weighted index of taxable investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of one year or more.

The **Bloomberg Commodity Index (BCOM)** is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification. Roll period typically occurs from 6th-10th business day based on the roll schedule.

The **Bloomberg U.S. Corporate High Yield Index** is an unmanaged, U.S. dollar-denominated, nonconvertible, non-investment-grade debt index. The index consists of domestic and corporate bonds rated Ba and below with a minimum outstanding amount of \$150 million.

The **Bloomberg U.S. Corporate Investment Grade Index** is an unmanaged index composited of the qualifying universe of investment grade rated taxable corporate bonds. The index includes U.S.-denominated securities publicly issued by U.S. and non-U.S. industrial, utility, and financial issuers.

The **Bloomberg U.S. 1-10 Year Municipal Index** is a market value-weighted index which covers the short and intermediate components of the Bloomberg Municipal Bond Index.

The **DJ Equity ALL REIT Index** represents all publicly traded real estate investment trusts in the Dow Jones U.S. stock universe classified as Equity REITs according to the Dow Jones REIT Industry Classification Hierarchy. These companies are REITs that primarily own and operate income-producing real estate.

The **ICE 3M USD LIBOR** is the primary benchmark for short-term interest rates globally, used for mortgages, loans, for interest rate contracts on futures and options exchanges, and as a general gauge of the health of financial monetary markets.

The **MSCI World ex USA Index** captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries excluding the United States. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

The **MSCI ACWI Investable Market Index (IMI)** captures large, mid and small cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries*.

The **MSCI Emerging Markets Investable Market Index (IMI)** captures large, mid and small cap representation across 23 Emerging Markets (EM) countries. The index covers approximately 99% of the free float-adjusted market capitalization in each country.

The **S&P 500® Index** is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P® Composite includes 500 of the largest stocks (in terms of stock market value) in the United States; prior to March 1957 it consisted of 90 of the largest stocks.

The **S&P SmallCap 600® Index** is designed to measure the performance of the small capitalization sector of the U.S. equities market. This index consists of 600 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation.

The **S&P MidCap 400® Index** is designed to measure the performance of the mid capitalization sector of the U.S. equities market. This index consists of 400 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation.

Important Information

Disclosures

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. Economic charts are provided for illustrative purposes only. The information provided herein is subject to market conditions and is therefore expected to fluctuate.

The opinions contained in this presentation reflect those of Sterling Capital Management LLC (SCM), are for general information only, and are educational in nature. The opinions expressed are as of the date of publication and are subject to change without notice. These opinions are not meant to be predictions and do not constitute an offer of individual or personalized investment advice. They are not intended as an offer or solicitation with respect to the purchase or sale of any security. This information and these opinions are subject to change without notice. All opinions and information herein have been obtained or derived from sources believed to be reliable. SCM does not assume liability for any loss which may result from the reliance by any person upon such information or opinions.

Investment advisory services are available through SCM (CRD# 135405), an investment adviser registered with the U.S. Securities & Exchange Commission (SEC) and an indirect, wholly-owned subsidiary of Guardian Capital Group Limited. SEC registration does not imply a certain level of skill or training, nor an endorsement by the SEC. SCM manages customized investment portfolios, provides asset allocation analysis, and offers other investment-related services to affluent individuals and businesses.

Sterling Capital does not provide tax or legal advice. You should consult with your individual tax or legal professional before taking any action that may have tax or legal implications.