

WEEKLY MARKETS ROUND-UP

Executive Summary

15th December 2025

Top news: US NFPs on Wednesday, US CPI, the BOE and ECB on Thursday, BOJ on Friday – last week was mostly influenced by the FED, which cut its FED Funds Rate by a further -0.25%. The narrative came in rather neutral with 2 FOMC members dissenting, advocating “No cut”, and prospects for next year remaining very divided (from 0 to 2 cuts) but, in the end, Chair Powell’s press conference was rather dovish, while the FED also announced a \$40bn per month bond purchase program on the short end of the US yield curve in order to boost bank reverses and liquidity. Initially, USD dropped and equities rose, yet these were then volatile into the end of the week as concerns over AI emerged following mixed earnings from Oracle (i.e. high capex commitment, rising debt and an OpenAI data center construction delay). This coming week will refocus on the macro data with Global Flash PMIs expected on Tuesday (exp. rather flat) as well as the US Non-Farm Payrolls for November (supplemented by some available data from October). Citi estimates that any October data may be quite weak, while November (currently expected around 50k) could surprise positively. Thursday will then see the BOE (expected to cut -0.25% to 3.75%), the ECB, which should remain on hold, as well as the November US CPI release (exp. at 3% YoY). The BOJ is then expected to hike +0.25% to 0.75% on Friday.

Equities: as mentioned in our short editorial (next page), while last week was flat to slightly down, internally, upside participation is increasing (e.g. the Dow Jones Industrial was up last week while the Nasdaq100 lost 2%). Generally, most banks remain positive on equities, and we would probably agree with them, initially at least into the Spring.

Fixed Income: 10Y US and Bunds yields have recently bounced back quite rapidly (+20bps for both over the last 2-3 weeks). We would still expect some retracement into yearend/January, yet new lows now seem hard to achieve.

Forex: as the FED cuts again and announces \$40bn of monthly bond purchases on the short end, the USD continues to retest down vs most currencies. Since mid last week, USD/JPY also seems to be following lower again.

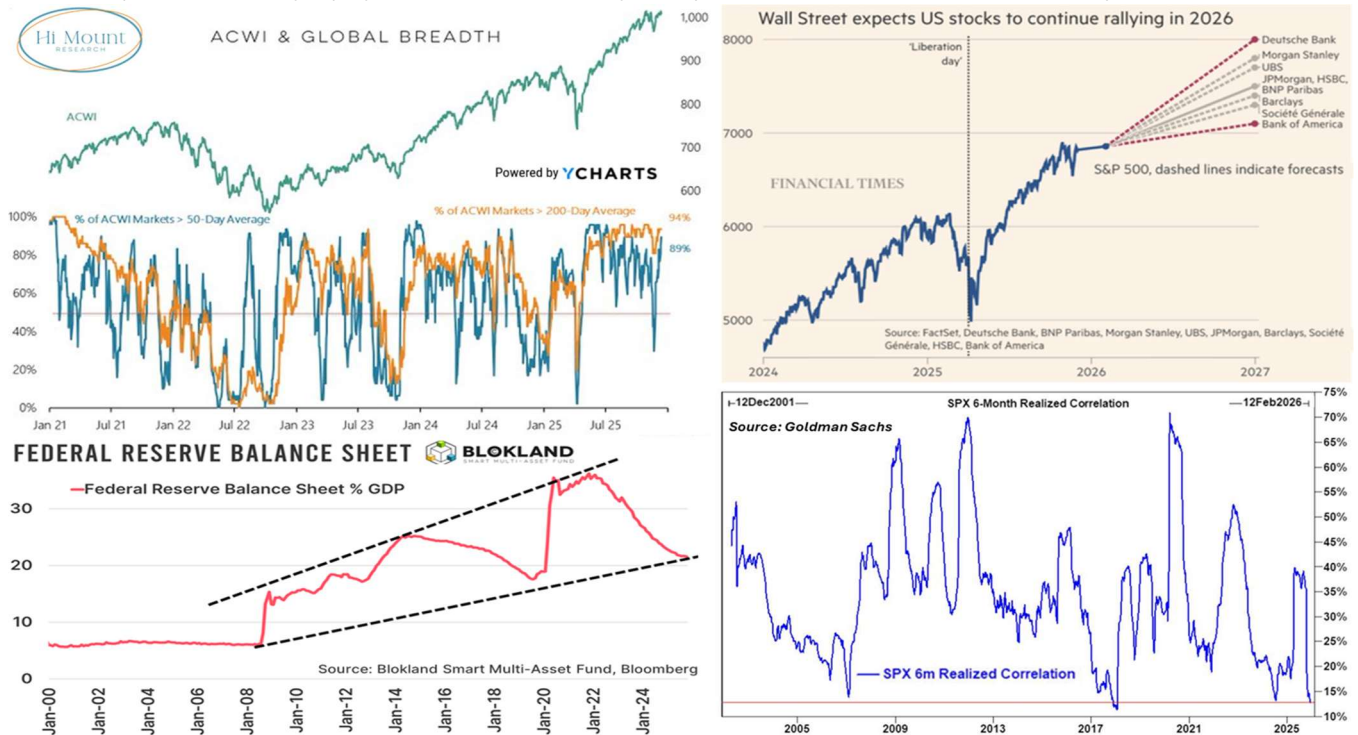
Commodities: Oil dropped -3.5% last week as fears of oversupply dominated again. We would expect more weakness into Q1. Gold is rallying again, approaching all-time highs. Although slightly Overbought, it could extend further.

| | Currencies | Price | Performance since 52 Week Low | | | Performance since 52 Week High | | | Performance | Trend | Exaggeration |
|--|------------|--------|-------------------------------|-----------|--------|--------------------------------|------------|-----------|-------------|---------|--------------|
| | | | Date Low | Low Price | Rise % | Date High | High price | Decline % | | | |
| S&P500 Index | USD | 6 827 | Apr-25 | 4 983 | 37,0% | Dec-25 | 6 901 | -1,1% | 16,1% | up | neutral |
| Nasdaq100 Index | USD | 25 197 | Apr-25 | 17 090 | 47,4% | Oct-25 | 26 120 | -3,5% | 19,9% | up | neutral |
| Dow Jones Industrials Index | USD | 48 458 | Apr-25 | 37 646 | 28,7% | Dec-25 | 48 704 | -0,5% | 13,9% | up | slightly OB |
| EuroStoxx50 | EUR | 5 721 | Apr-25 | 4 622 | 23,8% | Nov-25 | 5 787 | -1,2% | 16,8% | up | slightly OB |
| Swiss Market Index | CHF | 12 887 | Apr-25 | 10 888 | 18,4% | Mar-25 | 13 167 | -2,1% | 11,1% | up | slightly OB |
| Nikkei225 | JPY | 50 837 | Apr-25 | 31 137 | 63,3% | Nov-25 | 52 411 | -3,0% | 27,4% | up | neutral |
| Shanghai Composite | CNY | 3 889 | Apr-25 | 3 097 | 25,6% | Nov-25 | 4 030 | -3,5% | 16,0% | up | neutral |
| | | | | | | | | | | | |
| US 10Y Treasury Yield | % | 4,19% | Apr-25 | 3,89% | 0,3% | Jan-25 | 4,79% | -0,6% | -0,4% | neutral | neutral |
| German 10Y Bund Yield | % | 2,86% | Dec-24 | 2,23% | 0,6% | Mar-25 | 2,89% | -0,0% | 0,5% | neutral | slightly OB |
| US 20Y Treasuries (TLT ETF, 17-18Y duration)* | USD | 87 | May-25 | 81 | 8,1% | Oct-25 | 90 | -3,0% | 4,1% | neutral | neutral |
| US Investment Grade (LQF ETF - 8-9Y duration)* | USD | 110 | Jan-25 | 101 | 9,4% | Oct-25 | 111 | -0,9% | 7,7% | neutral | neutral |
| US High Yield (HYG ETF, 3-4Y duration)* | USD | 81 | Apr-25 | 73 | 11,0% | Dec-25 | 81 | -0,2% | 8,5% | neutral | neutral |
| EM USD Sovereigns (EMB ETF, 7-8Y duration)* | USD | 96 | Apr-25 | 84 | 15,0% | Dec-25 | 97 | -0,3% | 13,9% | neutral | neutral |
| | | | | | | | | | | | |
| EUR/USD | | 1,17 | Jan-25 | 1,02 | 14,6% | Sep-25 | 1,19 | -1,0% | 13,3% | neutral | neutral |
| GBP/USD | | 1,34 | Jan-25 | 1,22 | 9,9% | Jul-25 | 1,37 | -2,8% | 6,8% | neutral | neutral |
| USD/JPY | | 156 | Apr-25 | 141 | 10,7% | Jan-25 | 158 | -1,6% | -0,9% | up | slightly OB |
| USD/CHF | | 0,80 | Sep-25 | 0,79 | 1,2% | Jan-25 | 0,92 | -13,2% | -12,3% | neutral | neutral |
| AUD/USD | | 0,67 | Apr-25 | 0,60 | 11,7% | Sep-25 | 0,67 | -0,5% | 7,5% | neutral | slightly OB |
| | | | | | | | | | | | |
| Brent Oil (per Barrel) | USD | 61 | May-25 | 60 | 1,5% | Jan-25 | 82 | -25,8% | -18,2% | down | neutral |
| Gold Spot (per Ounce) | USD | 4 301 | Dec-24 | 2 585 | 66,4% | Oct-25 | 4 378 | -1,8% | 63,9% | up | slightly OB |

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Equity focus: more breadth, more liquidity, bold forecasts, yet also more disparity

Last week finished on a weaker note, with S&P500 and NDX100 down -1% and -2% on Friday. Yet, below the surface, the week was inherently strong with both the S&P500 and NYSE Advance-Decline lines posting all-time highs on Thursday, while the proportion of markets globally, which were back above their 50- and 100-Day moving averages was resp. 89 and 94% (top-left graph). Wall Street forecasts confirm such strength with a series of projections between 7'000 and 8'000 into late 2026 (top-right). Liquidity and the FED are certainly contributing to this optimism with Treasury General Account outflows accelerating and the FED announcing \$40bn in monthly shorter term bond purchases. In fact, such injections almost seem reasonable as in terms of GDP %, the FED's balance sheet is back towards its lower levels since 2012 (bot-left). One word of caution though is given by the S&P500's constituents 6-Month realized Correlation (bot-right). It stands near 25 years low, suggesting strong swings among themes beneath the surface, while the topline is rather linear. Such incidences in the past have often preceded strong equity wash outs, i.e. although still positive, this is now a mature / stock pickers market.



Notes:

- Trend last 6 months:** this Primis original algorithm, weighs the slope of the trend over the last 6 months vs the slope of the trend over the last 3 months yet factorised by the Fibonacci retracement ratio (0.618). Values are normalised using the average price over each period. If this combined slope is above +0.08% the trend is then "up", below -0.08% then "down", otherwise it is "neutral".
- Overbought (OB) / Oversold (OS) measures:** this Primis original algorithm is computed by comparing the difference between the 8 days moving average and the 100 days combined with the 3 days vs the 15 days one and normalises this difference by dividing it by the 1 year standard deviation (circa 260 open market days). Values above 225% or under -225% are Overbought "OB", resp. Oversold "OS", values above 100% or under -100% are "slightly OB", resp. "slightly OS", otherwise there is no relevant exaggeration and the situation is then "neutral".

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Primis Investment (Suisse) SA
 5 rue Jacques-Balmat, 1204 Geneva –Switzerland
 T: + 41 22 570 60 80

wealth-management@primis.swiss

www.primis.swiss

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