

# WEEKLY MARKETS ROUND-UP

## Executive Summary

22<sup>nd</sup> December 2025

**Top news: US Q2 Preliminary GDP tomorrow and our best wishes for a great Holiday Season and 2026** –last week first saw the Global PMIs on Tuesday. These came in slightly below consensus in Europe, the US and on both Manufacturing and Services. The same day, the delayed release of the Non-Farm Payrolls finally brought some clarity to the US employment situation. An abbreviated version of the October ones showed a -105k drop, while November was then back up +64k, with average hourly earnings below expectations (+0.1% MoM vs +0.3% exp.) and the unemployment rate, which jumped to 4.6%, when 4.5% was expected. These dovish prints then found some echo with the belated CPI on Thursday (a unique figure representing the YoY November Headline data and which came in at +2.7% vs +3.1% exp.), while the BOE cut by -0.25% that morning to 3.75% and the ECB remained on hold (at 2.15%). Finally, on Friday, the much awaited +0.25% hike by the BoJ was enacted bringing the short term rate at 0.75%. This week will mainly see the delayed Q2 Prelim. US GDP data tomorrow (3.2% QtoQ exp.) and next week, on the 30<sup>th</sup>, the latest FOMC minutes. With our best wishes, we will take a short pause next week and will be back on January 5th.

**Equities:** equities dipped early last week and then recovered. Year-end performance figures are getting nearer and interestingly, on average, Europe, Japan and even China are ahead of the US, especially in USD terms. We remain constructive on equity markets (upside momentum / liquidity) into the Spring yet are more concerned thereafter.

**Fixed Income:** longer term US and Bund yields have generally held up this year, with the US10Y down -0.4% YTD and the 10Y Bund up +0.5%. A slight dip is still possible into January, yet 2026 could then see higher highs again.

**Forex:** the US Dollar was rather neutral last week despite the various dovish US data prints, or the BOJ hike on Friday. We believe USD could retest down into January vs European currencies and consolidate at high levels vs Asian ones.

**Commodities:** Brent dropped below 59 \$/bbl on Tuesday and then recovered. Supply and Demand remains weak and we expect circa -\$5/bbl more of downside into Q1. Gold has had a record year, up +65% YTD. We expect new highs, along with the wider precious metals space into Q1, some retracement towards Q2 and then further highs again.

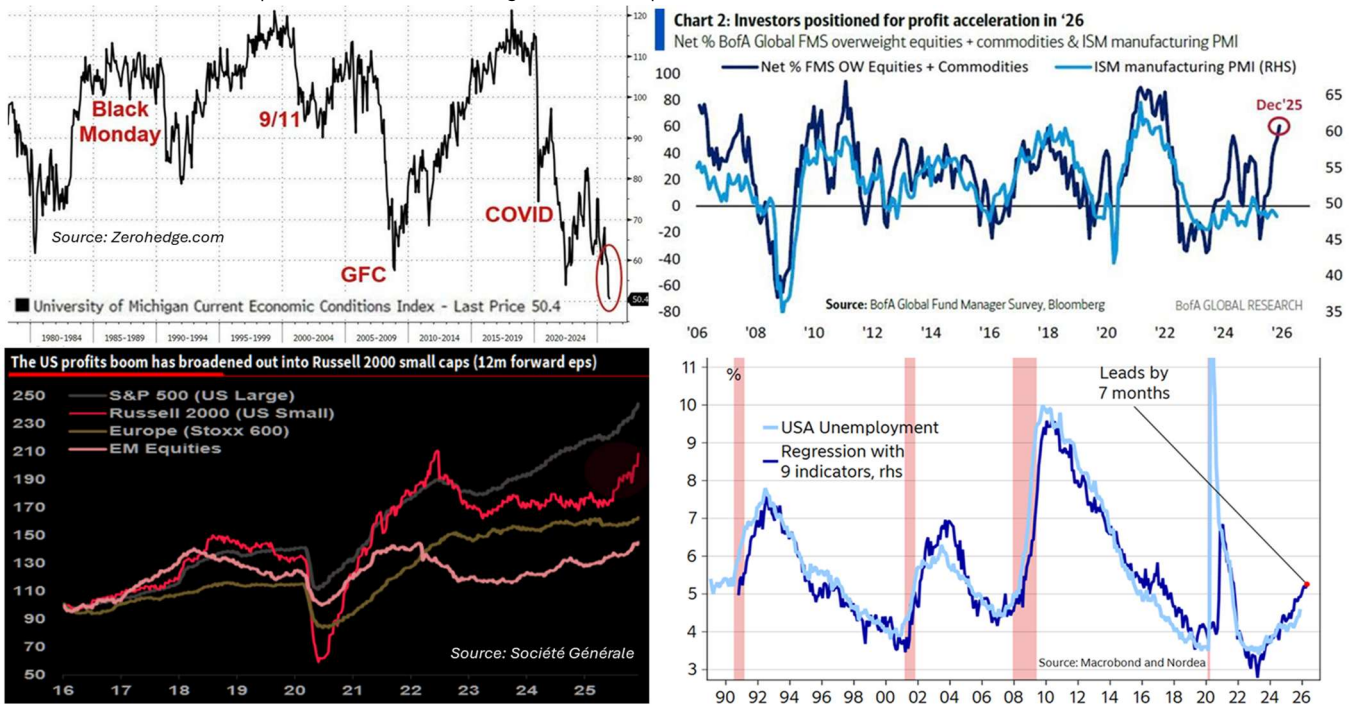
	Currencies	Price	Performance since 52 Week Low			Performance since 52 Week High			Performance	Trend	Exaggeration
			Date Low	Low Price	Rise %	Date High	High price	Decline %			
S&P500 Index	USD	6'835	Apr-25	4'983	37.2%	Dec-25	6'901	-1.0%	16.2%	up	neutral
Nasdaq100 Index	USD	25'346	Apr-25	17'090	48.3%	Oct-25	26'120	-3.0%	20.6%	up	neutral
Dow Jones Industrials Index	USD	48'135	Apr-25	37'646	27.9%	Dec-25	48'704	-1.2%	13.1%	up	neutral
EuroStoxx50	EUR	5'760	Apr-25	4'622	24.6%	Nov-25	5'787	-0.5%	17.7%	neutral	neutral
Swiss Market Index	CHF	13'172	Apr-25	10'888	21.0%	Dec-25	13'172	0.0%	13.5%	up	slightly OB
Nikkei225	JPY	49'583	Apr-25	31'137	59.2%	Nov-25	52'411	-5.4%	24.3%	up	neutral
Shanghai Composite	CNY	3'893	Apr-25	3'097	25.7%	Nov-25	4'030	-3.4%	16.1%	up	neutral
US 10Y Treasury Yield	%	4.15%	Apr-25	3.89%	0.3%	Jan-25	4.79%	-0.6%	-0.4%	neutral	neutral
German 10Y Bund Yield	%	2.89%	Dec-24	2.32%	0.6%	Dec-25	2.89%	0.0%	0.5%	neutral	slightly OB
US 20Y Treasuries (TLT ETF, 17-18Y duration)*	USD	88	May-25	80	9.1%	Oct-25	89	-2.0%	5.1%	neutral	neutral
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	110	Jan-25	100	10.0%	Oct-25	111	-0.4%	8.2%	neutral	neutral
US High Yield (HYG ETF, 3-4Y duration)*	USD	80	Apr-25	72	11.2%	Dec-25	80	-0.1%	8.7%	neutral	neutral
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	96	Apr-25	83	15.4%	Dec-25	96	-0.1%	14.3%	neutral	neutral
EUR/USD		1.17	Jan-25	1.02	14.3%	Sep-25	1.19	-1.3%	13.0%	neutral	neutral
GBP/USD		1.34	Jan-25	1.22	9.9%	Jul-25	1.37	-2.7%	6.9%	neutral	neutral
USD/JPY		158	Apr-25	141	12.0%	Jan-25	158	-0.4%	0.3%	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		0.66	Apr-25	0.60	11.0%	Sep-25	0.67	-1.1%	6.8%	neutral	neutral
Brent Oil (per Barrel)	USD	60	Dec-25	59	2.6%	Jan-25	82	-26.6%	-19.1%	down	slightly OS
Gold Spot (per Ounce)	USD	4'339	Dec-24	2'608	66.4%	Oct-25	4'378	-0.9%	65.3%	up	slightly OB

\* These large fixed income ETFs are used as proxies to assess the state of duration trades as well as of credit markets

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## Focus on the Main vs Wall street divide as the Nov-26 midterms will draw nearer

For now, we still expect usual market seasonality, with the slight consolidation we had during the 2<sup>nd</sup>-3<sup>rd</sup> week of December and further highs into yearend. We then probably expect more upside momentum into Q1 as liquidity releases from the Treasury General Account (which accumulated excess funds during the shutdown) or the newly announced monthly 40bn USD Reverse Management Purchases (quasi QE on the short end of the US curve) reach the economy and indirectly financial markets. In the meantime, however, there is a growing divide between consumers (depressed perception of economic conditions, worse than any previous period, top-left graph) and investors (the BoFA Funds Managers Survey shows high exposure to risk assets, attempting to front-run a possible pick-up in the ISM Manufacturing PMIs, top-right), i.e. the upper classes keep fueling the risk assets ride, while the lower ones are suffering. Going forward, Wall Street remains bullish with a strong reacceleration of 12m forward EPS since April (bot-left), while, on the other hand, Nordea expects US unemployment to rise back above 5% in 2026 (bot-right). These disparities should be a major issue of the 2026 midterm campaign. It is hence no wonder that speculations are running wild over a possible 2'000 USD "tariff dividend" for low/mid income earners.



### 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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