

## Industry Indicators

| US Equities      | Price     | % Change |       |       |
|------------------|-----------|----------|-------|-------|
|                  |           | 1W       | 1M    | YTD   |
| S&P 500          | 6,734.11  | 0.08     | 1.35  | 14.49 |
| DJIA             | 47,147.48 | 0.34     | 1.90  | 10.82 |
| Nasdaq-100       | 25,008.24 | -0.21    | 1.75  | 19.02 |
| Russell 1000     | 3,670.82  | -0.03    | 1.01  | 13.96 |
| Russell 2000     | 2,388.23  | -1.83    | -4.30 | 7.09  |
| S&P MidCap 400   | 3,205.01  | -1.17    | -1.49 | 2.69  |
| Nasdaq Composite | 22,900.59 | -0.67    | 1.68  | 18.59 |

| Global Equities          | Price    | % Change |       |       |
|--------------------------|----------|----------|-------|-------|
|                          |          | 1W       | 1M    | YTD   |
| MSCI World               | 4,357.50 | 0.75     | 1.86  | 17.52 |
| MSCI Emerging Markets    | 1,409.80 | 2.04     | 5.29  | 31.09 |
| MSCI North America       | 6,697.34 | 0.10     | 1.21  | 14.97 |
| MSCI Latin America Index | 2,679.33 | 1.62     | 10.23 | 44.63 |
| MSCI Europe ex. UK       | 230.28   | 3.37     | 2.89  | 14.92 |
| MSCI United Kingdom      | 2,797.85 | 1.20     | 3.93  | 19.97 |
| MSCI Asia ex. Japan      | 922.13   | 2.04     | 5.45  | 30.97 |
| MSCI Pacific ex Japan    | 9,428.10 | -0.16    | 0.65  | 19.14 |
| MSCI Japan               | 2,072.16 | 1.89     | 7.78  | 20.75 |
| MSCI Emerging EMEA       | 255.21   | 2.14     | 1.31  | 25.00 |

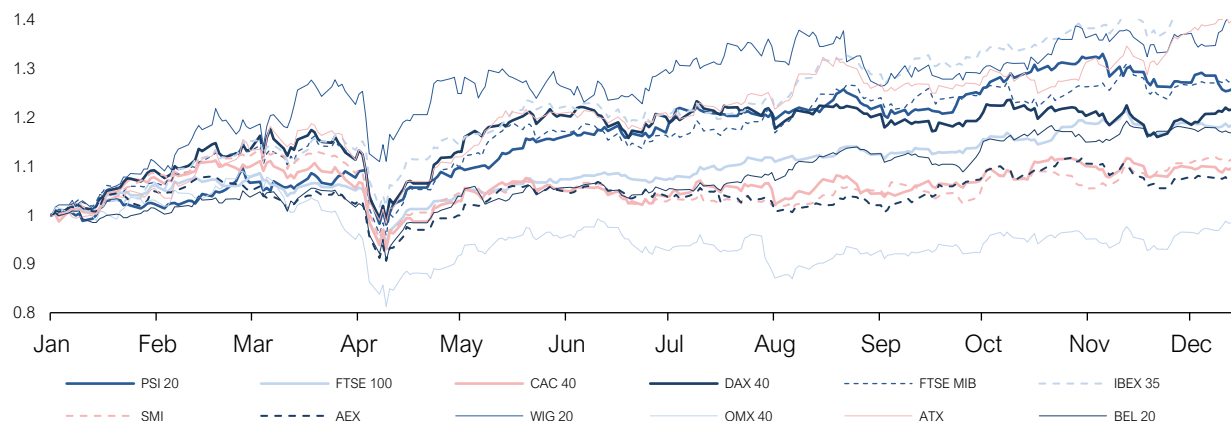
|                   | %    | yrs  | % Change |      |
|-------------------|------|------|----------|------|
| Fixed Income      | YTW  | Dur. | 1W       | YTD  |
| U.S. Aggregate    | 4.36 | 6.09 | -0.08    | 6.74 |
| U.S. Corporates   | 4.87 | 6.99 | -0.07    | 7.00 |
| Municipals        | 3.57 | 6.18 | 0.10     | 4.10 |
| Global High Yield | 3.47 | 6.46 | 0.14     | 7.73 |

| FX     | Spot   | % Change |       |
|--------|--------|----------|-------|
|        |        | 1W       | 1M    |
| EURUSD | 1.16   | 0.48     | 0.12  |
| EURGBP | 0.88   | -0.39    | -1.23 |
| EURCHF | 0.92   | 0.89     | 0.76  |
| USDJPY | 154.55 | -0.73    | -1.75 |
| USDCNY | 7.10   | 0.32     | 0.53  |
| USDMXN | 18.30  | 0.79     | 1.08  |
| USDBRL | 5.30   | 0.69     | 3.52  |

| Commodity    | Price    | % Change |       |
|--------------|----------|----------|-------|
|              |          | 1W       | 1M    |
| Bent Crude   | 64.18    | 0.86     | 2.87  |
| WTI Crude    | 60.09    | 0.57     | 2.37  |
| U.S. Nat Gas | 4.57     | 5.82     | 50.79 |
| Gold         | 4,094.20 | 2.10     | -1.08 |
| Silver       | 50.69    | 5.28     | 0.13  |
| Copper       | 506.30   | 2.14     | 0.80  |
| Aluminum     | 2,896.50 | 1.83     | 4.83  |
| Corn         | 430.25   | 0.70     | 4.18  |
| Soybeans     | 1,124.50 | 2.06     | 11.72 |
| Wheat        | 527.25   | -0.09    | 5.40  |

|             | %     | % Change |       |
|-------------|-------|----------|-------|
| Yields      | Yield | 1W       | 1M    |
| U.S. 10Y    | 4.15  | 0.05     | 0.12  |
| Germany 10Y | 2.72  | 0.05     | 0.11  |
| U.K. 10Y    | 4.57  | 0.11     | -0.02 |
| Mexico 10Y  | 8.94  | 0.00     | 0.19  |

## Major European Indices



## Weekly Recap

US markets adjusted to the FED's third consecutive rate cut, which lowered the federal funds target range to 3.5–3.75%. While the move reinforced expectations of a more accommodative stance, its effects were uneven across markets. ST rates responded clearly, but longer-dated yields remained volatile. The 10Y US Treasury yield fluctuated sharply, reflecting tensions between lower policy rates and ongoing concerns about inflation, fiscal issuance, and term premia, suggesting uncertainty about whether easing will lead to persistently lower LT borrowing costs.

The combination of rate cuts, reserve management purchases, and Treasury issuance strategy implies a gradual redistribution of duration risk from the public to the private sector. As the FED concentrates its balance sheet expansion on short-dated T-bills while allowing longer-maturity holdings to roll off, and as the Treasury conducts buybacks of longer-dated debt, a greater share of interest rate risk is absorbed by private investors, often financed through repo markets. This configuration raises concerns on system resilience, particularly given leverage-sensitive funding channels, persistent fiscal deficits, and the limited scope to reduce bond supply, which may weaken the FED's ability to anchor inflation expectations.

US Equity markets moved lower on Friday, extending a rotation away from technology and growth stocks despite recent record highs. The S&P 500 declined 1.07% to close at 6,827.41, while the Nasdaq Composite fell 1.69% to 23,195.17 and the DJIA was down 0.51% at 48,458.05, although reaching a new intraday all-time high earlier in the session. Losses were concentrated in tech and AI-linked names, with Broadcom falling more than 11% on concerns about margin compression despite strong earnings and guidance, and Oracle extending its decline following weaker-than-expected results and higher projected CapEx. Other large tech stocks, including GOOG, NVDA, and AMZN, also posted weekly losses.

Investor demand for CDS linked to major US tech companies has risen as doubts grow about the sustainability of the AI investment boom. Companies are issuing more debt to fund data centres, cloud infra and semiconductor capacity, increasing market sensitivity to delayed returns. Earnings disappointments and project delays have reinforced caution, pushing investors to hedge credit risk. This shift is evident at firms such as ORCL, CRWV and META. Oracle's CDS spreads are at their highest since 2009 after weaker revenues and data-centre delays. Although default risk remains low, higher CDS activity signals focus on credit discipline as investment debt-funded.

Despite a pullback on Dec 12, silver overall remained exceptionally strong, with weekly price confirming a sustained upward trend. Prices climbed above \$60/ounce for the first time, driven by a prolonged global supply deficit and a sharp rise in demand from both investors and industrial users. Years of undersupply, combined with robust consumption from sectors such as electronics and solar energy, have significantly tightened the market, while consecutive FED's rate cuts provided additional support. Through the year, silver has more than doubled in price, markedly outperforming gold. – John Stavale

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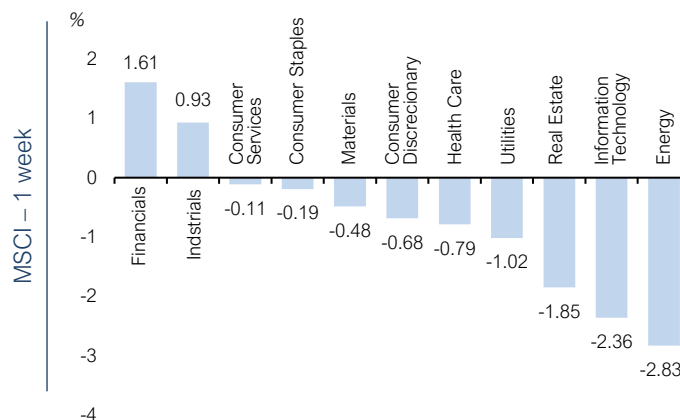
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## Europe by Industry



## Consumer Staples

European consumer staples stocks underperformed this week, dragging STOXX 600 lower as Unilever shares slid following the completion of its Magnum ice-cream demerger and L'Oréal eased after announcing a bigger stake in Galderma. Unilever's move weighed on sentiment across the sector, while Galderma saw modest gains. Overall, European consumer staples had a subdued week, underperforming broader markets as investors remained cautious toward staples amid valuation concerns and shifting risk appetite, with ongoing corporate restructuring and consolidation themes. – *Cristina Lin*

## Information Technology

Sentiment centered on AI's shift from experimentation to economically meaningful deployment. OpenAI's GPT-5.2 reinforced the move toward professional-grade systems with performance metrics linked to real economic output, while Google's Titans memory architecture highlighted progress toward managing far larger enterprise workflows. Capital commitment remained strong, with Disney's investment in generative video signaling legacy media's monetization pivot, even as the US advanced a more centralized federal AI policy framework. Large-scale robotics orders and China's launch of a nationwide distributed AI computing network underscored intensifying global competition around AI-driven productivity and industrial capacity. – *David Li*

## Energy

Recent developments in the energy sector highlight continued progress in renewables alongside debates over nuclear power's revival. Apple has signed a 15-Y power purchase agreement with ENGIE to support new solar and wind capacity in southern Italy. In PT, Iberdrola started installing 38 advanced wind turbines with a €350 million investment. In the UK, where nuclear energy has deep historical roots as a former global leader, a recent analysis questions its prospects amid high construction costs, regulatory hurdles, and competition from established players like France and China. – *Mariana Zhu*

## Financials

Financials extended its rally but ended the week with a soft "risk-off" fade: the index rose from 116.53 (Dec 12) (~+1.2%), after climbing steadily through Thursday (+1.04% on Dec 11) before slipping -0.75% on Friday. Positioning remained constructive as investors focused on banks' structural earnings story and the growing narrative that AI can turn lenders into "cost winners", via automation, fraud detection and lower staffing intensity, helping justify strong 2025 gains (SocGen +140% YTD, Commerzbank +125%, Barclays ~+70%, and the Euro banks index up 60%+). Macro were also in play: Greece's Kyriakos Pierrakakis was elected Eurogroup president on Dec 11, reinforcing perceptions of euro-area policy continuity. In ETF, EUFN closed the week with NAV \$36.02 (Dec 12) and a -0.93% daily move, consistent with profit-taking rather than a fundamental reset. – *John Stavale*

## Industrials

Over the past week European Industrials delivered mixed but resilient performance. Schneider Electric and Siemens Energy stood out as outperformers on the back of positive analyst upgrades and optimism around electrification, grid investment and data center driven demand. Airbus underperformed this week after disclosing quality issues affecting parts of its A320 program. From a macro perspective easing interest rate expectations continued to support valuations but this was offset by weak European industrial output data, notably Italy and Slovakia. – *João Pedro Ferreira*

## Real Estate

Vonovia SE closed at -5.8% of last week's share price while URW +2.4%. With the rate cuts from Fed led to European real estate market already adjusting, fostering lower borrowing costs, enhancing the confidence in the real estate market. M&G Real Estate, announced the acquisition of Principal Asset Management a three-asset logistics Portfolio in Milan for around 85Mi euros. In the debt market Santander and CaixaBank led a loan to Hayfin Capital Mnamemnet and Capreon for £200m acquisition financing for acquisition an office building know as 'Can of Ham' in London. – *Mafalda Bento*