

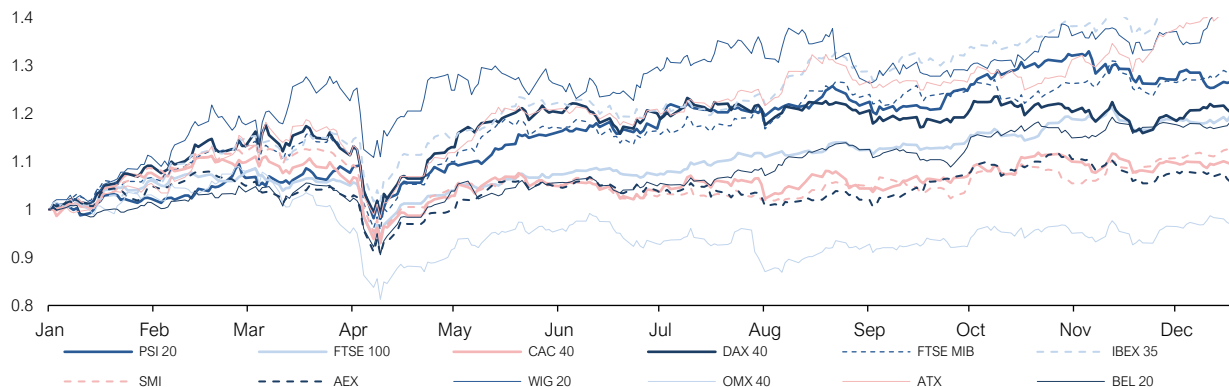
## Industry Indicators

| 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 |

## Major European Indices



| 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  |

## Weekly Recap

Global markets moved through a macro-heavy week, with investors trying to price a "late-cycle" mix: disinflation progress in parts of the developed world, but increasingly divergent central-bank paths and less certainty about how far easing can go. In the US, shutdown-delayed releases were the key macro inputs: October retail sales were unexpectedly unchanged (0% m/m), suggesting consumption was cooling but not abruptly rolling over. Inflation also surprised to the downside, with headline CPI at 2.7% YoY in November, though missing October observations meant the report carried unusual measurement caveats. By week-end, the broader narrative in global rates was that big central banks are increasingly communicating that the rate-cut cycle is nearer its endpoint than markets had assumed.

US equities were pulled between easing-inflation optimism and a more selective risk appetite, with investors focusing on earnings durability and capex discipline rather than paying for growth at any price. Macro inputs were mixed: the retail-sales print supported the "soft-landing" camp, while PMI data showed activity growth slowing to a six-month low and new orders softening, which kept positioning cautious into year-end. By Friday, global equity tone improved with Wall Street supported by the AI/mega-cap complex, but the week's cross-asset message was still one of sensitivity to rates and policy guidance rather than outright risk-on momentum.

Europe's macro picture remained resilient but sluggish. The HCOB Flash Eurozone PMI fell to 51.9 (a 3-month low), and manufacturing stayed in contraction, reinforcing the view that any recovery remains uneven and vulnerable to confidence shocks. Policy was the dominant driver: the ECB held rates unchanged on 18 Dec. (deposit 2.00%, MRO 2.15%, marginal 2.40%) and kept a data-dependent tone, anchoring the front end but leaving longer-dated rates sensitive to inflation and growth surprises. In the UK, the BoE cut rates to 3.75% in a closely split decision, underscoring that easing will be gradual and conditional.

Commodities were more directional. Prices rose on the week as softer inflation data, weather effects and tighter near-term balances supported demand. Gold gained 2.1% to \$4,094 on lower real-rate pressure, while silver jumped 5.28% to 50.69 as investment and industrial demand strengthened. Copper (+2.14%) and aluminum (+1.83%) advanced on improved cyclical sentiment. In energy, Brent (+0.86%) and WTI (+0.57%) edged higher on supply discipline, while US natural gas surged 5.82% to \$4.57 on colder weather forecasts. In agriculture, soybeans rose 2.06% to \$1,124.5 on supply concerns.

FX and rates were dominated by policy divergence and shifting expectations for 2026. The week's key FX story was Japan: despite the BoJ raising rates to 0.75%, the yen weakened as markets judged the guidance insufficiently hawkish, pushing USD/JPY toward the mid-157 area and prompting renewed official warnings against excessive moves. In Europe, the ECB holding rates alongside the BoE's 25 bp cut to 3.75% reinforced a nuanced policy outlook, underscoring that easing paths are neither linear nor synchronized and tempering the broader cut-cycle narrative across developed markets. – John Stavale

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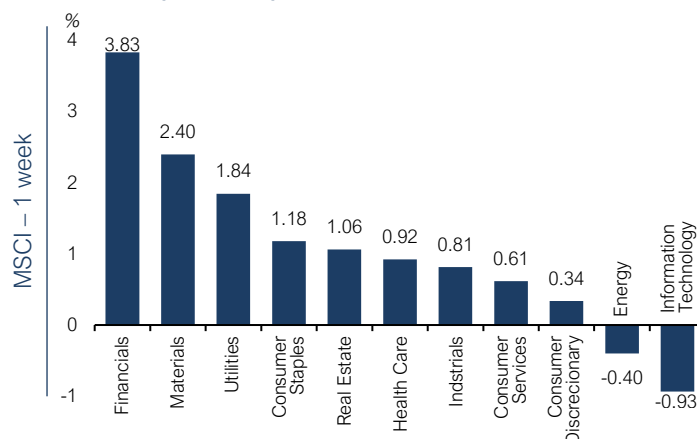
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## Europe by Industry



## Consumer Staples

**Renewed portfolio reshaping was in focus** as companies sought to reduce volatility exposure and sharpen strategic focus. BARN explored separating its global cocoa division, via a full split, minority stake sale, joint venture, merger or outright disposal, to decouple earnings from cocoa price swings and concentrate on its higher-margin chocolate activities; the report sparked a sharp share reaction (up to ~10% intraday). In beverages, Diageo agreed to sell its 65% stake in East African Breweries to Asahi for \$2.3bn, framing the move as a non-core divestment to support balance-sheet and operating priorities. Campari also streamlined by selling Aversa and Zedda Piras for €100m. Overall, staples firms leaned on divestments to boost profitability and resilience amid shifting demand and input-cost uncertainty. – *Cristina Lin*

## Real Estate

The MSCI Europe RE Index gained ~1.1% **reflecting sensitivity to interest-rate expectations without a broad risk-off move**. Investors stayed focused on bond yields and ECB policy, especially after the ECB kept rates unchanged on 18 Dec. (deposit rate 2.00%), reinforcing a data-dependent stance relevant for refinancing costs and valuations. Activity signals remained constructive: Savills flagged Q4 European real estate investment volumes near €77bn (+12% YoY), while a ~€1bn hyperscale data-centre project in Amsterdam highlighted ongoing capital deployment. Despite near-term uncertainty, the sector continues to screen attractively on valuation and income (MSCI Europe Real Estate dividend yield ~4.28%, P/B ~0.88), keeping longer-horizon investors engaged as they await clearer inflation and refinancing signals. – *Thor Cordeiro*

## Information Technology

**AI infra capex accelerates; fintech portfolio optionality; software supply-chain in focus:** Digital infrastructure remains on a re-acceleration track, with Pure Data Centres committing €8bn to a Spain's Aragon campus, reinforcing the build-out tied to AI workloads and the premium on power availability. In payments, Nexi's reported rejection of a ~€850m PE approach for its digital-payments unit highlights improving strategic optionality across listed fintech and suggests a higher bar for carve-out valuations as boards prioritize ROIC and balance-sheet flexibility. Private markets continue to fund AI-led productivity, with Sweden's Lovable raising \$330m at a \$6.6bn valuation, pointing to sustained appetite for developer-facing automation at scale. On regulation and resilience, ENISA's push on SBOM implementation and package-manager security keeps supply-chain hardening front-and-centre, with potential medium-term implications for compliance spend and vendor selection across enterprise software. – *Raul Vasconcelos*

## Industrials

The MSCI Europe Industrials Index edged slightly high (~+0.81%) after midweek weakness was partly reversed on Thursday. Within the sector, **defense names were volatile as headlines and speculation around Ukraine peace talks weighed on heavyweights such as Rheinmetall**, reflecting sensitivity to any shift in the outlook for arms orders. Policy also stayed in focus after the European Commission unveiled an 'Automotive Package' and related initiatives, with implications felt most directly in industrial supply chains and commercial-vehicle themes rather than passenger-car makers. On the macro side, flash PMI data continued to point to a weak manufacturing backdrop, with output slipping back into mild contraction, keeping investors cautious into year-end despite still-supportive longer-term positioning. – *Martim Patinho*

## Financials

Financial stocks in Europe **strengthened as rate fears eased and investors leaned into the view that banks can sustain profitability even with policy rates on hold**. The MSCI Europe Financials Index rose by roughly +3.8% from 15–19 December, with a relatively tight intraday range versus the week's start (about -1.2% at the low to +2.7% at the high). Momentum was supported by the ECB's decision on 18 December to keep rates unchanged, reinforcing expectations of steadier net interest income dynamics. At the stock level, BBVA underpinned the sector's positive tone after announcing a record €3.96bn share buyback, highlighting ongoing capital returns. Overall, resilient profitability and shareholder distributions remained key drivers of sentiment across European financials. – *Thor Cordeiro*