Weekly market update: Investors hope for an early holiday gift from the Fed.

The market and economy

- U.S. stocks gained ground for the week ending December 5, as economic data reports spurred investors' optimism that the Federal Reserve (Fed) will implement an interest-rate cut at its meeting next week.
- The U.S. government continues to work through a backlog of economic data releases that were delayed by a federal government shutdown that ended last month. The Department of Commerce reported that the personal-consumption expenditures (PCE) price index rose 0.3% in September and advanced 2.8% year-over-year, in line with expectations. The core PCE price index, which excludes volatile food and energy prices, was up 0.2% in September, consistent with the reading in August. The year-over-year gain of 2.8% was down marginally from the 2.9% increase in August, and was slightly below market expectations. The PCE price index is widely considered the Fed's preferred measure of inflation as it tracks the prices that consumers pay for goods and services to reveal underlying inflation trends.
- There was notable news during the week regarding the U.S. labor market. According to payroll processing services provider ADP's National Employment Report, the private sector lost 32,000 jobs in November—down sharply from the 42,000 positions added in October and the largest monthly decline since March 2023. Payrolls in the professional and business service, information, and manufacturing sectors fell by 26,000, 20,000, and 18,000, respectively, in November. In contrast, the education/health services and leisure/hospitality sectors added corresponding totals of 33,000 and 13,000 jobs during the month. However, some economists noted that ADP's employment statistics recently have diverged substantially from those of the U.S. government agencies because the ADP report represents a smaller segment of the economy, is more tilted toward mid-sized companies, and excludes federal workers. The Department of Labor's employment situation report for November, which was initially scheduled for release on December 5, has been delayed until December 16 due to the prolonged government shutdown.
- It appears that U.S. employers are holding on to their workers despite a recent upturn in layoffs. The Department of Labor announced that initial unemployment insurance claims, a barometer of the health of the labor market, decreased by 27,000 to 191,000—the lowest level in more than three years—during the Thanksgiving holiday-shortened week ending November 29. (Federal government offices were closed on November 27.) The total was significantly lower than the 225,000 claims filed during the same week in 2024. The four-week moving average of initial claims declined by 9,500 week-over-week to 214,750, and was below the four-week average of 219,000 a year earlier.
- The Institute for Supply Management's (ISM) Manufacturing Purchasing Managers' Index (PMI) dipped 0.5 percentage point to 48.2% in November, indicating contraction in the U.S. manufacturing sector for the ninth consecutive month. (A PMI reading below 50% denotes a decrease in manufacturing activity.) The Employment Index and the New Orders Index each declined 2.0 percentage points, ending the month at 44.0% and 47.4%, respectively, and remaining in contraction territory. The ISM Services PMI ticked up 0.2 percentage point to 52.6% in November, denoting expansion of activity in the services sector for the second consecutive month. The Business Activity Index also finished in expansion territory, rising 0.2 percentage point to 54.5%. While the Employment Index indicated contraction for the sixth month in a row in November, it was up 0.7 percentage point to 48.9%—the fourth straight month-over-month gain.

Stocks

- Global equities garnered positive returns for the week. Emerging markets outperformed developed markets.
- U.S. equities posted gains during the week. Energy and information technology were the top-performing sectors, while utilities and healthcare were the primary market laggards.
- Growth stocks outperformed value stocks, while small caps surpassed large caps.

Bonds

- The 10-year U.S. Treasury note yield rose to 4.14% during the week.
- The U.S. bond market ended the week in negative territory.
- High-yield bonds led the market, followed by corporate bonds and government bonds.

The Numbers as of December 5, 2025	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI ($)	0.6%	20.1%	15.9%	1010.7
MSCI EAFE ($)	0.7%	25.2%	20.1%	2831.5
MSCI Emerging Mkts ($)	1.4%	28.8%	25.7%	1385.5
US & Canadian Equities				
Dow Jones Industrials ($)	0.5%	12.7%	7.1%	47955.0
S&P 500 ($)	0.3%	16.8%	13.1%	6870.4
NASDAQ ($)	0.9%	22.1%	19.7%	23578.1
S&P/ TSX Composite (C$)	-0.2%	26.6%	21.9%	31311.4
UK & European Equities				
FTSE All-Share (£)	-0.5%	16.7%	14.3%	5213.6
MSCI Europe ex UK (€)	0.7%	14.2%	11.6%	2016.7
Asian Equities				
Topix (¥)	-0.5%	20.7%	22.6%	3362.6
Hong Kong Hang Seng ($)	0.9%	30.0%	33.4%	26085.1
MSCI Asia Pac. Ex-Japan ($)	1.4%	25.3%	21.8%	713.5
Latin American Equities				
MSCI EMF Latin America ($)	-0.7%	45.9%	32.6%	2702.9
Mexican Bolsa (peso)	-0.3%	28.0%	22.5%	63378.3
Brazilian Bovespa (real)	-1.1%	30.8%	23.1%	157369.4
Commodities ($)				
West Texas Intermediate Spot	2.4%	-16.2%	-12.0%	60.1
Gold Spot Price	0.0%	60.7%	60.5%	4217.7
Bond Indices ($)				
Bloomberg U.S. Aggregate	-0.5%	6.9%	4.9%	2340.9
Bloomberg Global Aggregate	-0.2%	7.6%	5.1%	498.8
JPMorgan Emerging Mkt Bond	0.0%	12.9%	10.8%	1013.0
10-Year Yield Change (basis points*)				
US Treasury	12	-44	-4	4.14%
UK Gilt	4	-9	20	4.48%
German Bund	11	43	69	2.80%
Japan Govt Bond	14	85	88	1.95%
Canada Govt Bond	27	19	34	3.42%
Currency Returns**				
US$ per euro	0.4%	12.4%	10.0%	1.164
Yen per US$	-0.5%	-1.2%	3.5%	155.33
US$ per £	0.7%	6.5%	4.5%	1.333
C$ per US$	-1.1%	-3.9%	-1.5%	1.382

Source: Bloomberg. Equity-index returns are price only, others are total returns.
*100 basis points = 1 percentage point.
**Increases in U.S. dollars (USD) per euro or pound indicate a decline in the value of the USD; increases in yen or Canadian dollars per USD indicate an increase in the value of the USD.

Important information

Index returns are for illustrative purposes only and do not represent actual investment performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged, and one cannot invest directly in an index. Past performance does not guarantee future results.

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