

Beacon Weekly Investment Insights

Despite the slow start to the week over concern about what the Fed's next move will be, numerous employment reports have removed any doubt that further easing is expected at next week's meeting. Notably ADP undershot expectations to the lowest since Mar-23; initial claims fell to the lowest since Sep-22 and continuing claims dropped sharply; Challenger job cuts rose 24% y/y but fell 53% m/m, with YTD cuts at 1.1M (highest since 2020); layoffs remained concentrated in telecom and tech, largely driven by Verizon, reinforcing the view that labor softening is micro- and firm-specific rather than broad macro weakening. Much of the losses were concentrated among small businesses. Companies with fewer than 50 employees shed more than 120,000 jobs in November. This is relevant because small businesses employ 46% of Americans in the private sector. Mid and large employers, however, experienced a net increase in hiring. The equity markets responded positively as the probability of another 25-basis point cut rose to 90% ensuring that the seasonal "Santa Claus Rally" is intact. On the week the Dow, S&P 500 and Nasdaq rose 0.5%, 0.3% and 0.9% respectively. Interestingly the dovish Fed policy has not resulted in lower bond yields as the US 10-year Treasury hovers around 4.15%. The 1.5% reduction in the federal funds rate since September 2024 has resulted in a rise of 50 basis points for the 10 year which is the benchmark for many key borrowing costs, notably mortgage rates. Clearly a reversal needs to occur to substantially free up the housing market.

In other data, November ISM Services beat, highest in nine months, with the employment component being the best since May (though still in contraction); ISM Manufacturing missed and showed a decline in employment and jump in prices; elsewhere, preliminary December consumer sentiment showed a decline in inflation expectations; finally, September PCE (delayed) was mostly in-line though spending was a touch light.

Relatedly, US holiday spending is tracking ahead of expectations; U.S. shoppers spent \$44.2B from Thanksgiving through Cyber Monday (+8.8% y/y), underscoring consumer resilience narrative, though analysts flagged surge "buy now, pay later" and an increase in credit card usage as a potential affordability warning.

In the upcoming week the Bureau of labor Statistics releases the JOLTS report for both September and October followed by the FOMC announcement on Wednesday.

The current earnings season is winding down and 2026 will be here before you know it. But before we get there Adobe, Oracle, Broadcom and Costco will report earnings. These could be market moving as high expectations are already reflected in lofty valuations.

Market Scorecard:	12/05/2025	YTD Price Change
Dow Jones Industrial Average	\$47,954.99	12.72%
S&P 500 Index	\$6,870.40	16.81%
NASDAQ Composite	\$23,578.13	22.10%
Russell 1000 Growth Index	\$4,817.44	19.18%
Russell 1000 Value Index	\$2,065.57	13.25%
Russell 2000 Small Cap Index	\$2,521.48	13.06%
MSCI EAFE Index	\$2,835.50	21.40%
US 10 Year Treasury Yield	4.15%	-42 basis points
WTI Crude Oil	\$59.24	-19.50%
Gold \$/Oz.	\$4,212.90	55.50%



Beacon Trust **163 Madison Avenue, Suite 600 | Morristown, NJ 07960 | 973.377.8090 | BeaconTrust.com**

Important Information: Beacon Investment Advisory Services, Inc. ("BIAS") is an SEC registered investment adviser, under the name Beacon Trust, and is wholly owned by Beacon Trust Company ("BTC"), which is a subsidiary of Provident Bank. Provident Bank is a subsidiary of Provident Financial Services, Inc., a holding company whose common stock is traded on the New York Stock Exchange. Beacon Trust may only transact business in those states where they are notice filed or qualify for a corresponding exemption from notice filing requirements. BIAS may be engaged to manage a portion of BTC clients' assets either directly or as a manager of a Mutual Fund. Complete Investment Advisory and transaction fees schedules are available upon request. Additional information is contained in the respective Form ADV disclosure documents, the most recent versions of which are available on the SEC's Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov>.

SECURITIES AND INVESTMENT PRODUCTS: Not FDIC Insured | Not Bank Gauranteed | May Lose Value

This publication is limited to the dissemination of general information pertaining to the wealth management products and services offered by Beacon to U.S. residents of those states where not prohibited by applicable law. No portion is to be construed as a solicitation to effect transactions in securities or the provision of personalized investment, tax, or legal advice. Any discussion of tax matters contained within this communication should not be used for the purpose of avoiding U.S. tax related penalties or promoting, marketing, or recommending to another party any transaction or matter addressed herein. Beacon Trust does not provide legal advice. Certain information contained in this report is derived from sources that Beacon Trust believes to be reliable; however there is no guarantee as to the accuracy or completeness of such information. Opinions expressed are as of the date of publication, are subject to change, and should not be considered investment advice.

Investing involves risks which may lead to losses, including loss of principal. Different types of investments involve varying degrees of risk and there can be no assurance that any specific investment will be profitable.

Past performance is not a predictor of future results. It should not be assumed that any information discussed herein will prove to be profitable or that decisions in the future will be profitable or provide specific performance results. Beacon Trust does not make any representation that any of its investments on behalf of clients or any other investments will or are likely to achieve returns similar to those shown in the performance results presented.

Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. Any reference to a market index is included for illustrative purposes only, as it is not possible to directly invest in an index. Indices are unmanaged vehicles that serve as market indicators and do not account for the deduction of management fees or transaction costs generally associated with investable products, which otherwise have the effect of reducing the performance of an actual investment portfolio. Calculation methodologies are available from BIAS upon request. 00276603