

December 29, 2025

## Beacon Weekly Investment Insights

The Santa Claus rally was intact last week as all three major equity indices finished the week in firmly positive territory. The S&P 500 index closed the week up 1.3%, with the Dow Jones up 1.1% and the tech heavy Nasdaq up 1.2%. The 10-year treasury yield closed the week down slightly to 4.13%, while gold and silver continued their ascent. With not much in the way of economic data to sift through for the shortened holiday week, investors focused on the delayed release of the 3<sup>rd</sup> quarter U.S. GDP report last Tuesday. The report showed significantly stronger than expected growth of 4.3% relative to expectations for 3.2% growth and the prior reading of 3.8%, helping to support the notion of a solid economic backdrop, although likely also raising the bar for further rate cuts. The better-than-expected GDP reading, robust corporate earnings, consumer spending continuing to be driven by the affluent consumer, and expectations for at least one more rate cut in the coming months all look to be contributing to the on-going rally in equity markets.

The delayed Durable-goods orders report for October was also released last Tuesday, alongside the Conference Board's U.S. Consumer Confidence Index numbers. Durable goods orders for October declined by -2.2%, more than the expected drop of -1.2%, and reversing course from the prior reading of 0.5%. This negative reading followed two consecutive monthly increases, and was primarily weighed down by transportation equipment (new orders excluding transportation were up 0.2%). Consumer confidence declined to a reading of 89.1 in the December report from November's upwardly revised reading of 92.9, with higher prices/inflation and uncertainty over the jobs market and tariffs contributing to the decline. Jobless claims were released last Wednesday, and came in at a better-than-expected reading of 214,000, relative to expectations and the prior reading of 224,000 claims.

It has been relatively quiet as far as corporate news as well. Notably, Nvidia is reportedly acquiring AI chip startup Groq's assets for \$20 billion. The deal is being referred to as a "non-exclusive licensing agreement," with Nvidia acquiring Groq's top talent and access to its technology through licensing. Also of note, President Trump met with Ukrainian President Volodymyr Zelenskyy over the weekend and said that "we're getting a lot closer" with respect to an agreement, amid reports that President Zelenskyy has asked for up to 50 years of security guarantees for Ukraine. President Trump also spoke with Russian President Vladimir Putin, noting that it was a productive discussion.

It will be another relatively quiet shortened holiday week, with not much in the way of economic data releases on the docket. Pending home sales are set to be released on Monday, with the S&P Case-Shiller home price index and the minutes from the Fed's December FOMC meeting set to be released on Tuesday. Initial jobless claims will again be released on Wednesday due to the New Year's Day holiday on Thursday, with S&P final U.S. Manufacturing numbers set to be released on Friday. All of us at Beacon wish you and your family a very happy and healthy New Year!

Market Scorecard:	12/26/2025	YTD Price Change
Dow Jones Industrial Average	\$48,710.97	14.49%
S&P 500 Index	\$6,929.94	17.82%
NASDAQ Composite	\$23,593.10	22.18%
Russell 1000 Growth Index	\$4,837.08	19.66%
Russell 1000 Value Index	\$2,093.19	14.76%
Russell 2000 Small Cap Index	\$2,534.35	13.64%
MSCI EAFE Index	\$2,895.36	28.01%
US 10 Year Treasury Yield	4.13%	-44 basis points
WTI Crude Oil	\$56.74	-20.89%
Gold \$/Oz.	\$4,552.70	72.39%

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