Beacon Trust
INNOVATING WEALTH STRATEGY

December 23, 2025

Beacon Weekly Investment Insights

The Santa Claus rally continued, barely, last week with the S&P 500 inching up 0.1%. The S&P 500 is within 1.5% of its all-time high with less than two weeks left in the calendar year. Short-term and long-term interest rates remained roughly unchanged last week. The benchmark 10 Year U.S. Treasury Note ended the week at 4.15% and the odds of the Federal Reserve remaining on hold in January hovered near 80%. Investors focused on a mix of important company and economic related reports last week, despite the overall lack of stock market movement.

The Retail Sales Report released last week was flat month-over-month, but showed a respectable 3.5% year-over-year increase. We continue to see signs of an economy expanding at a reasonable clip with spending being driven primarily by the affluent consumer. Perhaps the more important economic report released last week concerned inflation, with the latest Consumer Price Index (CPI) data revealed last Thursday. The headline CPI number increased 2.7% on an annualized basis, its lowest level since July, and below the 3.0% consensus estimate. Perhaps more importantly, the Core CPI, which excludes the volatile food and energy categories, increased at an annualized rate of 2.6%, its lowest rate since March of 2021. Due to the recent government shutdown and its impact on data collection, some analysts remain skeptical of the data.

Oracle received much needed good news last week after shedding roughly one half of its market value over the past few months, amid high debt levels and questions about the likelihood of its projected artificial intelligence (AI) revenues. Oracle is apparently in line to be the leader of a consortium of firms that will acquire the U.S. subsidiary of TikTok. Oracle's stock increased 6.6% on Friday after falling earlier in the week. Micron, a memory chip manufacturer, delivered some good news on the AI market, reporting strong earnings and a robust outlook. Its stock surged 10% last week.

In other company related news, Nike disappointed investors by falling almost 13% last week. Nike's earnings exceeded expectations, but the firm offered a weaker than expected outlook due to sluggish sales in China and profit margins negatively impacted by tariffs. FedEx, somewhat of a proxy for the economy, delivered strong earnings growth and raised its forward guidance, citing improved operational efficiency and cost controls. Its stock edged up almost 2% last week.

In a holiday shortened week, the economic calendar is exceptionally light this week, with most of the activity occurring on Tuesday. Although the calendar year has almost come to an end, some of the data remains impacted by the recent government shutdown. For example, the Q3 GDP report is scheduled to be released on Tuesday as well as the Durable Goods report, which is an indicator of "big ticket" spending. The Industrial Production report will be released on Tuesday and bears watching due to the Trump Administration's focus on increasing or reshoring manufacturing activities within the U.S. Lastly on Tuesday, the Consumer Confidence report will be released. Investors will look to see if confidence has increased from its recently depressed levels since consumption accounts for roughly 70% of U.S. GDP.

On Wednesday the Initial Jobless Claims report will be released, which is related to the closely watched monthly Employment Report that is typically released on the first Friday of each month.

All of us at Beacon wish you and your family a happy, healthy, and joyous holiday season.

Market Scorecard:	12/19/2025	YTD Price Change
Dow Jones Industrial Average	$48,134.89	13.14%
S&P 500 Index	$6,834.50	16.20%
NASDAQ Composite	$23,307.62	20.70%
Russell 1000 Growth Index	$4,768.45	17.96%
Russell 1000 Value Index	$2,068.21	13.39%
Russell 2000 Small Cap Index	$2,529.42	13.42%
MSCI EAFE Index	$2,857.64	26.50%
US 10 Year Treasury Yield	4.151%	-42 basis points
WTI Crude Oil	$56.52	-21.18%
Gold $/Oz.	$4,387.30	65.52%

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