

Weekly Recap

USA

During the week, economic news in the United States was dominated by strong growth performance and mixed signals in other indicators. GDP grew at an annualized rate of 4.3% in the third quarter, the highest in two years, far exceeding expectations of 3.3%, driven by resilient consumption, strong investment in data centers, and a lower trade deficit. However, a slowdown to 1.8% is expected in the fourth quarter, partly due to the federal government shutdown. In activity data, durable goods orders fell 2.2% in October, although underlying investment—measured by non-defense capital goods excluding aircraft—rose 0.5%. The labor market continued to show strength: initial jobless claims fell to 214,000, the lowest level since January, while continuing claims rose slightly to 1.92 million, reflecting a market with low turnover. In contrast, consumer confidence declined, with the Conference Board index falling to 89.1 in December from 92.9 in November.

In financial markets, the strong growth data further reduced expectations of immediate rate cuts by the Federal Reserve: the implied probability of a cut in January fell to 13%, pushing up Treasury bond yields. Even so, Wall Street remained positive and the S&P 500 reached a new all-time high of 6,937 points. In fixed income, investment-grade corporate bond issuance reached nearly US\$1.7 trillion in 2025, very close to the 2020 record, with about 30% linked to financing for artificial intelligence infrastructure. This increased borrowing by large technology companies reinforces the prospects for more issuance in 2026 and could put pressure on current spreads, which are now at historically tight levels. On the political front, the week was marked by renewed debate over monetary policy. President Donald Trump again publicly pressured the Fed to lower rates even with strong markets, arguing that financial dynamism does not generate inflation. Along the same lines, Treasury Secretary Scott Bessent opened the door to revising the 2% inflation target, proposing a more flexible range of between 1.5% and 2.5%, or even 1%–3%, in the future. In domestic economic policy, the Department of Education announced that wage garnishments on defaulted student loan debtors, suspended since 2020, will resume in January. Internationally, the US postponed the increase in tariffs on Chinese semiconductors until 2027, maintaining trade détente with China, while intensifying its geopolitical actions with attacks on targets in Syria and new strategic initiatives related to Greenland.

EUROPE

The week in continental Europe was marked by reduced activity due to the Christmas and Boxing Day holidays, with lower trading volumes. On the monetary front, Isabel Schnabel, a member of the ECB's Executive Board, said she does not see any rate hikes in the foreseeable future and anticipated a prolonged period of monetary policy stability. In macro data, Spain showed quarterly GDP growth of 0.6% in the third quarter, confirming its strong performance within the eurozone despite the negative contribution of the external sector. Finally, we highlight that France passed a special law to finance public spending in the absence of a budget agreement.

UNITED KINGDOM

In a short week in the UK due to the Christmas and Boxing Day holidays, attention was focused on macroeconomic developments and signals from the Bank of England. On the activity front, GDP grew 0.1% in the third quarter, in line with forecasts, while the Bank of England anticipates zero growth in the fourth quarter. In the markets, the 10-year bond yield fell to 4.51%, reflecting expectations of gradual monetary easing during 2026.

ASIA

In Japan, Prime Minister Sanae Takaichi ruled out aggressive tax cuts and anticipated tax increases to finance defense, while 10-year bond yields remained close to 2% following the Bank of Japan's recent rate hike and Tokyo inflation moderating to 2%. In China, stock markets extended their year-end rally, with the Shanghai Composite and Shenzhen at multi-week highs, supported by expectations of new stimulus measures from the PBOC and greater political support.

CRNCY	Index	Level	Week	YTD	YTD (usd)	1 Year
Equity Market						
AMERICAS			1,28	19,59	19,59	16,47
USD	DOW JONES INDUS. AVG	48.710,97	1,20	16,47	16,47	14,49
USD	S&P 500 INDEX	6.929,94	1,40	19,30	19,30	16,22
USD	NASDAQ COMPOSITE	23.593,10	1,23	23,00	23,00	18,69
BRL	BRAZIL IBOVESPA INDEX	160.896,64	1,53	33,76	49,17	32,86
ARS	S&P Merval TR ARS	3.112.380,00	-0,86	22,84	-12,80	24,54
CLP	S&P/CLX IPSA (CLP) TR	10.483,15	1,74	56,23	71,07	55,49
MXN	S&P/BMV IPC	65.645,79	2,63	37,91	60,74	38,40
EUROPE			-0,25	23,78	39,08	24,83
EUR	Euro Stoxx 50 Pr	5.746,24	-0,24	21,13	37,85	22,08
GBP	FTSE 100 INDEX	9.870,68	-0,27	24,90	34,67	25,45
EUR	DAX INDEX	24.340,06	0,21	22,26	38,45	22,63
EUR	CAC 40 INDEX	8.103,58	-0,59	13,53	29,19	15,06
EUR	FTSE MIB INDEX	44.606,58	-0,34	37,09	55,25	38,90
ASIA			0,59	55,02	30,04	28,03
JPY	NIKKEI 225	50.750,39	0,69	57,14	30,03	30,78
CNY	CSI 300 INDEX	4.657,24	1,01	43,88	26,77	20,10
HKD	HANG SENG INDEX	25.818,93	0,07	64,04	33,33	33,21
GLOBAL						
USD	ISHARES MSCI ACWI ETF	142,90	1,41	23,63	23,63	21,04
USD	MSCI WORLD	4.474,59	1,39	22,81	22,81	20,56
USD	MSCI EM	1.391,79	1,73	33,06	33,06	31,89
USD	MSCI AC ASIA PACIFIC	227,06	1,97	28,31	28,31	28,41
USD	MSCI EM LATIN AMERICA	2.712,31	1,79	55,70	55,70	54,23
Fixed Income						
GLOBAL		1.249,39	0,31	10,42	10,42	10,46
USD	Global Aggregate	501,69	0,55	8,25	8,25	8,26
USD	EM USD Aggregate	1.385,79	0,12	11,03	11,03	11,08
USD	Global High Yield	1.860,69	0,28	11,96	11,96	12,02
Commodities						
USD	BBG Commodity	112,48	4,04	13,89	13,89	13,40
USD	Oro	4.531,80	4,60	72,69	72,69	72,08
USD	WTI	56,92	1,37	-15,78	-15,78	-18,24
USD	Soja	387,45	0,52	2,32	2,32	7,06

th Source: Bloomberg. Information as of December 26, 2025, at market close.

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