

Weekly Recap

USA

The week in the United States left a mixed economic outlook, but consistent with a gradual slowdown and no signs of stress. The most relevant data was the sharp reduction in the trade deficit, which fell to \$52.8 billion, its lowest level since 2020, driven by a rebound in exports and a moderate increase in imports. At the same time, fiscal accounts showed a significant improvement: the budget deficit in November fell by \$16 billion compared to the previous year, and in the first two months of the fiscal year, it accumulated a 16% decrease, with revenues growing 14% year-on-year, thanks in part to increased tariffs. These data reinforced the perception of an economy that is cooling but remains stable and fundamentally sound.

In the labor market, compensation costs grew less than expected and job openings barely rebounded, signs of a gradual adjustment after years of strong demand. Even so, optimism among small businesses rose to a three-month high, supported by better sales expectations and less pressure linked to labor shortages. Fed Chairman Jerome Powell reinforced this reading by warning that the economy "does not feel hot" and that official data may be overestimating monthly job creation by about 60,000 jobs. Powell also noted that much of the remaining inflation comes from the pass-through of tariffs, a phenomenon that should peak in the first quarter of 2026.

The Fed's decision to cut rates by 0.25 points to the 3.50%–3.75% range, the lowest level since 2022, was the main event of the week. The rate cut, although expected, was accompanied by an unusual internal division: three FOMC members dissented, two preferring to keep rates unchanged and one advocating a larger cut. The statement noted that the easing cycle is pausing, as it did when the Fed temporarily halted cuts in December 2024. In addition, it announced monthly purchases of \$40 billion in Treasury bills in early 2026 to bolster bank reserves. The new projections pointed to somewhat stronger growth in 2026 and lower inflation, with only one additional cut expected next year.

On the political front, Washington authorized the export of advanced GPUs to China under strict security controls. The terms of 11 regional Fed presidents were also renewed, dispelling fears of political interference. In foreign policy, we highlight that President Trump signed an executive order to prevent states from imposing their own regulations on artificial intelligence.

EUROPE

Europe presented slightly better economic data: the Sentix index for the Eurozone rose to -6.2 points from -7.4, while in Germany industrial production grew 0.8% year-on-year in October, reversing the previous decline. Against this backdrop, markets are looking ahead to next week's European Central Bank meeting, where rates are expected to remain at 2% and remain unchanged until 2026, given that inflation and growth remain in line with forecasts. On the political front, attention focused on the bloc's institutional stability and policy coordination towards 2026.

UNITED KINGDOM

UK GDP fell again by 0.1% in October, marking four months of no growth and reflecting a stagnant economy. The trade deficit widened to its highest level in eight months due to weak exports and rising imports. Industrial production rebounded more than expected and manufacturing advanced moderately, while retail sales slowed at the weakest pace in six months. Finally, we highlight that next week, the Bank of England will hold its monetary policy meeting.

ASIA

In Japan, GDP fell 2.3% in the third quarter, accompanied by ten consecutive months of decline in real wages and a new stimulus package worth USD 135 billion.

In China, the Central Economic Work Conference anticipated more active fiscal policies and monetary support, while inflation rebounded and the trade surplus exceeded USD 1 trillion with exports growing 5.9%.

CRNCY	Index	Level	Week	YTD	YTD (usd)	1 Year
Equity Market						
AMERICAS			-0,37	18,07	18,07	15,22
USD	DOW JONES INDUS. AVG	48.458,05	1,10	15,84	15,84	12,22
USD	S&P 500 INDEX	6.827,41	-0,61	17,49	17,49	14,86
USD	NASDAQ COMPOSITE	23.195,17	-1,61	20,90	20,90	18,57
BRL	BRAZIL IBOVESPA INDEX	160.768,03	2,16	33,66	52,86	22,84
ARS	S&P Merval TR ARS	2.979.065,00	-2,21	17,58	-15,88	30,09
CLP	S&P/CLX IPSA (CLP) TR	10.400,01	1,74	54,99	69,14	53,94
MXN	S&P/BMV IPC	64.712,07	2,56	35,80	56,95	31,46
EUROPE			0,01	22,19	36,82	20,93
EUR	Euro Stoxx 50 Pr	5.720,71	-0,06	20,60	36,90	19,75
GBP	FTSE 100 INDEX	9.649,03	-0,18	22,09	30,42	20,97
EUR	DAX INDEX	24.186,49	0,66	21,48	37,31	19,10
EUR	CAC 40 INDEX	8.068,62	-0,57	13,04	28,32	12,63
EUR	FTSE MIB INDEX	43.513,95	0,19	33,72	51,14	32,21
ASIA			0,16	54,59	29,52	26,33
JPY	NIKKEI 225	50.836,55	0,50	57,41	30,91	30,08
CNY	CSI 300 INDEX	4.580,95	-0,85	41,31	23,65	16,86
HKD	HANG SENG INDEX	25.976,79	0,82	65,04	34,00	32,06
GLOBAL						
USD	ISHARES MSCI ACWI ETF	141,77	-0,23	21,58	21,58	18,36
USD	MSCI WORLD	4.444,32	0,60	21,94	21,94	17,75
USD	MSCI EM	1.376,73	-0,52	31,51	31,51	27,83
USD	MSCI AC ASIA PACIFIC	224,10	-0,67	26,63	26,63	23,66
USD	MSCI EM LATIN AMERICA	2.730,91	1,96	55,36	55,36	42,70
Fixed Income						
GLOBAL		1.243,97	0,14	9,98	9,98	8,36
USD	Global Aggregate	500,32	0,31	7,96	7,96	5,98
USD	EM USD Aggregate	1.380,19	-0,02	10,58	10,58	8,86
USD	Global High Yield	1.851,39	0,14	11,40	11,40	10,25
Commodities						
USD	BBG Commodity	108,98	-2,70	10,35	10,35	10,71
USD	Oro	4.303,19	2,51	63,95	63,95	60,52
USD	WTI	57,48	-4,33	-15,32	-15,32	-17,91
USD	Soja	394,23	-2,62	4,11	4,11	8,08

th Source: Bloomberg. Information as of December 12, 2025, at market close.

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