BALLESTAS GROUP
PRIVATE WEALTH MANAGEMENT

DECEMBER-19-2025

Weekly Recap

USA

The week in the United States was marked by a series of economic data that showed mixed signals about the pulse of the economy. The University of Michigan Consumer Sentiment Index was revised downward in December to 52.9 points, reflecting a deterioration in both perceptions of current conditions and expectations. At the same time, one-year inflation expectations were adjusted slightly upward to 4.2%, although they remain close to the lowest levels of the last year, while the five-year horizon stabilized at 3.2%, reinforcing the idea of gradual, albeit still incomplete, disinflation. In the real estate sector, existing home sales surprised on the upside, reaching an annualized rate of 4.13 million units in November, the highest level in nine months and the third consecutive monthly increase. The improvement was associated with a moderation in mortgage rates in the fall, although supply growth began to show signs of stagnation. Prices, while still rising, grew only 1.2% year-on-year, one of the weakest advances since mid-2023. At the same time, labor and activity data delayed by the government shutdown were released, showing a drop in employment in October, largely explained by the voluntary departure of federal employees, followed by a partial recovery in November. The unemployment rate rose to 4.6%, its highest level in four years, although excluding the effect of the public sector, the labor market remains relatively stable. October retail sales were flat overall, but the key component for GDP grew strongly, while November inflation figures, which showed a marked slowdown, were received with caution due to possible methodological distortions. In the markets, these signals were interpreted with caution. The fall in inflation was partially discounted by investors, given doubts about the quality of the data and the persistence of underlying pressures. Nasdaq announced that it is seeking regulatory approval to implement 23-hour-a-day trading, a move that could transform the dynamics of the U.S. stock market and increase international participation. On the political front, the competition to succeed Jerome Powell as head of the Federal Reserve continued. President Trump interviewed current governor Christopher Waller, although Kevin Hassett remains the favorite. Trump reiterated that his preference is for a Fed chair who will push for aggressive rate cuts. He also signed an executive order reclassifying marijuana as a Schedule III substance, opening the door to further medical research. Finally, it was revealed that nearly half of U.S. imports avoid tariffs thanks to exemptions and trade agreements, a relevant fact amid the debate on trade policy.

EUROPE

The European Central Bank kept rates unchanged and reaffirmed its data-dependent approach, with inflation remaining stable and close to target. Eurozone PMI indicators showed a slowdown in activity, with the manufacturing sector still contracting and services growing at a slower pace. On the political front, the European Union agreed to a €90 billion loan to Ukraine and made progress in peace negotiations, with Kiev renouncing its aspiration to join NATO in exchange for security guarantees.

UNITED KINGDOM

The Bank of England cut its benchmark rate by 25 basis points to 3.75%, after inflation slowed to 3.2% from 3.6%. PMI indicators showed an improvement in activity, with manufacturing and services in expansionary territory. In the markets, the Bank of England's decision reinforced expectations of a cycle of gradual monetary easing, while investors assessed the impact of lower borrowing costs on growth and British assets.

ASIA

The Bank of Japan raised interest rates by 25 basis points to 0.75%, the highest level in 30 years, and reaffirmed that the cycle of increases will continue if the economic scenario is met. The yen weakened after the decision and the yield on 10-year sovereign bonds exceeded 2%.

In China, retail sales, industrial production, and investment in fixed assets and real estate disappointed, with no significant stimulus measures announced for now.

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CRNCY	Index	Level	Week	YTD	YTD (usd)	1 Year
	Equity Market					
AMERICAS			-0,01	18,08	18,08	17,18
USD	DOW JONES INDUS. AVG	48.134,89	-0,64	15,09	15,09	15,24
USD	S&P 500 INDEX	6.834,50	0,13	17,64	17,64	16,83
USD	NASDAQ COMPOSITE	23.307,62	0,49	21,50	21,50	19,45
BRL	BRAZIL IBOVESPA INDEX	158.473,02	-1,43	31,75	47,19	30,76
ARS	S&P MERVAL TR ARS	3.139.467,00	5,38	23,91	-11,89	25,47
CLP	S&P/CLX IPSA (CLP) TR	10.304,26	-0,92	53,57	67,11	51,44
MXN	S&P/BMV IPC	64.096,43	-0,85	34,65	56,05	32,84
EUROPE			1,52	24,08	38,66	22,64
EUR	Euro Stoxx 50 Pr	5.760,35	0,69	21,43	37,51	19,54
GBP	FTSE 100 INDEX	9.897,42	2,58	25,24	33,82	24,17
EUR	DAX INDEX	24.288,40	0,42	22,00	37,55	19,55
EUR	CAC 40 INDEX	8.151,38	1,03	14,20	29,32	14,13
EUR	FTSE MIB INDEX	44.757,55	2,87	37,55	55,09	35,80
ASIA			-0,21	52,54	27,48	28,02
JPY	NIKKEI 225	49.507,21	-1,32	53,29	26,15	30,05
CNY	CSI 300 INDEX	4.568,18	0,45	41,10	23,72	19,14
HKD	HANG SENG INDEX	25.690,53	0,24	63,22	32,57	34,87
GLOBAL						
USD	ISHARES MSCI ACWI ETF	140,91	0,27	21,91	21,91	21,19
USD	MSCI WORLD	4.382,41	-0,55	20,27	20,27	19,91
USD	MSCI EM	1.358,18	-2,26	29,80	29,80	27,56
USD	MSCI AC ASIA PACIFIC	221,78	-2,25	25,32	25,32	23,90
USD	MSCI EM LATIN AMERICA	2.664,19	-2,46	52,23	52,23	50,10
	Fixed Income					
GLOBAL		1.246,73	0,31	10,19	10,19	9,55
USD	Global Aggregate	500,52	0,32	8,00	8,00	7,16
USD	EM USD Aggregate	1.384,55	0,35	10,93	10,93	10,34
USD	Global High Yield	1.855,13	0,26	11,63	11,63	11,14
	Commodities					
USD	BBG Commodity	108,80	-0,16	10,17	10,17	11,22
USD	Oro	4.337,03	0,87	65,25	65,25	67,19
USD	WTI	56,66	-1,36	-16,53	-16,53	-18,95
USD	Soja	384,25	-2,58	1,48	1,48	8,93

Source: Bloomberg. Information as of December 19, 2025, at market close. th