BECKER WEALTH MANAGEMENT, LLC

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First week of December delivers modest market gains.

The first week of December delivered modest gains across global equity markets of 0.30% to 0.80%, adding to strong double-digit results for the year.

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Focus points were an encouraging start to the holiday shopping season, continuing Fed speculation, and some economic data points on labor and inflation. Yields inched higher, particularly across the longer maturities, taking 10yr yields up to 4.14%. Oil moved back over $60/barrel while the U.S. Dollar weakened, particularly against commodity currencies.

Financial Market Highlights

- Fed easing and the AI boom have clearly been key factors driving equity markets. Cut probabilities and market returns have been highly correlated while the aggressive AI infrastructure buildout alongside gradual adoption and projected monetization/productivity gains all factor largely going forward.
- Rising Japanese government bond yields are drawing attention, among other potential drivers, as a culprit of the drift higher in UST yields due to capital flows tied to the Yen carry trade.

Economic Highlights

- Consumer sentiment, ISM surveys, and PCE data were key reports on the week, acting as marginal tailwinds feeding into resilient economy and disinflation traction narratives.
- Labor market trajectory remains a macro focus with encouraging weekly data standing in contrast to troubling Challenger Gray and monthly ADP reports last week.
- Housing market remains in disarray with new homes selling for less than existing, tight supply, and elevated mortgage rates. Of note, tight supply is arguably the bigger problem than mortgage rates.

Policy Highlights

- SCOTUS pending ruling on tariffs may have more of a macro impact than the Fed policy given Penn/Yale model estimates that pro-growth effects of OB3 are broadly offset by anti-growth effects of tariff taxes. While Polymarket is showing good odds SCOTUS strikes them down, others disagree.

Bullish Asset Allocation Narratives

- Strong consumption with ample room for the consumer to re-lever and market related wealth effects.
- Growth conducive policies including an incrementally less restrictive Fed, OBBB fiscal stimulus, and business friendly deregulation.
- Robust U.S. corporate earnings growth, profit margins, and forward guidance.
- The AI boom including substantial capex and longer-term productivity gains/earnings potential.

Bearish Asset Allocation Narratives

- Risks to consumption due to elevated interest rates (sluggish housing market), slowing labor markets, and lower/middle class price fatigue (cumulative inflation).
- Reliance on AI stock momentum, questionable circular AI transactions, unknown AI monetization potential, and a transition to debt financed capital spending and asset intensive business models.
- Fed policy mistake of being too restrictive (or accommodative) given labor and inflation dynamics.
- Fading U.S. fiscal thrust beyond Q3'26 with constraints on continuing elevated deficit spending.

SUMMARY OF ECONOMIC REPORTS

Economic Report	Release	Period	Prior	Estimate Range	Consensus	Actual
ISM Manufacturing	12/1/2025	Nov	48.7	48.3 to 49.3	49.0	48.2
ISM Services	12/3/2025	Nov	52.4	51.8 to 53.2	52.1	52.6
UofM Consumer Sentiment	12/5/2025	Dec	51.0	50.0 to 53.0	52.0	53.3
PCE YoY (Headline/Core)	12/5/2025	Sept	2.7% / 2.9%	2.8% to 3.0%	2.8% / 2.9%	2.8% / 2.8%
PCE MoM (Headline/Core)	12/5/2025	Sept	0.3% / 0.2%	0.2% to 0.3%	0.3% / 0.3%	0.3% / 0.2%
Personal Consump Exp (PCE)	12/5/2025	Sept	0.60%	0.3% to 0.5%	0.4%	0.3%
Personal Income	12/5/2025	Sept	0.4%	0.3% to 0.5%	0.4%	0.4%
Industrial Production	12/3/2025	Sept	-0.3%	-0.1% to 0.2%	0.1%	0.1%
U.S. GDP (QoQ AR)	11/26/2025	Q3	3.8%	1.7% to 3.8%	3.0%	DELAYED
Durable Goods Orders	11/26/2025	Sept	3.0%	-1.5% to 1.4%	0.1%	0.5%
Retail Sales (Headline/Core)	11/25/25	Sept	n/a	-0.5% to 0.6%	0.4% / 0.3%	0.2% / 0.1%
Case-Shiller HPI (MoM)	11/25/25	Sept	1.6%	1.3% to 1.6%	1.4%	1.4%
Consumer Confidence	11/25/25	Nov	95.5	92.5 to 94.9	93.3	88.7
Pending Home Sales	11/25/25	Oct	0%	-2% to 0%	-0.4%	-0.1%
New Home Sales	11/26/2025	Oct	800k	n/a	n/a	DELAYED
PMI Services	11/21/2025	Nov	54.8	54.4 to 55.1	55.0	54.1
PMI Manufacturing	11/21/2025	Nov	52.5	52.0 to 52.8	52.3	52.2
Housing Market Index	11/18/2025	Oct	37	34 to 40	37	38
Housing Starts & Permits (M)	11/19/2025	Oct	1.307 / 1.302	n/a	n/a	DELAYED
CPI (Headline/Core YoY)	11/13/2025	Oct	3.0% / 3.0%	n/a	n/a	DELAYED
CPI (Headline/Core MoM)	11/13/2025	Oct	0.3% / 0.2%	n/a	n/a	DELAYED
NFIB Small Biz Optimism	11/11/2025	Oct	98.8	98.0 to 99.5	98.3	98.2
Payrolls (MoM)	11/7/2025	Oct	22,000	n/a	n/a	DELAYED
Unemployment Rate	11/7/2025	Oct	4.30%	n/a	n/a	DELAYED
JPM Global Manufacturing PMI	11/3/25	Oct	50.7	n/a	n/a	XX / 50.8
JOLTS	11/4/2025	Sept	7.227M	7.18M - 7.40M	7.30M	DELAYED
Employment Cost Index	10/31/2025	Q3	3.60%	3.7% to 3.7%	3.7%	DELAYED
Existing Home Sales	10/23/2025	Sept	4.0M	3.95M to 4.12M	4.06M	4.06M

INSIGHT

MARKET ANALYSIS

Equity	Level	1 Wk	1 Mo	3 Mo	YTD	1 Yr
Dow Jones	47955	0.62	1.64	6.07	14.58	8.97
NASDAQ	23578	0.93	0.42	8.82	22.84	20.48
S&P 500	6870	0.35	1.24	6.31	18.22	14.57
Russell 1000 Growth		0.45	(0.25)	6.76	19.84	17.59
Russell 1000 Value		0.26	3.14	4.92	15.43	9.26
Russell 2000		0.88	2.45	5.79	14.47	6.68
Russell 3000		0.38	1.36	5.88	17.62	13.33
MSCI EAFE		0.77	2.34	4.37	29.02	23.82
MSCI Emg Mkts		1.43	0.33	9.02	32.27	29.30
Fixed Income	**Δ Yield**	**1 Wk**	**1 Mo**	**3 Mo**	**YTD**	**1 Yr**
US Aggregate	3.87	0.04	0.01	0.05	0.12	0.52
High Yield	6.57	0.03	(0.04)	0.03	(0.06)	0.57
Municipal	3.29	0.05	0.04	0.06	0.28	0.60
Treasury	3.45	0.22	0.20	0.23	0.45	0.76

Commodities	Current	9/30/25	6/30/25	3/31/25
Oil (WTI)	59.47	63.17	66.30	71.87
Gold (Mo-End)	4053.28	4053.28	3352.00	2983.25

Currencies	Current	9/30/25	6/30/25	3/31/25
USD/Euro ($/€)	1.16	1.17	1.17	1.08
USD/GBP ($/£)	1.32	1.32	1.37	1.29
Yen/USD (¥/$)	156.17	156.17	144.17	149.90

Treasury Rates	Current	9/30/25	6/30/25	3/31/25
3 Month	3.71	4.02	4.41	4.32
2 Year	3.56	3.60	3.72	3.89
5 Year	3.72	3.74	3.79	3.96
10 Year	4.14	4.16	4.24	4.23
30 Year	4.79	4.73	4.78	4.59

Style Returns

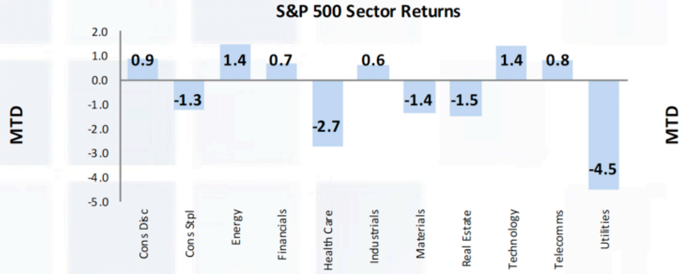
MTD

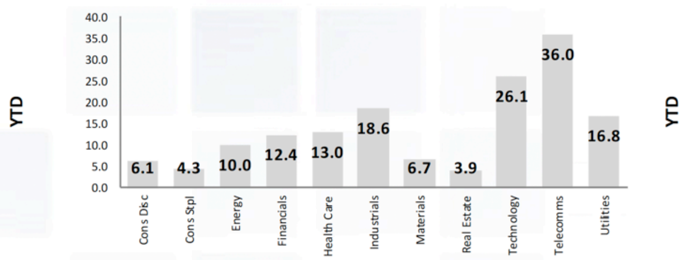
	V	B	G
L	0.26	0.36	0.45
M	0.33	0.30	0.23
S	0.90	0.88	0.87

YTD

	V	B	G
L	15.43	17.78	19.84
M	11.34	11.24	10.39
S	13.40	14.47	15.47

S&P 500 Sector Returns





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