



A WEEKLY NEWSLETTER PUBLICATION OF BECKER WEALTH MANAGEMENT LLC

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.

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



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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.

INSIGHT

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 |



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INSIGHT

MARKET ANALYSIS

| Equity | Level | 1 Wk | 1 Mo | 3 Mo | YTD | 1 Yr | Commodities | Current | 9/30/25 | 6/30/25 | 3/31/25 |
|---------------------|----------------|-------------|-------------|-------------|------------|-------------|-----------------------|----------------|----------------|----------------|----------------|
| Dow Jones | 47955 | 0.62 | 1.64 | 6.07 | 14.58 | 8.97 | Oil (WTI) | 59.47 | 63.17 | 66.30 | 71.87 |
| NASDAQ | 23578 | 0.93 | 0.42 | 8.82 | 22.84 | 20.48 | Gold (Mo-End) | 4053.28 | 4053.28 | 3352.00 | 2983.25 |
| 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 | Currencies | Current | 9/30/25 | 6/30/25 | 3/31/25 |
| Russell 1000 Value | | 0.26 | 3.14 | 4.92 | 15.43 | 9.26 | USD/Euro (\$/€) | 1.16 | 1.17 | 1.17 | 1.08 |
| Russell 2000 | | 0.88 | 2.45 | 5.79 | 14.47 | 6.68 | USD/GBP (\$/£) | 1.32 | 1.32 | 1.37 | 1.29 |
| Russell 3000 | | 0.38 | 1.36 | 5.88 | 17.62 | 13.33 | Yen/USD (¥/\$) | 156.17 | 156.17 | 144.17 | 149.90 |
| 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 | Treasury Rates | Current | 9/30/25 | 6/30/25 | 3/31/25 |
| Fixed Income | Δ Yield | 1 Wk | 1 Mo | 3 Mo | YTD | 1 Yr | 3 Month | 3.71 | 4.02 | 4.41 | 4.32 |
| US Aggregate | 3.87 | 0.04 | 0.01 | 0.05 | 0.12 | 0.52 | 2 Year | 3.56 | 3.60 | 3.72 | 3.89 |
| High Yield | 6.57 | 0.03 | (0.04) | 0.03 | (0.06) | 0.57 | 5 Year | 3.72 | 3.74 | 3.79 | 3.96 |
| Municipal | 3.29 | 0.05 | 0.04 | 0.06 | 0.28 | 0.60 | 10 Year | 4.14 | 4.16 | 4.24 | 4.23 |
| Treasury | 3.45 | 0.22 | 0.20 | 0.23 | 0.45 | 0.76 | 30 Year | 4.79 | 4.73 | 4.78 | 4.59 |

Style Returns

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

MTD

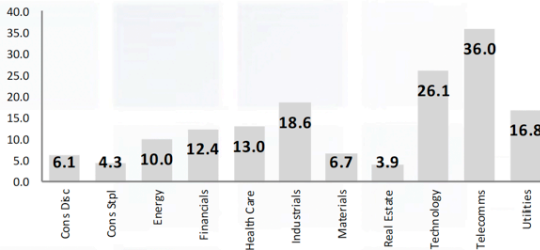
S&P 500 Sector Returns



MTD

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

YTD



YTD

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