



PACIFIC GLOBAL
Investment Management Company

Weekly Recap

December 5, 2025

Market Returns

INDEX ¹	CLOSE	WEEKLY CHANGE		YTD CHANGE
Dow Jones Industrial Avg.	47,954.99	238.57	/ 0.50%	12.72%
S&P 500 [®]	6,870.40	21.31	/ 0.31%	16.81%
Nasdaq	23,578.13	212.44	/ 0.91%	22.10%
Russell 2000 [®]	2,521.48	21.05	/ 0.84%	13.06%

	12/05/25 CLOSE	12/05/24 CLOSE
10-Year U.S. Treasury	4.14%	4.17%

Data: The Wall Street Journal, Federal Reserve

The Bottom Line

Markets rose as this week's weaker-than-expected ADP employment data (-32,000) provided support for a likely interest rate cut by the Federal Reserve. Analysts report 90% odds for a 25-basis point rate cut at next week's meeting. For the week, the Nasdaq (0.91%) led the major indices followed by the Russell 2000[®] Index (0.84%), the Dow Jones Industrial Average (0.50%) and the S&P 500[®] Index (0.31%). The yield on the 10-Year U.S. Treasury Note increased to 4.14% from 4.01% last Friday.

ADP's November private payrolls report, which follows October's 42,000 increase, reveals that job losses were concentrated in small businesses and highlights the uncertainties facing employers. Initial jobless claims (191,000) were below estimates of 221,000; continuing claims (1.939 million), the second lowest since September 2022, were also below consensus (1.954 million). November **ISM Services** Index (52.6) rose above consensus and October's 52.4; the reading was the highest since February even as its employment component declined. The **ISM Manufacturing** Index remained in contraction with a decline from 48.7 in October to 48.2.

Estimates for the December **University of Michigan Consumer Confidence** rose from November's 51.1, the second-lowest reading on record, to a better-than-expected 53.3. Holiday spending thus far has exceeded estimates; Cyber Monday sales rose 8.8% over last year. *Delta* announced that travel demand remains strong. Elsewhere, several California banks reported in meetings this week that the outlook for lower interest rates has fueled a strong pipeline for new loans heading into 2026.

The equity and bond markets remain resilient on the strength of **AI** investments and prospect of lower interest rates. Concerns over tariffs continue even though their impact has, so far, been less than feared when first announced on April 1. Corporate share buybacks have also provided support for the market's upward momentum. Looking ahead, investors will focus on Fed commentaries regarding the likelihood of additional rate cuts; and the widely-anticipated Supreme Court decision, expected by the end of 2025 or early 2026, on the challenge to President Trump's IEPPA tariffs. The historically positive trend for market performance in December may well continue through the final weeks of this year.

¹The Dow Jones Industrial Average is an unmanaged, price weighted measure of 30 U.S. stocks selected by the Averages Committee to represent the performance of all U.S. stocks outside the Transportation and Utilities sectors. The S&P 500® Index is an unmanaged, market capitalization weighted index which measures the performance of the large cap segment of the U.S. equities market, covering approximately 75% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy. The Nasdaq Composite Index is an unmanaged, market capitalization weighted measure of all domestic and international common stocks listed on The Nasdaq Stock Market. The Russell Midcap® Index measures the 800 smallest companies within the Russell 1000® Index based on a combination of their market cap and current index membership. The Russell 2000® Index is an unmanaged, market-weighted measure of stock market performance. It contains stocks of the 2,000 smallest publicly traded companies of the Russell 3000® Index. It is not possible to invest in the Indices.

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