



PACIFIC GLOBAL
Investment Management Company

Weekly Recap

December 19, 2025

Market Returns

| INDEX ¹ | CLOSE | WEEKLY CHANGE | YTD CHANGE |
|---------------------------|-----------|------------------|------------|
| Dow Jones Industrial Avg. | 48,134.89 | -323.16 / -0.67% | 13.14% |
| S&P 500 [®] | 6,834.50 | 7.09 / 0.10% | 16.20% |
| Nasdaq | 23,307.62 | 112.45 / 0.48% | 20.70% |
| Russell 2000 [®] | 2,529.42 | -22.04 / -0.86% | 13.42% |

| | 12/19/25 CLOSE | 12/19/24 CLOSE |
|-----------------------|----------------|----------------|
| 10-Year U.S. Treasury | 4.15% | 4.57% |

Data: The Wall Street Journal, Federal Reserve

The Bottom Line

Economic data, along with both negative and positive **AI**-related headlines, created market volatility; the major indices ended the week with slight gains or losses. The Nasdaq (0.48%) led with a late-week recovery followed by the S&P 500[®] Index (0.10%) with the Dow Jones Industrial Average (-0.67%) and Russell 2000 Index (-0.86%) posting fractional losses. The yield on the 10-Year U.S. Treasury Note declined to 4.15% from 4.19% last Friday.

Scrutiny over **AI** infrastructure spending increased as investors focus on debt financing and construction timelines. *Oracle's* \$10 billion deal to build an *OpenAI* data center came into question as a major lender backed out and the Michigan project awaited approval; *Oracle*, though, said that the project had gained the necessary approvals and was on schedule. Expectations for **AI** have soared through much of the year; investors, though, are now more closely analyzing each project's costs and profitability.

Delayed economic reports were released this week: the **November CPI** (2.7%) fell well below estimates (3.1%) and September's 3.0%. **Core CPI** rose 2.6% year-over-year, also well below estimates for 3.0%. The reliability of these reports is uncertain as certain data were missing and technical issues may have distorted the results. November nonfarm payrolls rose by 64,000 after an estimated decline of 105,000 jobs in October; reports for August and September were adjusted downward. The unemployment rate unexpectedly rose 0.1% to 4.6%. Initial jobless claims fell to 224,000 following the prior week's 237,000. Continuing claims (1.897 million) were below consensus (1.950 million). The final December University of **Michigan Consumer sentiment** (52.9), the first increase in five months, was revised lower from below early projections. Next week's economic data will include the first estimate of third quarter GDP and October's durable goods orders.

Trading activity, with the exception of some year-end positioning, will likely slow as the holidays approach and companies enter quiet periods prior to releasing fourth quarter earnings. **AI** and economic news headlines will likely determine market momentum through year-end. One encouraging indicator for the New Year is the recent outperformance of the Transportation Index (up 10% in 2025, with its longest winning streak since

August 2020). The Index considered to be an economic indicator may be a harbinger of continued economic growth in 2026.

Due to the upcoming holiday schedule, we will publish a Year-end Recap on 12/31 instead of Weekly Recaps on 12/26 and 1/2/26. We extend our Best Wishes during the Holiday Season.

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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