



WEEKLY UPDATE | December 12, 2025



U.S. & World News

The Federal Reserve held its last meeting of 2025 and delivered its third consecutive 0.25% cut of the Federal Funds Rate. The Committee voted 9-3 in favor of the cut which now brings the Fed Funds Rate to a 3.50-3.75% target range, down from a cycle peak in 2023 of 5.25%-5.50%. Kansas City Fed President Jeffrey Schmid and Chicago Fed President Austan Goolsbee dissented in favor of no rate cut while Fed governor Stephen Miran voted against seeking a 0.50% cut. The statement restored language noting that “the extent and timing” of additional fed funds adjustments would be data dependent, indicating no set path for future cuts. The Fed also announced a resumption of Treasury bill purchases in the amount of \$40 billion per month which are to keep reserves at an “ample” level through the 2026 tax season after the Treasury General Account balance declines. The Fed’s internal dot plot projections indicate only one 0.25% cut in 2026, whereas the markets implied odds point to two or more cuts next year. With Federal Reserve Chair Jerome Powell’s term coming to an end in May 2026, an announcement of his replacement is expected in January by President Trump. Current National Economic Council Director Kevin Hassett and former Fed governor Kevin Warsh are the leading candidates according to an interview given by Trump to the Wall Street Journal on Friday.



Markets

- Equity markets were mixed this week. The S&P 500 declined -0.62% and closed at 6,827. The Dow Jones increased 1.05% and closed at 48,458. The year to date returns for the S&P 500 and Dow are 17.46% and 15.78%, respectively.
- Bond markets were down this week as longer yields moved higher. The US Aggregate Bond Index was down -0.22% for the week. The year to date return for the US Aggregate Bond Index is now +6.75%.
- The yield on the 2-year and 10-year treasuries steepened this week and now yield 3.52% and 4.19%, respectively.
- The spot price of WTI Crude Oil fell -4.56% this week and closed at \$57.45/barrel. The price of Crude so far has fallen -19.89% this year.
- The spot price of Gold rose 3.29% this week to close at \$4,334.00/ounce. The price of Gold has risen by 65.13% this year.



Economic Data

- Initial Jobless Claims came in 44,000 higher and well above last week with a reading of 236,000, likely reflecting seasonal volatility and data collection issues around the Thanksgiving holiday.
- Employment Cost Index rose 0.8% in the 3rd quarter vs. median forecast of 0.9%. This brings wage growth to 3.9% over the last 12 months.
- JOLTS job openings rose modestly in October to 7.670 million vs. September 7.658 million. Job openings rose most in retail (+142k) and wholesale trade (+52k) but decreased the most in professional and business services (-114k) and finance and insurance services (-69k).

Fact of the Week

CHEAP AND STABLE GAS. On 12/1 the national average price of a gallon of unleaded gas fell to \$2.998 – the first sub-\$3 price since May 2021. Over the last year, the national average price of gasoline has moved within a range of less than 9%, which is the narrowest one-year range since at least 2004.

(Source: AAA)

Questions?

Your Wealth Management team is here to answer.

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