



# Weekly Macro Call

December 15, 2025

# MARKET RECAP

Broad Equity Markets	Level	1 Week	QTD	YTD	3MO	6MO	1YR
S&P 500	6,827.41	-0.61	2.33	17.51	3.96	14.08	13.67
NASDAQ 100	25,196.73	-1.92	2.24	20.74	5.20	15.66	16.61
Dow Jones Industrial	48,458.05	1.10	4.85	15.84	5.57	14.05	11.66
Russell 2000	6,341.01	1.21	4.95	15.85	5.71	19.56	8.04
FTSE Developed International	2,586.69	0.93	4.36	32.40	5.16	12.11	28.05
FTSE Emerging International	2,059.13	0.32	1.13	23.84	3.45	11.97	20.33
Bloomberg US Aggregate Index		-0.20	0.56	6.73	0.17	3.94	5.16
S&P GSCI		-2.92	0.22	6.33	1.24	2.99	7.49
United States Oil		-4.29	-6.51	-8.83	-5.93	-8.40	-6.24
Bitcoin	90,254.68	0.71	-21.04	-4.07	-21.26	-17.27	-11.40
Gold	4,346.95	2.45	13.64	66.61	19.77	30.55	60.67

Interest Rates		Last four weeks:				3 Months Ago	1 Year Ago
	Levels as of:	12/12/2025	12/5/2025	11/28/2025	11/21/2025	9/12/2025	12/12/2024
3 Month Treasury Yield		3.93	3.71	3.88	3.90	4.08	4.35
2 year Treasury Yield		3.57	3.56	3.47	3.51	3.56	4.18
10 Year Treasury Yield		4.11	4.14	4.02	4.06	4.06	4.32
30 Year Treasury Yield		4.69	4.79	4.67	4.71	4.68	4.55
CBOE VIX		15.7	15.4	16.4	23.4	14.8	13.9

## Top Style

Micro Cap 2.01

## Top Sector

Materials 2.34

## Top Factor

Size 1.21

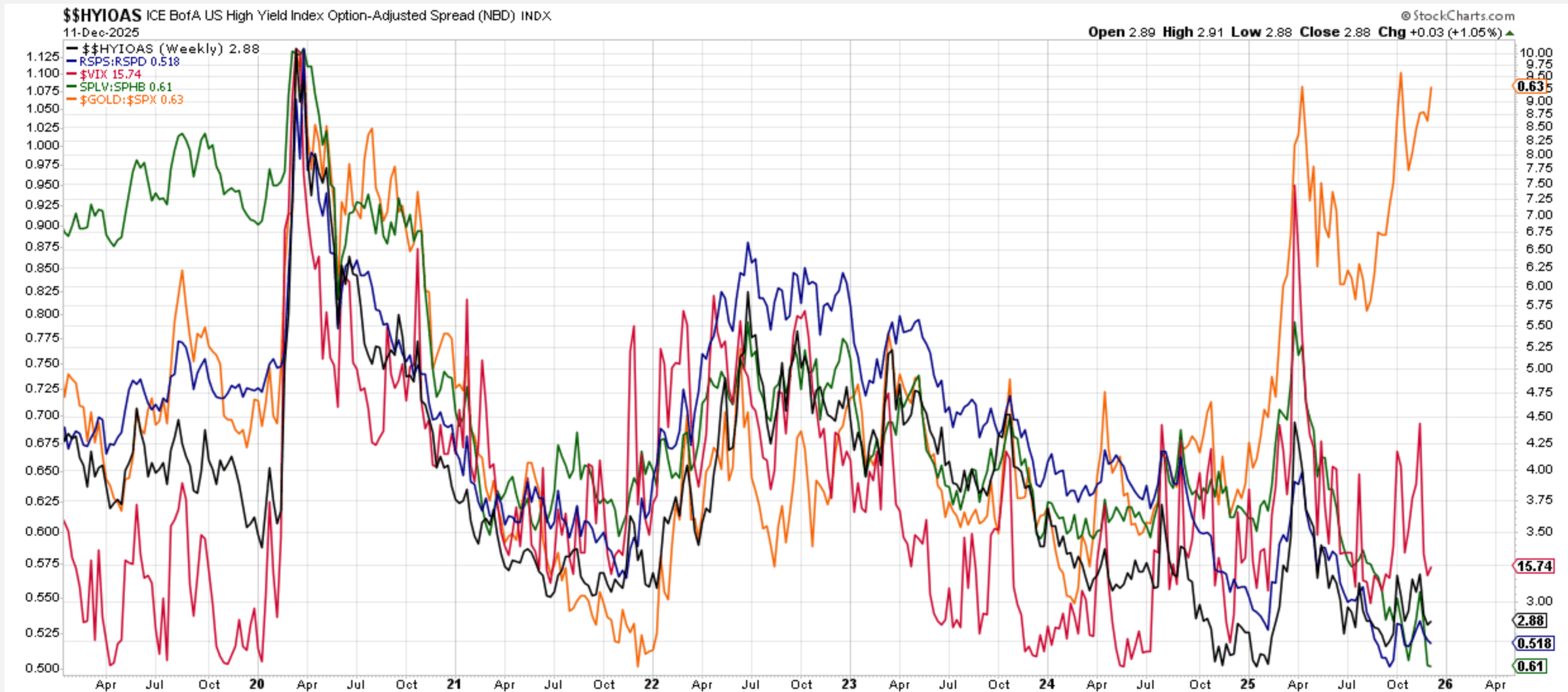
## Top Fixed Income Sector

Senior Loans 0.14

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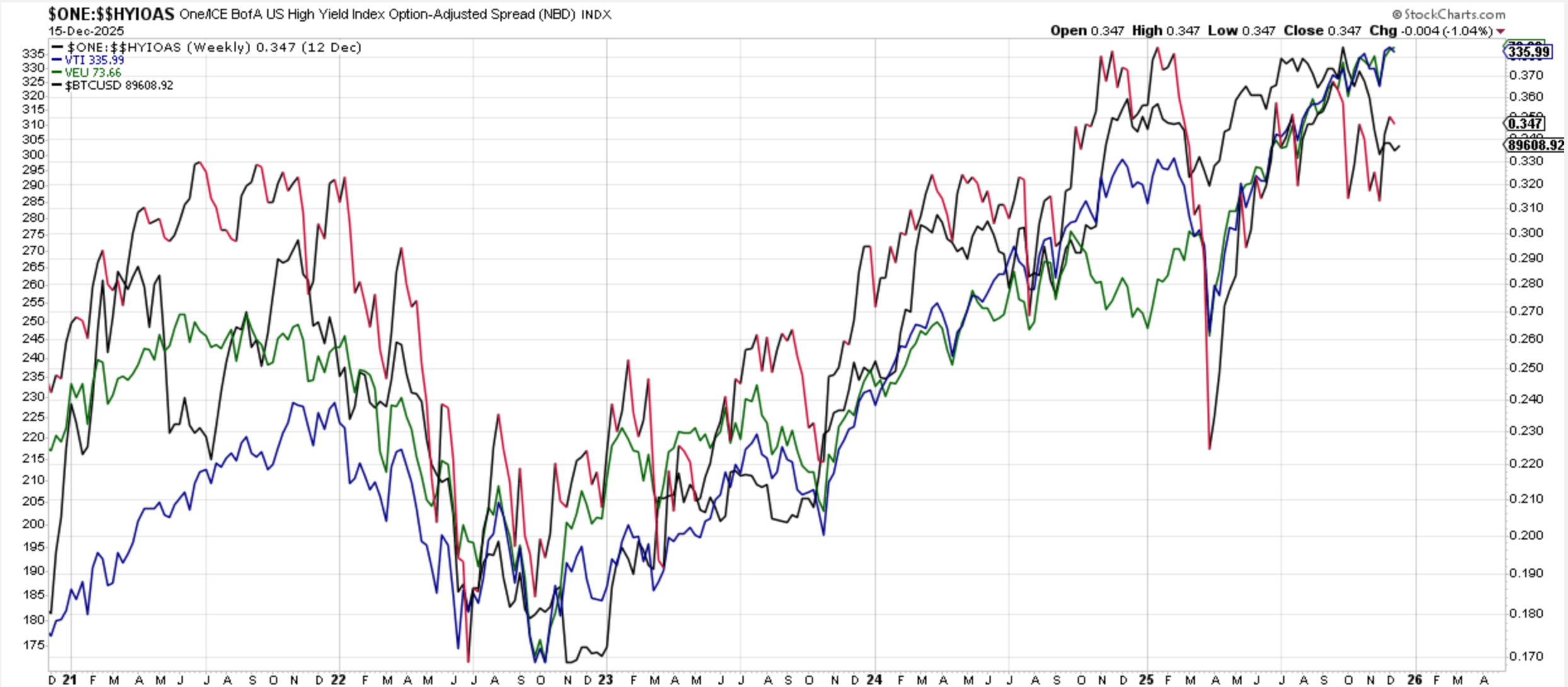


# MOST INDICATORS OF MARKET VOLATILITY ARE FALLING (RISK-ON SENTIMENT)



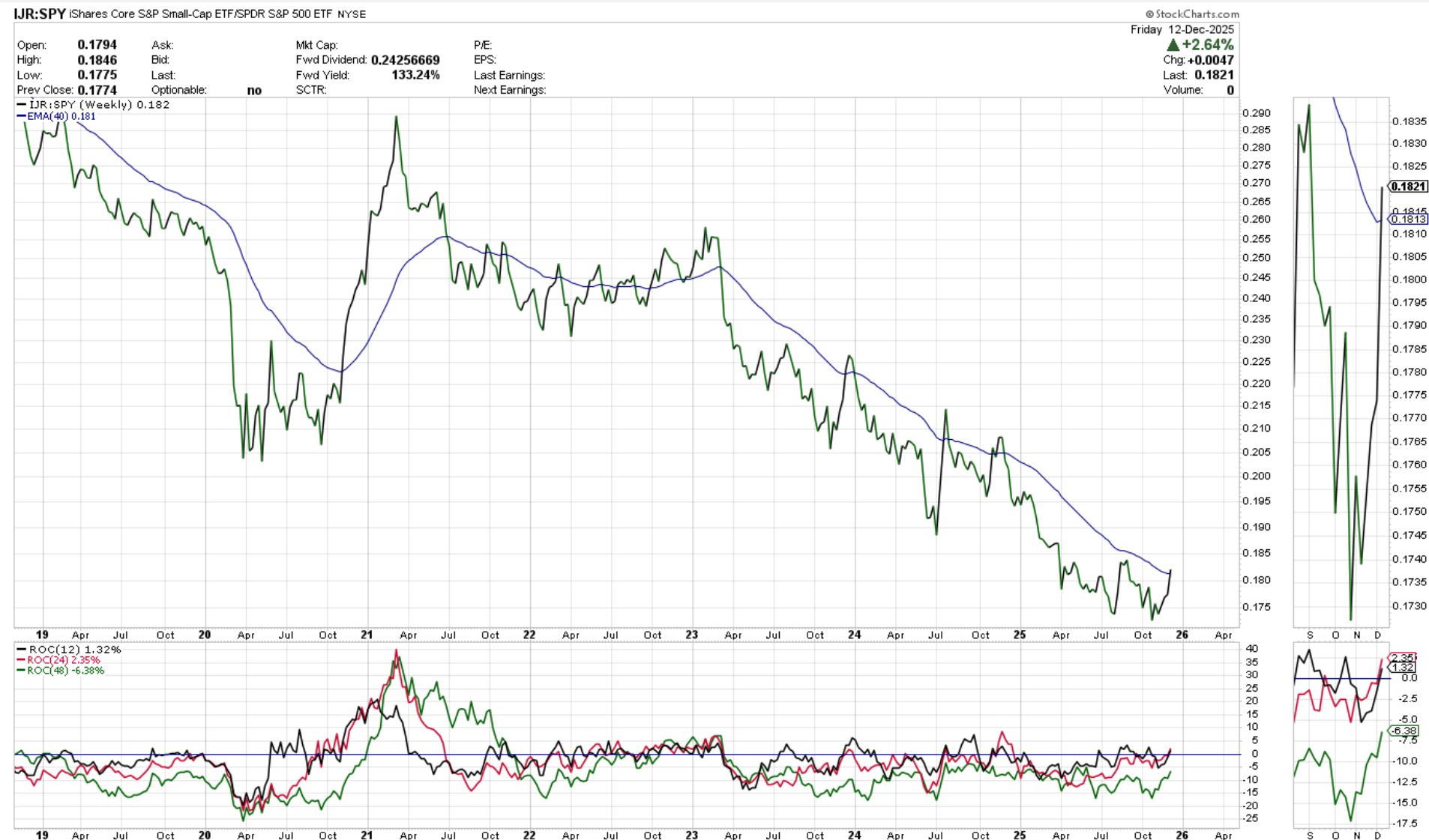
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# STOCKS ARE HITTING NEW HIGHS WHILE CREDIT AND CRYPTO LAG



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# SMALL CAPS ARE MAKING MOVES



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# A FAT PITCH IF GROWTH ACCELERATES



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# Equity Insights

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Kim Abmeyer, CFA, CFP<sup>®</sup>, EA





# 2026 Forecasts for the S&P 500

- Industry analysts using a **bottom-up approach** predict the **S&P 500 will close at 7,968.78** at the end of 2026.
- This target implies a **15.5% increase** from the December 11 closing price of **6,901.00**.
- The **Information Technology sector** is expected to see the largest rise (**+19.8%**) in 2026.
- The **Financials sector** is projected to have the smallest gain (**+8.3%**).
- The **bottom-up target** is based on aggregating median company-level target prices across all S&P 500 constituents.
- On **December 31, 2024**, analysts' bottom-up target for 2025 was **6,728.40**, which **underestimated** the actual December 2025 price by **2.5%**.
- Historically (2005–2024), analysts have **overestimated** the S&P 500's year-end value by an average of **5.9%**.
- Analysts overestimated in **11 of the past 20 years** and underestimated in **9 years**, including **five of the last six years (2019–2024)**.
- Adjusting for the typical **5.9% overestimation**, the implied **expected closing level for 2026** would be **7,501.28**, or **8.7% above** the current level of **6,901.00**.<sup>\*FactSet</sup>

## Summary of Targets across Wall Street:

- Several firms are raising S&P 500 price targets:
  - **UBS:** 7,500 (+10% by end of next year)
  - **RBC Capital Markets:** 7,750
  - **Morgan Stanley:** 7,800
  - **Deutsche Bank:** 8,000
  - **Oppenheimer:** 7,100 (2025 year-end) and 8,100 (2026 target) — the most bullish.
- Oppenheimer attributes its optimistic outlook to supportive **monetary and fiscal policy, innovation, and corporate earnings growth**.
- Current S&P 500 valuation: trading at **25.3x expected 2025 EPS of \$270.79**.
- Consensus 2026 EPS projections imply a **P/E ratio between 25.1x and 26.2x**, suggesting gains will come mainly from **earnings growth**, not multiple expansion.
- Expected **EPS growth for 2026** is **14%**, which would be the strongest since 2018 (excluding 2021's post-pandemic surge).
- Key drivers of EPS forecasts: economy strength, market demand, company positioning, pricing power, and input costs.
- The **"One Big Beautiful Bill Act"** now allows **100% bonus depreciation** on qualifying property — expected to:
  - Reduce reported net profit and taxable income.
  - Improve cash flow for investment or stock buybacks.
- Some analysts see this as a reason to doubt the full 14% EPS growth projection.
- Investors should watch corporate guidance closely to gauge the realism of those growth expectations.<sup>\*TheStreet.com</sup>



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# MARKET TECHNICALS

- No real sign of panic on Friday: only modestly higher QQQ volume, little VIX move, put/call ratio below 1.0, and no key technical damage like breaks of uptrends or 50-day moving averages.
- Seems to be a larger transition starting in July–August, when many stocks and several “Magnificent Seven” names peaked or began diverging from each other.
- Many leaders that made new highs in the fall are now back to where they were last summer, showing months of “no progress” despite rallies.
- Tops are described as slow-developing processes, while both tops and bottoms often involve extended basing or distribution rather than single “panic” days.
- Mega-cap tech started topping last summer; fall then saw intense speculation in unprofitable small caps, AI, rockets, quantum names, and penny stocks reminiscent of 1999 or early 2021 SPAC mania.
- A November correction played out differently by group: Transports peaked in July and based sideways, then made a higher low in November well above October’s low, suggesting a slowly formed bottom.
- QQQ, in contrast, made a lower low in November versus October and then only a lower high on the latest rally, indicating waning tech leadership.
- There seems to be a clear transition: during rallies, tech is no longer leading, and “old economy” sectors are emerging as leaders.
- Bitcoin is viewed as a barometer of speculation; being down on the year and only managing less than a 20% bounce from a spike low suggests that speculative excess peaked in the fall.
- Over the last eight weeks, the S&P 500 is flat, implying that major index movers are stalled, and there’s likely increased volatility in the week ahead. \*Helene Meisler



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# Portfolio Company Earnings the Week of 12/8 – COST and a few other things

12/11:

Costco, Inc., COST, \$884.47, Dividend Yield 0.59%, Ex-Div Date 10/31/25:

EPS Estimate: \$4.27

EPS Actual: \$4.50, 5.44% surprise

Price targets are \$640-\$1,218, targets lowered mostly across the street, reiterate Buy/Outperform ratings

- Costco reported quarterly total revenue of about \$67.3 billion, an increase of roughly 8.3% year over year, with net sales up about 8.2%.
- Operating income grew a little over 12% year over year, outpacing revenue growth, helped by better merchandise margins and especially by roughly 14% growth in high-margin membership fees.
- Paid memberships and executive memberships continued to climb, up around 4 million and 3.3 million respectively versus a year ago, supporting strong, recurring membership-fee revenue.
- Costco ended the quarter with about 923 warehouses, up from roughly 897 a year earlier, and maintained high renewal rates around 90% globally and above 92% in the U.S., underscoring a strong value proposition and customer loyalty. Hold.

## A few other things of note:

- A 2026 **SpaceX** public listing is being talked about, but it is not a certainty and may conflict with Musk's apparent dislike of public-market "headaches" (lawsuits, regulation, short sellers, compensation fights).
  - Musk may still choose to list SpaceX because going public could unlock massive funding for Starship and Mars ambitions, provide stock as "currency" for deals, and give employees/investors liquidity.
- **Palantir** has rebounded sharply from recent lows, moving from around 147.56 to above 180, roughly a 27% gain.
  - A key driver of the latest move is a \$448 million U.S. Navy deal for "Ship OS," an AI-driven operating system for shipbuilding and repair.
  - Early results from the tech are dramatic (e.g., planning and review times collapsing from many hours/weeks to minutes), and the contract is performance-based, not cost-plus, so Palantir gets paid for outcomes.
  - Expectation is that Palantir can extend similar systems to aircraft, commercial shipping, buildings, hospitals, and more, and that the stock can move above 200 and continue higher if it holds that level.
- **Nvidia**, previously blocked from selling some advanced chips (like H200) into China, is being let back in for "vetted" Chinese customers, with security checks and a 25% surcharge.
- **JPMorgan's** stock slipped after news of higher expected expenses into 2026.
  - The view is that rising expenses tied to growth are positive: management spends more because they see an opportunity to earn more.
  - Core principle: over time, share prices follow profits, so increased growth spending can create more profit potential for long-term

investors.\*Keith Fitz-Gerald

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# Investment Updates

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December 2025



# ALTERNATIVE INVESTMENTS

Investment Name	Asset Class	Available Capacity	Next Close	Documents Due by:	Wires due by	Alerts
Dynamic Investment Opportunities	Multi-Strategy	Ask Investment Team for More Information	1/1/2026	12/23/2025	12/24/2025	Best practice is to alert invesment team for anticipated allocations.
WealthShield Absolute Return Fund	Multi-Strategy	Not Capacity Constrained	1/1/2026	12/19/2025	12/22/2025	Best practice is to alert invesment team for anticipated allocations.
Point72 Flagship	Multi-Strategy	\$0	N/A	N/A	N/A	Best practice is to alert invesment team for anticipated allocations.
Schonfeld Strategic Partners	Multi-Strategy	Not Capacity Constrained	1/1/2026	12/19/2025	12/22/2025	Best practice is to alert invesment team for anticipated allocations.
Elliot Associates	Multi-Strategy	Limited - \$3,500,000	1/1/2026	12/19/2025	12/22/2025	Limited capacity that will be available for January 2026 closing.
Balyasny Asset Management Atlas	Multi-Strategy	Not Capacity Constrained	1/1/2026	12/19/2025	12/22/2025	Best practive is to alert invesment team for anticipated allocations.
Millenium USA LP	Multi-Strategy	Ask Investment Team for More Information	N/A	N/A	N/A	Capacity is provided on first come first serve basis as capital is called by Millenium.
Point72 Turion L/S	Long/Short Equity	Not Capacity Constrained	1/1/2026	12/19/2025	12/22/2025	Best practice is to alert invesment team for anticipated allocations.
Viking Global Equity L/S	Long/Short Equity	\$0	N/A	N/A	N/A	Best practice is to alert invesment team for anticipated allocations.
Coatue L/S	Long/Short Equity	Not Capacity Constrained	1/1/2026	12/19/2025	12/22/2025	Best practice is to alert invesment team for anticipated allocations.
Sachem Head L/S	Long/Short Equity	Not Capacity Constrained	1/1/2026	12/19/2025	12/22/2025	Best practice is to alert invesment team for anticipated allocations.
Kerrisdale Partners	Long/Short Equity	Not Capacity Constrained	1/1/2026	12/19/2025	12/22/2025	Best practice is to alert invesment team for anticipated allocations.
Golden Tree Credit Arbitrage	Arbitrage	Taking Indications of Interest Only	N/A	N/A	N/A	Please provide any indications of interest to your investment team.
Discovery Global Macro	Global Macro	Not Capacity Constrained	1/1/2026	12/19/2025	12/22/2025	Best practice is to alert invesment team for anticipated allocations.
HIP Opportunities - Commodities Series	Diversified Commodities	Ask Investment Team for More Information	1/1/2026	12/19/2025	12/22/2025	Best practice is to alert invesment team for anticipated allocations.
Infinity Credit Opportunity Fund	Real Estate Lending	Ask Investment Team for More Information	1/1/2026	12/19/2025	12/22/2025	Final close expected June 2026.
Sealy SPIRE REIT	Private Industrial Real Estate	Not Capacity Constrained	1/1/2026	12/24/2025	12/24/2025	Best practice is to alert invesment team for anticipated allocations.
Sealy SIP IV, LP	Private Industrial Real Estate	Not Capacity Constrained	Every Friday	Every Thursday	Every Thursday	Final Close expected September 2026
Krane Capital Management - KC VC 1	Pre-IPO Equity Index	Limited number of Investors Seats Available	1/1/2026	12/31/2025	1/19/2026	Single close fund
Krane Capital Management - KC VC 2	Pre-IPO Equity Index	Limited number of Investors Seats Available	1/1/2026	12/31/2025	1/19/2026	Single close fund
BridgePort Diversified Systematic	Trend Following	Not Capacity Constrained	12/1/2025	11/26/2025	11/26/2025	N/A
BridgePort Convertible Arbitrage	Arbitrage	Not Capacity Constrained	12/1/2025	11/17/2025	11/21/2025	Final Close will be January 1, 2026

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