# Weekly Market Snapshot 2025: a year of uncertainties

## Weekly Recap

- During the final FOMC meeting for 2025, the Fed decided to cut its rates by 0.25%.
- Jobless claims in the US rose last week by the most since the beginning of the year.
- After a delay due to the government shutdown, US unemployment rates for November showed a rise to 4.6% from 4.4% in September, the highest for the past 2 years.

# Snapshot

2025 was a year of volatility filled with uncertainties and geopolitical risks. However, it has also been an unusual year in asset class terms, with all major asset classes registering positive annual returns.

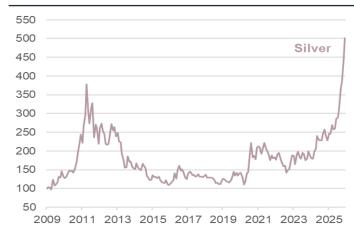
On one hand, central banks have cut benchmark interest rates, with short-term interest rates falling. On the other hand, bond markets have been steady over 2025, led by corporate credit markets on the back of strong demand and positive fundamentals driving tightening credit spreads.

While the US dollar weakened 10% against other major currencies, the global stock markets recovered strongly since "Liberation Day" in April to register double-digit gains for the year across the board, led by Europe and emerging markets. Finally, commodities, represented the star of the year with gold increasing more than 50%.

In conclusion, we see good reasons for 2025's positive financial market momentum to persist into 2026 given an encouraging backdrop of buoyant liquidity, low interest rates and positive economic and earnings growth.

	16 December	% Chg	Return	Trend
Market	Level	1 Wk	1 Month	1 Year
Stocks				
S&P 500	6800	-0,6%	7	77
Euro STOXX 50	5718	-0,0%	7	7
FTSE 100	9685	+0,4%	71	7
Nikkei 225	49512	-2,2%	2	7
MSCI EM	1353	-2,2%	<u> </u>	71
Bonds	Yield			
US 10Y	4,2	+0,1%	7	7
Gm 10Y	2,8	-0,7%	<u> </u>	3
UK 10Y	4,5	+0,3%	7	71
Jp 10Y	2,0	+0,9%	2	<u> </u>
IG Credit	Yield			
US	5,0	-0,8%	-	<b></b>
EU	3,2	-0,3%		
UK	5,2	-0.2%	7	7
Alternatives			•••••	
Gold	4317	+2,1%	7	77
Copper	5,3	+0,7%	7	7
S&P Global Infra	3508	+0,7%	<u> </u>	7
EU REITs	1579	+0,1%	2	7
BBG Hedge Fds	1791	-	7	71

### SILVER HITTING ALL TIME HIGHS



Source: BNP Paribas, Bloomberg

Hiba Mouallem Investment Strategist BNP Paribas Wealth Management



Edmund Shing, PhD Global CIO BNP Paribas Wealth Management





### A year of contrasts

2025 was a year of volatility filled with uncertainties and geopolitical risks centered around a trend of deglobalization with the US imposing import tariffs on the rest of the world. The April announcement of supplementary US tariffs on so-called "Liberation Day" sent the markets into a shock, disrupting global trade and triggering widespread volatility in global financial markets. At its early April year low, the MSCI World index had fallen 12% from the start of the year due to this heightened uncertainty. However today this is only a distant memory. Surprisingly, global growth has remained robust despite geopolitical turmoil in the US and Middle East.

The year was also the year of "Artificial Intelligence" with major investments by companies to reinforce progress and development of this technology.

2025 has been an unusual year in asset class terms, with all major asset classes from stocks to bonds and from commodities to real estate all registering positive annual returns.

### Inflation and Interest rates

Thanks to moderating inflation globally, central banks have cut benchmark interest rates, with short-term interest rates falling as low as zero in Switzerland and to 2% in the eurozone. Lower energy costs and cooling wage growth are the main triggers for cooling inflation, which should persist and thus allow central banks to maintain stable or lower rates into 2026.

Bond markets have been steady over 2025, led by corporate credit markets on the back of strong demand and positive fundamentals driving tightening credit spreads, particularly in the US.

### **POSITIVE RETURNS ACROSS ASSET CLASSES IN 2025**

2025 Return %	Euro	USD
Stocks	6.7%	20.1%
Sov. Bonds	1.2%	7.9%
IG Credit	3.2%	8.0%
Commodities	8.7%	23.1%
REITS	8.7%	4.7%
Cash	1.8%	4.0%

Source: BNP Paribas, Bloomberg. As of 29 November 2025.
Note: Stocks = MSCI World index; Sov. bonds = Bloomberg Euro/US
Sovereign bond indices, IG credit = Bloomberg EU/US investment-grade
credit index; Commodities = Bloomberg equal-weight commodities exagriculture; REITs = Euro STOXX REIT/Dow Jones REIT index.

# BNP PARIBAS WEALTH MANAGEMENT

### Currencies and US exceptionalism

The US dollar weakened 10% against other major currencies following Donald Trump's January inauguration, with lower US interest rates, tariff-induced economic uncertainty and elevated US deficit spending all undermining support for the greenback. Strongest of the G10 currencies have been the Swiss franc and the Swedish krona, which have appreciated 13% and 19% respectively again the US dollar since January 1.

### **Equities**

Since the tariff-induced market correction in April, global stock markets have recovered strongly to register double-digit gains for the year across the board, led by Europe and emerging markets. In Europe, star performers have included Southern European markets such as Spain; Italy and Greece (+33% to +49% this year).

The Magnificent 7 have continued to make solid gains on the back of the AI theme, but technology sector momentum has spread from US to include Asian Technology, with impressive performance from Chinese and South Korean technology hardware and internet companies, +41% over the year in US dollar terms.

### **Commodities**

The rise of tariffs, the reverse of globalisation and rising conflict have underlined the geopolitical importance of security of supply of critical minerals and energy security.

Precious metals have been the star asset class in 2025, with gold rising over 50% to a new all-time high and silver rallying to over USD 60 on strong industrial demand, central bank buying and a weaker US dollar.

Strategic industrial metals have also enjoyed impressive performance thanks to strong electrification-related demand and restricted supply due to largely to long-term underinvestment in new capacity.

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