

# Markets Closed Lower as Holiday Calm Masks Strong Year-End Momentum, and Initial GDP Now for 4Q25 at 3.00%.

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**The U.S. and European stock markets closed mostly lower**, as subdued, thin trading in the holiday-shortened week impacted results. Wall Street initially hovered near record territory, with the **S&P 500, the Dow Jones Industrial Average and the Nasdaq Composite fell to end the week**. While most major international markets closed for the holidays, cross-border activity was limited, reinforcing a calm and range-bound trading environment as investors look ahead to the final stretch of the year and the potential for a seasonal year-end rally.

In fixed income, U.S. Treasuries the 2-year note closed at 3.46%, while the 10-year yield at 4.14%, supported by solid demand at mid-week Treasury auctions. Precious metals continued to attract inflows, with gold and silver advancing on a softer U.S. dollar and ongoing geopolitical tensions. Gold is at peace delivering its strongest annual performance since 1979, underscoring its renewed appeal as a portfolio hedge in a volatile global environment.

**Oil prices moved higher following reports of U.S. military strikes in Nigeria** targeting Islamic State positions, with President Trump citing the group's persecution of the country's Christian population.

**Geopolitical developments, combined with lingering uncertainty about Venezuelan oil supplies**, helped push WTI crude to its largest weekly gain since late October. Even so, with prices holding just below \$58 per barrel—only modestly above early-month lows—energy costs remain relatively contained, offering continued relief to U.S. consumers amid inflation that has persisted above the Federal Reserve's 2% target for nearly five years. Notably, market volatility remained muted, with the VIX index trading near a 2025 low, signaling limited investor concern around geopolitical headlines.

**A rewarding year for diversified investors — As 2025 draws to a close, diversified portfolios have benefited from broad-based gains across asset classes.** International equities led global markets, with the MSCI AC World ex-U.S. Index rising more than 30% including dividends, marking its strongest annual performance since 2009. In the U.S., the S&P 500 recorded 39 new all-time highs and remains on track for a third consecutive year of returns exceeding 15%. Fixed income also delivered meaningful contributions, particularly in credit-oriented sectors. U.S. high-yield bonds and emerging-market debt are each up more than 8% for the year, while U.S. investment-grade bonds are tracking gains above 7%, reinforcing the importance of disciplined diversification in navigating evolving macro conditions.

## Eurozone Markets

**European equity markets closed mixed** during a shortened Christmas Eve session as investors reflected on a volatile but ultimately constructive year. Regional benchmarks reached fresh record highs earlier in the week, buoyed by strength in healthcare stocks. **Shares of Novo Nordisk surged again, rising 9.2%** after receiving FDA approval for the first-ever GLP-1 pill, extending a powerful rally that has driven much of Europe's recent outperformance.

Elsewhere in the sector, **Sanofi announced a \$2.2 billion acquisition of U.S.-based Dynavax**, expanding its vaccine portfolio with an adult hepatitis B product and a shingles vaccine candidate. Sanofi shares finished modestly lower in the session. In contrast, consumer and cyclical stocks lagged, with **Puma falling 1.6%** following the announcement of new bridge financing earlier this month and amid ongoing takeover speculation. The stock remains down more than 50% year-to-date, highlighting persistent dispersion beneath Europe's headline indices. Bottom line: Key takeaways—Stocks are ending 2025 near record levels, bond demand is steady, and effective diversification has helped portfolios weather geopolitical and macroeconomic uncertainty. This reflects an overall calm, supportive environment for investors as the year draws to a close.

### **Birling Capital's Outlook for 2026**

For a more detailed view, read our report **9 Issues & 9 Answers: Ending 2025 with a Sturdy Global Backdrop and a Constructive Setup for 2026**, by clicking below: <https://birlingcapital.com/publications/TS.9Issues9Answers.Ending2025withaSturdyGlobalBackdrop.pdf>

### **GDPNow First GDP Estimate for the 4Q25**

- The GDP Now Initial estimate for the **fourth quarter** of 2025 is **3.00%**.

### **Eurozone Summary:**

- **Stoxx 600:** Market Closed
- **FTSE 100:** Market Closed
- **DAX Index:** Market Closed

### **Wall Street Summary:**

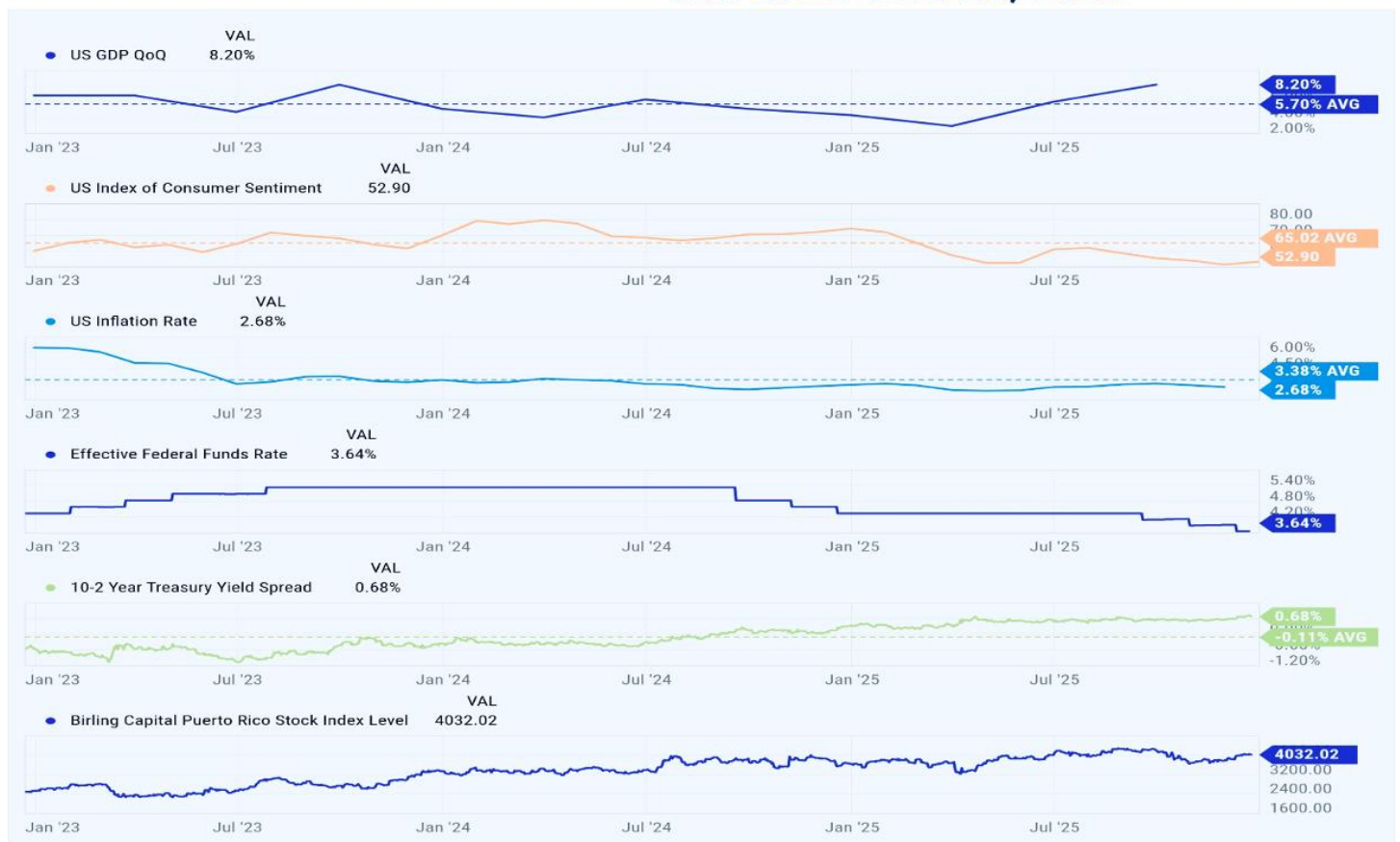
- **Dow Jones Industrial Average:** closed at 48,710.97, down 20.10 points or 0.04%.
- **S&P 500:** closed at 6,929.94, down 2.11 points or 0.03%.
- **Nasdaq Composite:** closed at 23,593.09, down 20.21 points or 0.09%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,032.02, up 3.06 points or 0.08%.
- **Birling Capital U.S. Bank Index:** closed at 9,411.35, up 100.05 points or 1.07%.
- **U.S. Treasury 10-year note:** closed at 4.14%.
- **U.S. Treasury 2-year note:** closed at 3.46%.

# GDPNow 4Q25 Initial Forecast

Date	GDPNow 4Q25	Change
12/23/25	3.00%	Initial Forecast

## The Economic Cycle

Jan 2022-Dec 26, 2025



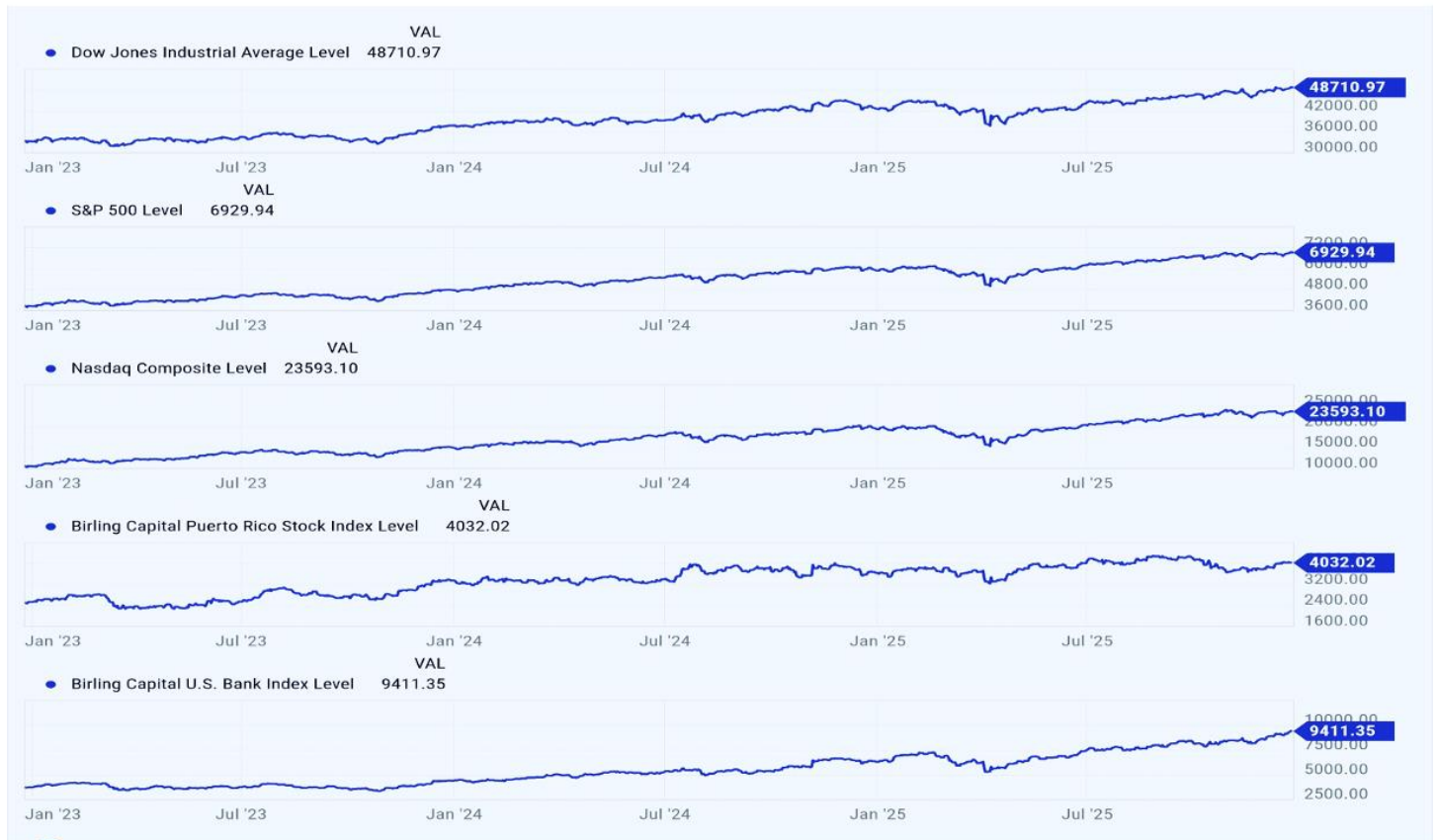


# BIRLING Wall Street Update

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