

MONTHLY

MARKET INSIGHTS

THE MONTH'S BIG THEMES

Key Takeaways:

- US – A resilient economy despite cooling in the jobs market:** annual inflation came lower at 2,7%, the lowest reading since July, while the labor market showed again signs of softening, with an unemployment rate at 4,6% in November (highest figure since September 2021). The FED decided to lower its main rates by 25bps at 3,5%-3,75%. According to the Minutes, most FOMC members agreed for further rate reduction if inflation continues to moderate over time. The economy grew at an annualized rate of 4,3% in Q3, the fastest pace in 2 years, driven by consumer spendings, exports and government spendings.
- Eurozone – A gradual recovery:** annual inflation rate was revised down to 2,1% in November. The ECB kept its main rate unchanged at 2% during its December meeting while reiterating its data-driven strategy. Economic growth showed again some improvement in Q3, with GDP growth revised slightly upwards to 0,3%. The labor market remained resilient with the unemployment rate steady at 6,4%.
- UK – A fragile economy:** annual inflation rate eased to 3,2% in November, the lowest level in eight months, mainly due to lower energy prices and a stabilization in food costs. The BOE lowered its bank rate by 25bps to 3,75%, the lowest level since 2022. The economy remained sluggish, growing by just 0,1% in Q3 versus 0,3% in Q2, while the unemployment rate edged up to 5,1%.
- China – Easing deflationary pressures:** annual inflation rate increased to 0,7% in November, the highest level since February 2024. The PBoC kept rates unchanged at record lows for the seventh month in a row. The economy expanded by 1,1% QoQ in Q3, thanks to supportive measures by the central government. Unemployment rate remained steady at 5,1%.
- Japan – A less accommodative central bank:** annual inflation edged down to 2,9% in November, with food inflation hitting its lowest in a year. The BoJ raised its key rate by 25bps to 0,75%, the highest level since 1995
- Geopolitical tensions persisted:** the Russia-Ukraine conflict, persistent instability in the Middle East and US tensions with Venezuela

Markets' reaction:

- Despite continuing geopolitical turbulence and volatility, **equity markets closed 2025 with the 3rd consecutive year of double-digit performances. Fixed income and Precious Metals also posted solid annual returns while Cryptocurrencies disappointed.**
- Looking deeper in details, **Precious Metals were the best performing major assets, with Silver and Gold dominated the headlines.** Emerging markets were the top-performing equity and fixed Income market in 2025. In the US, Growth stocks outperformed while Value stocks were the best performer in other developed countries. While suffering in Q4, Magnificent 7 posted approx. 25% returns in 2025. On the Fixed Income front, High Beta outperformed Quality bonds, with the US outperforming Europe. In Europe, Contingent Convertible bonds (Cocos) outperformed Corporate Hybrids. Energy was the major detractor of the global commodity index.
- In December, MSCI Emerging Markets outperformed Developed Markets**, led by Asian countries. Europe outperformed the US, with EMU Small caps, Banks outperforming their US peers. Among S&P sectors, Financials, Materials and Industrials outperformed while Utilities, Real Estate, Consumer Staples, Healthcare and Communication Services were the laggards. In Europe, only Chemicals, Food & Beverage and Real Estate were detractors of performance.
- Over the month, Global Aggregate indices posted negative return**, helped by higher yields across the board. Credit spreads remained stable, with High beta outperforming Quality credit. Emerging market debt outperformed US credit, both in hard and local currency.

CHARTS OF THE MONTH

Global Equity ETFs: 2025 Total Returns (in US \$)								
Country/Region	Ticker	2025 TR	Country/Region	Ticker	2025 TR	Country/Region	Ticker	
South Korea	EWY	95.4%	Canada	EWC	35.9%	Japan	EWJ	25.9%
Peru	EPU	86.8%	Europe	VGK	35.8%	Kuwait	KWT	25.4%
Spain	EWP	78.0%	Germany	EWG	35.8%	Total World	VT	22.4%
Poland	EPOL	77.4%	Belgium	EWK	35.4%	UAE	UAE	21.3%
Greece	GREK	76.1%	United Kingdom	EWU	35.0%	US	SPY	17.7%
South Africa	EZA	75.2%	Netherlands	EWN	34.9%	Malaysia	EWM	15.7%
Austria	EWO	74.1%	Hong Kong	EWH	34.5%	Australia	EWA	13.4%
Colombia	COLO	69.1%	Switzerland	EWL	32.9%	Argentina	ARGT	11.5%
Vietnam	VNM	66.5%	World ex-USA	ACWX	32.6%	Denmark	EDEN	10.6%
Chile	ECH	65.4%	Emerging Markets	IEMG	32.6%	Qatar	QAT	8.8%
Italy	EWI	55.7%	Norway	NORW	32.6%	Indonesia	EIDO	4.9%
Mexico	EWW	53.7%	IAFE	IEFA	32.1%	India	INDA	2.7%
Finland	EFNL	53.5%	Singapore	EWS	31.3%	New Zealand	ENZL	2.4%
Brazil	EWZ	48.9%	China	MCHI	31.0%	Thailand	THD	2.4%
Israel	EIS	45.1%	France	EWQ	28.9%	Philippines	EPHE	1.5%
Eurozone	EZU	40.0%	Ireland	EIRL	28.8%	Turkey	TUR	-1.5%
Sweden	EWD	36.5%	Taiwan	EWT	28.4%	Saudi Arabia	KSA	-8.2%

Source: C. Bilello

Key rate changes in 2025

(percentage points, as of 27 November 2025)



Source: Investing.com

MONTHLY MARKETS REVIEW (As of December 2025, 31th)

EQUITY MARKETS

	MTD	YTD
MSCI World (USD)	+0,8%	+21,6%
MSCI Emerging (USD)	+3,0%	+34,3%
S&P 500 (USD)	+0,1%	+17,9%
NASDAQ (USD)	-0,7%	+21,0%
RUSSELL 2000 (USD)	-0,6%	+12,8%
STOXX 600 (EUR)	+2,3%	+22,1%
DAX (EUR)	+2,7%	+22,3%
CAC 40 (EUR)	+0,5%	+14,3%
FTSE 100 (GBP)	+2,3%	+25,7%
NIKKEI (JPY)	+0,3%	+30,6%
CSI 300 (CNY)	+2,5%	+21,0%
BOVESPA (BRL)	+1,3%	+34,1%
HANG SENG (HKD)	-0,6%	+32,5%

FIXED INCOME MARKETS

	MTD	YTD
Global Aggregate USD (Hedged)	-0,2%	+4,9%
Global Aggregate EUR (Hedged)	-0,9%	-4,6%
US Investment Grade	-0,2%	+7,8%
US High Yield	+0,6%	+8,6%
EU Investment Grade	-0,2%	+3,0%
EU High Yield	+0,3%	+5,3%
EM Local Ccy. Gov (Unhedged)	+1,2%	+9,3%
EM Hard Ccy. Aggregate (Unhedged)	+0,5%	+12,2%

CRYPTO CURRENCY MARKETS

	MTD	YTD
Bitcoin	-3,6%	-6,5%
Ethereum	-2,0%	-11,0%
Ripple	-15,8%	-12,2%

COMMODITY MARKETS

	MTD	YTD
Gold	+1,9%	+64,6%
WTI Crude	-1,9%	-19,9%
Brent Crude	-3,7%	-18,5%
Silver	+26,8%	+148,0%
Natural Gas	-24,0%	+1,5%
Copper	+7,8%	+36,5%

CURRENCY MARKETS

	MTD	YTD
US Dollar Index (DXY)	-1,1%	-9,4%
EURUSD	+1,3%	+13,4%
GBPUSD	+1,8%	+7,7%
AUDUSD	+1,9%	+7,8%
USDCHF	-1,4%	-12,7%
USDJPY	+0,3%	-0,3%

Source: Bloomberg

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