AUEB Students' Investment & Finance Club

Market Report – Volume 20, December 2025

Authors:

Apostolos Dimas (Head of Market Report)
Ilias Balatsouras (Head of Market Report)

Antonis Papapolyzos (Head of FX/Fixed Income)
Andreas Tsapnidis (Global Markets – Fixed Income)
Aristomenis Kalentis (Global Markets – Fixed Income)
Manolis Zervoudakis (Global Markets – Fixed Income)
Petros Karadimas (Global Markets – Fixed Income)
Panagiotis Georgantellis (Global Markets- FX)
Andreas Vasilopoulos (Global Markets- FX)
Orestis Fytros (Global Markets- FX)

Angelos Chasapis (Head of Commodities/Equities)
Andi Bengu (Global Markets – Equities)
Melina Georgiou (Global Markets – Equities)
Apostolos Sirounis (Global Markets – Equities)
Foivos Christodoulou (Global Markets – Commodities)

Our purpose

AUEB Students' Investment and Finance Club is a non-political and non-profit student initiative, and the first Finance Club amongst Greek Universities, founded in 2013.

It aims to promote the social dimension of Finance, demonstrate the potential positive impact of investments on society, train and inspire its members on different functions of Finance.

For this purpose, we plan and implement innovative activities which are mainly related to:

- Investments and Stock Markets
- Consulting
- The broad universe of finance through activities such as insight days, internships, workshops and involvement in research
- Building a strong network with other European finance clubs and maintain a strong alumni base

Last but not least, we emphasize on the cultural fit of our members, in order to ensure the Club's success, and for this purpose we have established a selection process. Thus, our members are well-rounded and highly motivated individuals with a genuine interest in Finance.

Organizational Structure

General Assembly	Management Board	Audit Committee

- The **General Assembly** consists of the members of the Club as well as honorary members. It is held annually and decides on any matter of the Club.

- The **Management Board** is consisted of 6 members of the Club with one year incumbency. It is elected by the Annual General Assembly and their role is the management of the Club and achieving the objectives of the Club.

- The **Audit Committee** is elected by the Annual General Assembly as well with one year incumbency. Their role is to supervise and monitor the financial management of the Club.

AUEB Students' Investment & Finance Club

Table Of Contents

Global Markets

Greek Market

Global Markets Summary

Foreign Exchange

In December, FX markets were defined by a synchronized pivot as major central banks adjusted policies, driving significant volatility across the board. The US Dollar Index (DXY) trended lower throughout the period, following the Federal Reserve's 25bps rate cut and the strategic initiation of a $40 billion liquidity repurchase program. This greenback weakness allowed EUR/USD to close the month at 1.1740, bolstered significantly by the ECB's decision to hold rates steady, which narrowed the transatlantic yield gap. Meanwhile, the British Pound remained surprisingly resilient despite a Bank of England rate cut to 3.75%, as investors focused on stagnant but stable GDP data and a less dovish MPC split. Conversely, the Japanese Yen experienced a complex month despite a hawkish BoJ rate hike to 0.75%, USD/JPY stayed elevated near 156.67 as the carry trade dynamic and wide interest rate differentials persisted into the year-end. Overall, the month concluded with the Dollar on the defensive as markets began pricing in further easing cycles for 2026.

Fixed Income

In December, global fixed income markets were shaped by significant central bank pivots and a distinctive "hawkish easing" narrative. The US Treasury market led the volatility as the FOMC delivered a widely anticipated 25-basis-point rate cut to a 3.50%–3.75% range. Despite this cut, the 10-year Treasury yield climbed roughly 70 basis points to finish the year at 4.17%, resulting in a notable bear-steepening of the yield curve. This move was driven by a deeply divided Fed committee and persistent fiscal concerns, even as the 2-year yield hovered near 3.47%. In the Eurozone, sovereign yields followed the upward global trend; Germany's 10-year Bund yield rose 120 basis points despite the ECB maintaining a steady policy hand. Similarly, the UK Gilt market saw the 10-year yield end the month at 4.48% after the Bank of England's narrow 5–4 vote to cut the bank rate to 3.75%. Volatility was most pronounced in Japan, where the BOJ's 25bps hike to 0.75% pushed the 10-year JGB yield toward 2.08%, its highest level since 2008. These shifting dynamics caused a global repricing of duration, as investors balanced falling front-end rates against a "muddy" long-term fiscal and inflation outlook heading into 2026.

Commodities

Gold rallied in December, trading at record or near-record levels into year-end, supported by expectations for monetary policy easing in 2026, a softer U.S. dollar, and global demand for defensive assets amid geopolitical and macro uncertainty. The first half of the month saw high-level consolidation while markets waited for Fed direction. Momentum strengthened mid-month after dovish signals and weaker U.S. data pushed real yield expectations lower. Gold stayed above its 200-day moving average for about 550 trading days, the second-longest streak on record. Crude oil faced continued pressure from global oversupply and fragile demand, with Brent and WTI drifting toward multi-year lows. A brief tanker-seizure rally faded fast as inventories remained ample and geopolitical premiums softened. WTI logged a 5-month losing streak, down -19% since February 2021, the longest run in a decade. Natural gas moved with sharp weather-driven volatility, but mild forecasts, high production, and strong inventories kept rebounds limited and unsustainable.

Equities

Global equities are surging with exceptional force in 2025, showing one of the broadest risk-on moves in recent years. About 94% of MSCI ACWI markets are trading above their 200-day moving average, a reading near the strongest in five years. Around 87% of ACWI countries are also above their 50-day moving average, the highest level of global participation since July. The ACWI index gained +21.6% year-to-date, positioning 2025 for a third straight year of positive returns, backed by global liquidity rather than a single regional driver. ACWI ex-US is outperforming the S&P 500 by 12 percentage points, the widest gap since 2009, highlighting stronger momentum outside America. The index spans 23 developed and 24 emerging economies, representing roughly 85% of the world's investable equities, confirming how unified markets are moving.

References: Investing.com, CNBC, Financial Times, Bloomberg,Reuters

Macro Overview

Monetary Policy

In December, global monetary policy reached a critical turning point as major central banks shifted from a "higher-for-longer" stance toward a synchronized yet cautious easing cycle. The Federal Reserve concluded its December 9–10 meeting by delivering a widely anticipated 25-basis-point cut, lowering the federal funds target range to 3.50%–3.75%. While this move was driven by a cooling labor market and the official conclusion of quantitative tightening, internal FOMC dissent highlighted lingering concerns over persistent inflation risks and fiscal stimulus expectations for 2026. Simultaneously, the NY Fed initiated a $40 billion T-bill buyback program to stabilize overnight repo markets, though officials clarified this was a liquidity measure rather than a return to quantitative easing. In Europe, policy paths diverged slightly as regional economic data varied. On December 18th, the Bank of England mirrored the Fed's move, cutting its main Bank Rate by 25 basis points to 3.75% in a narrow 5–4 vote. The decision was prompted by a rise in the unemployment rate to 5.1% and easing headline inflation, though the hawkish split signaled that future cuts would be gradual. Conversely, the European Central Bank maintained a neutral stance, holding rates steady at 2.00% as policymakers awaited clearer evidence of sustained disinflation amidst a stagnant growth backdrop. The most significant hawkish outlier was Japan, where the Bank of Japan raised its short-term policy rate to 0.75% on December 19th. This hike, aimed at addressing core inflation and supporting the Yen, triggered global volatility as investors weighed the potential for a massive unwinding of the carry trade. Across all regions, December's policy actions reflected a delicate balancing act: central banks provided immediate relief to slowing economies while remains vigilant against a secondary inflation spike driven by potential 2026 trade policies and investment in emerging technologies.

Growth & Inflation

December's economic landscape was defined by a clear deceleration in global growth momentum and a significant softening of inflationary pressures, though regional disparities remained stark. In the US, the narrative shifted from resilience to a noticeable cooling; while GDP expanded at a striking 4.3% QoQ, late-month indicators revealed a labor market under pressure as the unemployment rate climbed to a four-year high of 4.6%. US inflation data provided a significant downside surprise, falling to 2.7%, notably below the 3.1% consensus, which facilitated the Federal Reserve's pivot toward easing despite potential distortions from government shutdown data lags. In the UK, the "triple threat" of stagnation became evident as GDP QoQ growth rate in October stood at 0.1%, lower than the previous 0.2% recorded in Q2 of 2025. The cooling of the economy was mirrored in the price data, with headline inflation easing further to 3.2% and core inflation matching that figure at a six-month low. This domestic softening contrasted with the Euro area, where growth remained stagnant but the ECB maintained a neutral stance, balancing a weak economic backdrop against the need for sustained disinflation toward their 2% target. In Asia, Japan remained a global outlier as persistent price pressures and a hawkish central bank shift dominated. Tokyo core CPI held firmly above the 2% target, driven by wage growth and import costs, prompting the BoJ's December rate hike. Conversely, the global manufacturing sector faced continued headwinds, evidenced by the US ISM Manufacturing PMI contracting for a ninth straight month at 48.2. Overall, December reflected a transition toward a lower-growth environment, allowing most Western central banks to prioritize labor market support over inflation containment as they entered 2026.

Pair	31/12 Close	MoM	YtD
USD Index	98.047	-1.37%	-9.49%
EUR/USD	1.1746	1.29%	13.44%
GBP/USD	1.3475	1.79%	7.64%
USD/JPY	156.67	0.31%	-0.33%
USD/CHF	0.7927	-1.38%	-12.64%

References: Investing.com, CNBC, Financial Times, Bloomberg, The Washington Post, Reuters

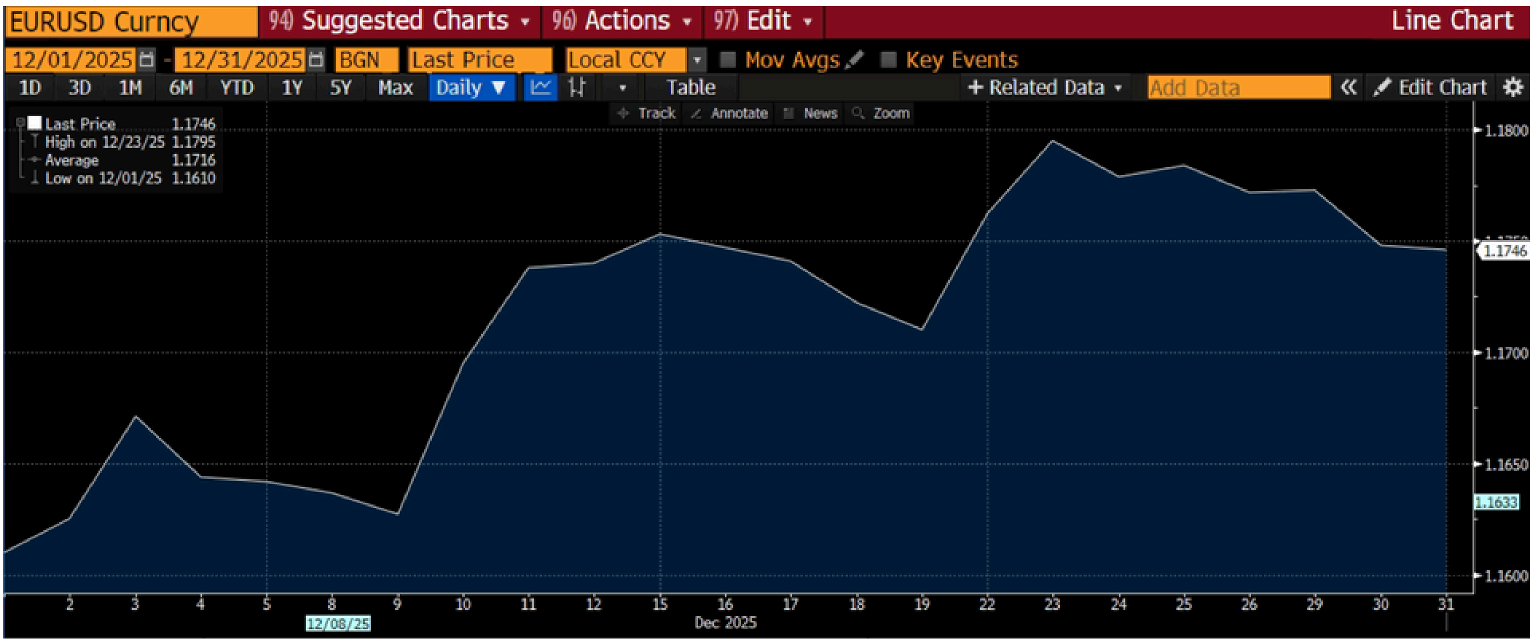
EUR/USD

Montly Overview

In December 2025, the EUR/USD pair showed significant volatility, with the euro strengthening against the US dollar. This movement was mainly driven by the Federal Reserve's accommodative monetary policy, including a 25bps rate cut to 3.75%, the end of Quantitative Tightening, and the initiation of a Treasury buyback program, while weak US macroeconomic data, 2.7% inflation, 4.6% unemployment, and 64K Non-Farm Payrolls, reinforced expectations of further easing. At the same time, the European Central Bank kept policy rates unchanged (DFR 2.00%, MRO 2.15%, MLF 2.40%), with inflation at 2.1% and revised GDP growth at 1.4%, creating a more favorable macroeconomic environment in Europe. As a result, the stronger outlook for the eurozone relative to the United States supported the euro's appreciation, and the EUR/USD pair closed December at 1.1746.

Weekly Breakdown

During the first week of December, EUR/USD opened at 1.1596 and closed at 1.1643, posting a weekly gain of 0.4%, supported by the announcement of the end of Quantitative Tightening, weak US PMI data, specifically the ISM Manufacturing PMI at 48.2, and an unemployment rate of 4.60%, alongside stronger retail sales and robust PMI readings in the Eurozone. In the second week, the pair opened at 1.1641 and closed at 1.1739, recording a gain of 0.84%, as the Federal Reserve announced a 25bps rate cut to 3.75% and initiated a $40 billion Treasury bill repurchase program. While these structural moves were fundamentally dollar-negative, the pair faced profit-taking near its two-month highs. Investors weighed the Fed's dovishness against a cautious global outlook, leading to a period of consolidation as the market digested the shift in U.S. monetary policy. During the third week, EUR/USD opened at 1.1739 and closed at 1.1710, recording a decline of 0.25%, driven by Eurozone inflation at 2.1% YoY, an upward revision of GDP growth to 1.4%, and the ECB's decision to keep interest rates unchanged for the fourth consecutive meeting, while in the US inflation printed at 2.7%, Non-Farm Payrolls came in at 64K, and the unemployment rate stood at 4.60%, highlighting ongoing labor market pressures and reinforcing expectations of potential rate cuts in 2026. In the fourth week, the pair opened at 1.1713 and closed at 1.1772, gaining 0.50%. On December 31, EUR/USD closed at 1.1746, with CME futures open interest at 18.18K contracts, while technical indicators pointed to weakening momentum, with the MACD below zero indicating bearish momentum and the RSI at 41.81 signaling weak to neutral bearish conditions. Finally, following the Federal Reserve meeting, EUR/USD broke above a key resistance level and continued to trade above it, with trendline analysis confirming an overall upward trend, as market dynamics throughout the month continued to support trading at elevated levels.



EUR/USD

GBP/USD

Montly Overview

IIn December, GBP/USD moved through several phases shaped by shifting central bank expectations, macroeconomic data, and changing risk sentiment. The pair opened near 1.3230 and initially traded sideways amid UK fiscal developments and technical resistance, before reclaiming the 200-day moving average and gaining modest upside as expectations of future Federal Reserve rate cuts weighed on the dollar. Mid-month volatility rose on strong U.S. labor data and persistent UK inflation concerns, but a mid-December rate decision sparked a sharp rally above 1.3380, with gains later tempered by prospects of BoE easing. Toward month-end, weaker U.S. labor data and steady UK GDP figures supported the pair above 1.3300, briefly lifting it above 1.3500 before consolidation in thin year-end liquidity, leaving GBP/USD firmer overall by the end of December.

Weekly Breakdown

GBP/USD opened the first week near the 1.3230 area, trading largely sideways as markets positioned ahead of the UK Budget announcement. Initial price action was range-bound, but downside pressure gradually developed as the pair failed to break above the 100-day EMA, reflecting fiscal caution and technical resistance. After reclaiming the 200-day moving average, GBP/USD found support near 1.3300 and extended modestly higher despite subdued signals from the Decision Maker Panel. However, upside momentum stalled below the 1.3350 level, with the 1.3300 area acting as a key support zone ahead of U.S. PCE inflation data amid growing expectations of Federal Reserve rate cuts. In the second week, GBP/USD continued to consolidate around the 1.3300 handle, initially supported by optimistic projections from UOB Group analysts. This support faded as stronger-than-expected U.S. JOLTS data bolstered the dollar, while renewed inflation concerns raised by the Bank of England pushed the pair below key technical levels. The announcement of rate cuts on 10/12 triggered a sharp and largely anticipated rally above 1.3380, though gains were partially retraced toward 1.3370 as markets continued to price in potential BoE easing. Rising U.S. unemployment reinforced expectations of further Fed accommodation, weakening the dollar, but sterling remained constrained by subdued UK growth and a generally dovish BoE stance. During the third week, GBP/USD traded steadily above 1.3300 as markets awaited key releases, including UK unemployment data and the U.S. Nonfarm Payrolls report. Despite ongoing pressure on sterling from expectations of BoE rate cuts, softer-than-expected U.S. labor data triggered a pronounced dollar sell-off, lifting the pair sharply. This move was followed by a swift pullback toward the 1.3350 area after weaker UK CPI data reinforced expectations of imminent BoE easing. Interest rates were subsequently reduced to 3.75%, with policymakers signaling the possibility of further cuts, while GBP/USD later stabilized around 1.3375 as the Fed attempted to temper market expectations. In the fourth week, GBP/USD advanced toward the 1.3400 level ahead of the UK Q3 GDP release, with momentum strengthening as the data broadly met market forecasts. The pair traded comfortably higher and briefly moved above the 1.3500 mark, supported by renewed speculation over additional Fed rate cuts extending into 2026. Toward the end of the year, price action became more subdued, with GBP/USD entering a sideways consolidation phase amid thinning liquidity and reduced market participation.

References: Trading Economics, Yahoo Finance

USD/JPY

Montly Overview

In December 2025, the USD/JPY pair exhibited significant volatility, closing the month at 156.67 after opening near 156.11, registering a 0.36% gain. Sentiment was anchored by shifting central bank regimes, as the Federal Reserve's pivot toward easing early in the month was followed by the primary catalyst: the Bank of Japan's interest rate increase to 0.75%, marking its highest level since 1995. Surprisingly, the yen faltered post-hike, allowing the pair to surge to a monthly peak of 157.78. This trend highlighted a market prioritizing Tokyo's cautious forward guidance over immediate policy tightening, even amid positive U.S. inflation data. Toward month-end, intervention hints from Japanese authorities and strategic year-end adjustments led to a pullback. Despite fiscal pressures, the yen secured its first annual appreciation since 2020.

Weekly Breakdown

USD/JPY began December 2025 at 156.11 but faced a narrow, directionless trading environment as a U.S. government shutdown delayed the official November employment report. The pair initially edged lower to close the first week at 155.35, though structural carry-trade demand continued to provide a firm floor for the dollar. Despite the lack of fresh labor data, traders remained cautious, focusing on the yield differential that still heavily favored the Greenback over the Yen. In the second trading week, starting near 155.19, USD/JPY climbed to an intra-week high of 156.96 before the Federal Reserve concluded its December 10 meeting. The Fed opted to cut interest rates by 25 basis points, moving the benchmark to a 3.50%–3.75% range. While the move was widely anticipated, Chair Jerome Powell's commentary regarding "cooling labor conditions" and the delayed Non-Farm Payroll, which eventually showed a modest 64k gain, initially tempered dollar strength. This resulted in a measured weekly settlement of 155.82 as markets balanced the cut against a hawkish "dot plot." Landmark policy shifts defined the third week of the month. On December 18, U.S. CPI data surprised to the downside at 2.7%, while the Bank of Japan (BoJ) delivered a historic 25-basis-point rate hike to 0.75% on December 19. Despite the BoJ's hawkish move to a 30-year interest rate high, the Yen paradoxically weakened as markets focused on Governor Ueda's commitment to maintaining "accommodative financial conditions." This policy divergence propelled the pair to a peak of 157.76 by the end of the week, marking its highest close of the entire month. The fourth week and final days of the year saw USD/JPY retreat from the opening 157.70 level as market intervention warnings from Finance Minister Satsuki Katayama and seasonal rebalancing sparked profit-taking. Fundamental data remained mixed; Tokyo's core CPI cooled to 2.3% while the government approved a record ¥122.3 trillion budget to combat cost-of-living pressures. These factors, combined with year-end liquidity thinning, pushed the pair to close 2025 at 156.67. Investors now look toward 2026, weighing the potential for further BoJ normalization against a softening U.S. economic outlook.

USD/JPY

References: Reuters, Financial Times, Bloomberg, FXToday, DailyFX

USD/CHF

Montly Overview

USD/CHF traded with a consistent bearish bias throughout December, opening near 0.8035 and facing immediate pressure as markets anticipated a Federal Reserve pivot. This downward momentum intensified following the December 10 FOMC meeting, where the Fed cut rates to a 3.50%–3.75% range, while the Swiss National Bank's decision to hold rates at 0% underscored the franc's appeal as a stable safe haven. Mid-month consolidation around 0.7950 saw brief dollar rebounds quickly fade against cooling U.S. labor data and 2.7% CPI readings, which reinforced the outlook for continued monetary accommodation. By December 24, the pair plummeted to a three-month low near 0.7860 as traders began pricing in further easing into 2026. Although late-month FOMC communications hinting at a potential policy pause sparked a modest recovery toward the 0.7925 level, thinning year-end liquidity and persistent safe-haven flows ensured the pair closed the year on a significantly weaker footing than it began.

Weekly Breakdown

USD/CHF began December 2025 at 0.8035 but faced a consistent bearish bias as shifting Federal Reserve expectations and a U.S. government shutdown weighed on the dollar. The pair initially slid as markets priced in a year-end Fed cut, though downside was briefly checked by a surprise uptick in the University of Michigan consumer sentiment index to 52.9. By the end of the first week, structural safe-haven demand for the Swiss franc combined with cooling U.S. inflation dynamics forced the pair to settle near 0.8046. In the second week, USD/CHF consolidated before the Federal Reserve's December 10 meeting, where officials cut rates by 25 basis points to a 3.50%–3.75% range. Conversely, the Swiss National Bank (SNB) elected to hold its policy rate at 0.00% on December 11. While the Fed was divide, with three members dissenting, the SNB's decision to maintain its stance while highlighting a stable medium-term inflation outlook boosted the franc, pushing the pair decisively toward 0.7960. The third week saw sideways trading near 0.7950 as investors digested mixed data. A minor dollar recovery sparked by a lower-than-expected 2.7% U.S. CPI reading was quickly erased by the broader trend of monetary accommodation. By December 19, the pair remained capped near 0.7954, unable to reclaim the psychological 0.8000 handle. During the final days of the year, USD/CHF intensified its descent, hitting a three-month low of 0.7860 on December 24. Although the Swiss ZEW Economic Sentiment index fell to 6.2 from 12.2, it remained positive, signaling continued institutional confidence. A late-month stabilization followed as liquidity thinned, but persistent safe-haven flows and a record Swiss budget proposal kept the pair suppressed, eventually closing the year at 0.7925—a total monthly decline of approximately 1.37%.

USD/CHF

Rates	31/12 Close	MoM	YtD
FED Funds Rate Target	3.50%-3.75%	-25bps	-75bps
ECB Main Refinancing Operations Rate	2.15%	No Change	-100bps
ECB Deposit Facility Rate	2.00%	No Change	-100bps
EURIBOR 1M	1.939%	-1.12%	-30.38%
USA 3 Month Treasury	3.64%	-4.13%	-15.55%
USA 10 Year Treasury Bill	4.177%	3.93%	-8.42%
Germany 10 Year Bond	2.862%	6.35%	20.94%
UK 10 Year Gilt	4.474%	0.72%	-2.6%
Greece 10 Year Bond	3.479%	5.14%	9.06%

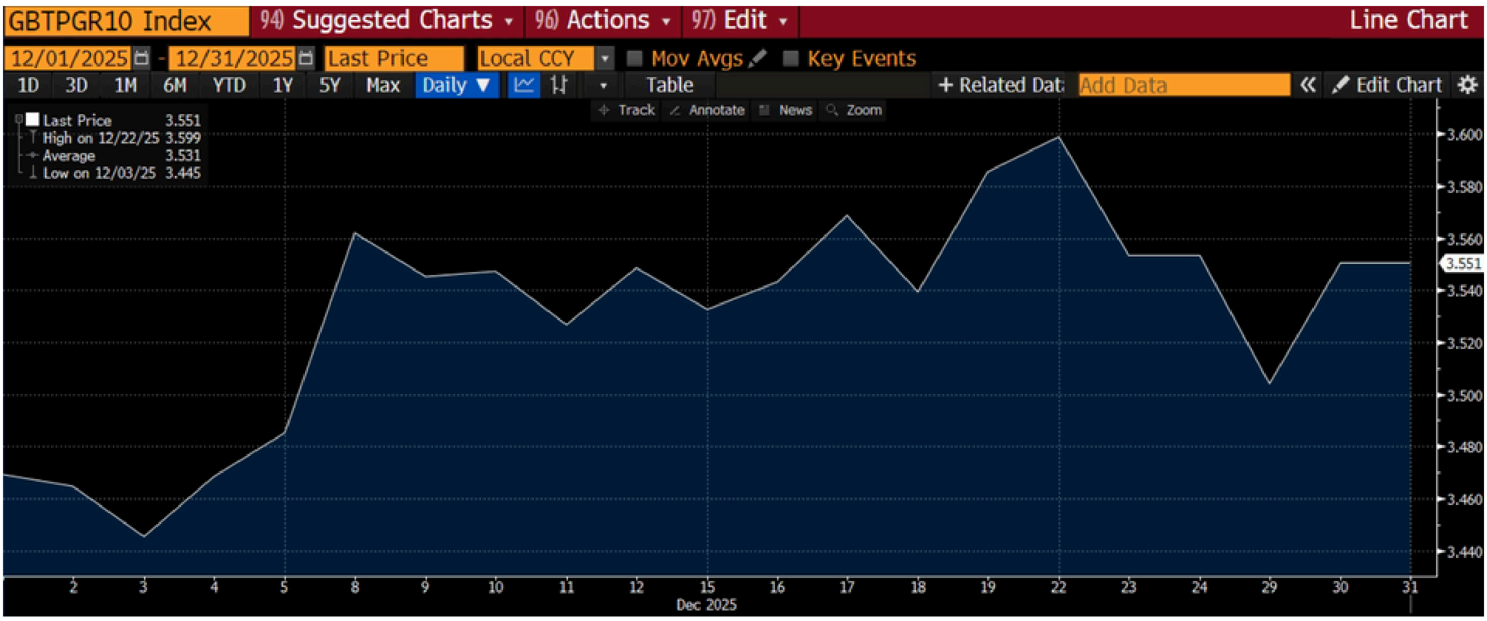
References: Reuters, Financial Times, Bloomberg, FXToday, DailyFX

Europe

December saw rising yields across all major European government bonds. This development came, primarily, as a result of remarks from European Central Bank officials early in the month, signaling that the cycle of rate cuts has concluded and no more decreases are expected in the foreseeable future. In its December 18 meeting, the European Central Bank partially confirmed this sentiment, leaving rates unchanged for the fourth consecutive time. The eurozone's labor market remains resilient, with the unemployment rate steady at 6.4%, while growth forecasts for the next two years have been revised higher. The inflation rate, currently at 2.1%, is expected to decrease further before converging to the long-term target of 2% by 2028. Christine Lagarde highlighted that the ECB maintains a meeting-by-meeting approach and refused to commit to a predetermined path regarding future rate decisions.

In Germany, inflation in November stood at 2.3% in line with expectations while dropping at 1.8% in December. Meanwhile, the manufacturing PMI recorded a sharp and unexpected decrease, dragging down the eurozone average, while exports posted a modest increase of 0.1%. Amid economic struggles and prolonged stagnation, German policymakers approved around €50bn in spending for defense and infrastructure, which is expected to be covered partially by record borrowing and debt issuance. Increased public spending is expected to support a gradual economic recovery starting in the second quarter of 2026. Combined with the ECB's stance, this decision resulted in the German 10-year government bond yield rising and closing the month at 2.86%, up from 2.74% at the beginning of the month. Rates on longer-term German debt reached their highest level since 2011.

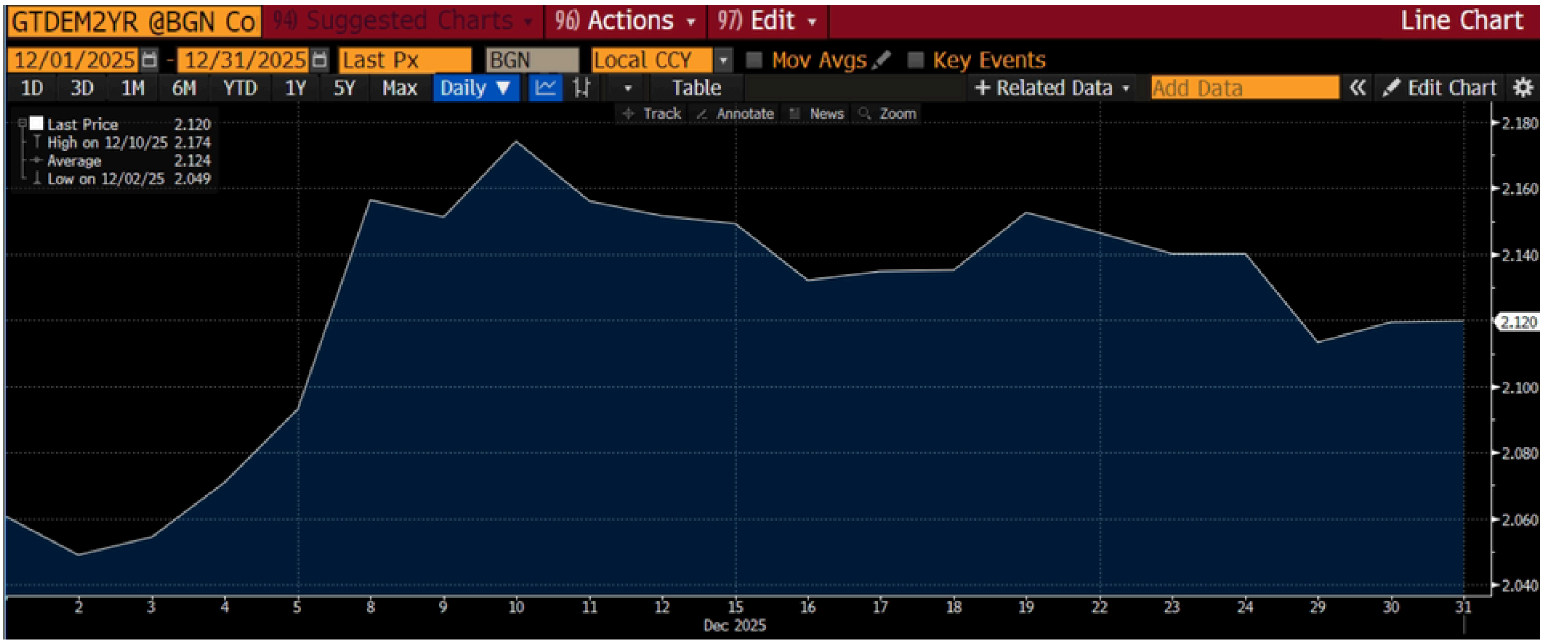
In France, the political landscape remains unstable, with lawmakers unable to reach an agreement on the 2026 budget despite some progress early in the month. Prime Minister Lecornu was forced to seek a stopgap budget law to keep the state running into next year, while the National Assembly continues to work toward a compromise on a comprehensive fiscal plan. Reducing the deficit below 5% and ensuring fiscal sustainability remain the government's primary objectives. Despite the political uncertainty, business confidence showed signs of improvement, the manufacturing PMI beat expectations, and inflation remained low at 0.9%. The French 10-year government bond yield closed the month at 3.56%, rising less than its German counterpart and narrowing the spread.



Italian 10Y Bond Yield

References: Trading Economics, Investing.com, Bloomberg, Reuters

German 10Y Bond Yield



German 2Y Bond Yield

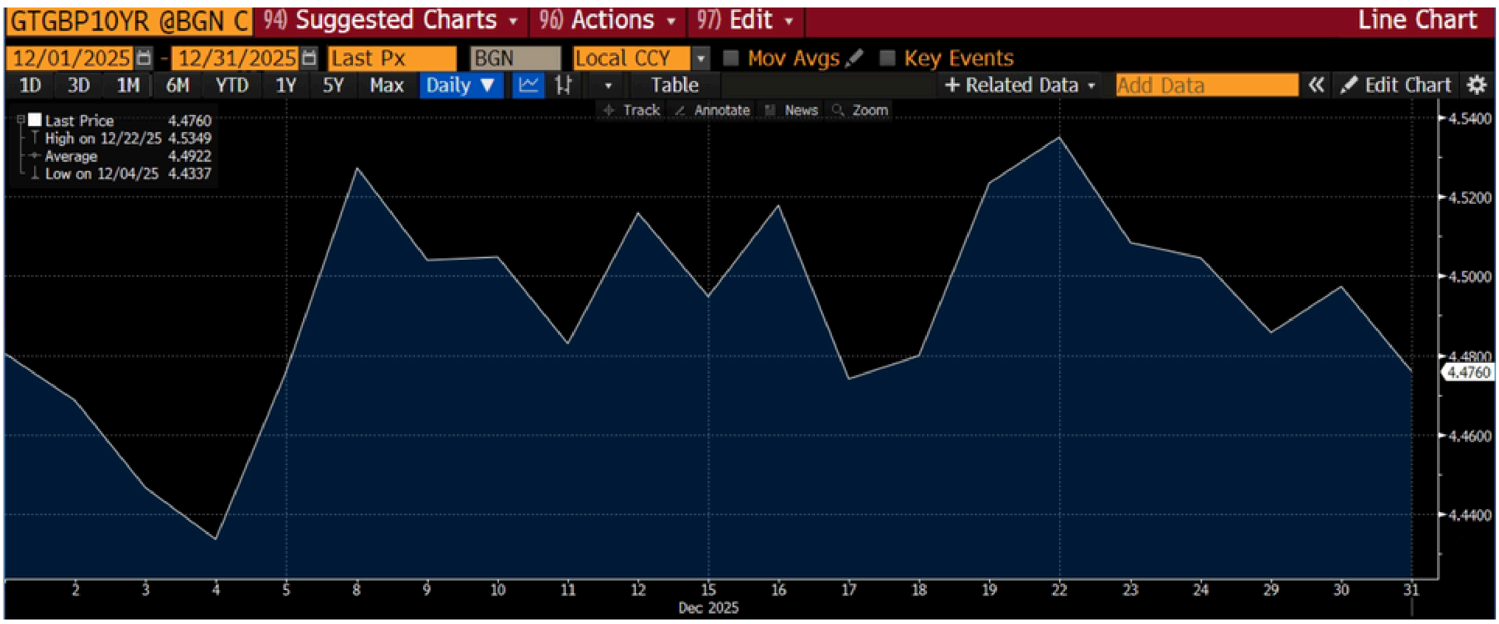
United Kingdom

UK government bonds experienced heightened volatility in December, as markets navigated a complex mix of weakening growth momentum, easing inflationary pressures, and shifting expectations around the Bank of England's policy path. At the start of the month, the 10-year gilt yield was positioned at 4.479%, supported by signs of cooling domestic demand, including slower consumer credit growth and softer retail activity, alongside continued moderation in goods and services inflation. Early in the month, gilt yields briefly moved above 4.5%, driven by global factors and renewed fiscal scrutiny following the November budget. Rising sovereign yields abroad and concerns over the UK's public finances added upward pressure, despite evidence of a softening domestic backdrop. Manufacturing activity returned to modest expansion, while construction output weakened sharply and consumer-facing sectors showed increasing strain.

Mid-month, attention shifted to critical labor market and inflation data. On December 16, the Office for National Statistics reported that the unemployment rate climbed to 5.1%, its highest level since 2021, while payrolled employment dropped by 38,000. Although wage growth remained elevated, particularly in the public sector, the overall rise in slack suggested that the labor market was finally cooling under the pressure of high interest rates. This was followed on December 17 by the Consumer Price Index (CPI) release, which showed headline inflation easing further to 3.2%, while core inflation also slowed to a six-month low of 3.2%. These signals balanced weakening activity against persistent wage pressures, causing gilt yields to retreat toward 4.48% after GDP data on December 12 confirmed a second consecutive monthly contraction of 0.1% in October, heightening concerns over economic stagnation.

On 18 December, the Bank of England delivered a landmark policy shift by cutting the bank rate by 25 basis points to 3.75%. This decision was reached via a narrow 5–4 vote, reflecting the internal debate between members who prioritized clear signs of disinflation and those wary of services-sector stickiness. While the move met market expectations, the less dovish split and guidance that future easing would remain strictly data-dependent led markets to scale back expectations for aggressive cuts in early 2026. This caused a temporary firming of yields as investors realized the "normalization" process would be gradual.

By month-end, final Q3 GDP growth was confirmed at a stagnant 0.1%, though business investment surprised to the upside. Sentiment indicators showed modest improvement following the resolution of budget uncertainty, yet retail activity remained weak and public debt levels stayed elevated. The 10-year gilt yield ended December around 4.48%, down from mid-month highs but still elevated as investors balanced slowing growth and easing inflation against fiscal constraints and lingering global risks.



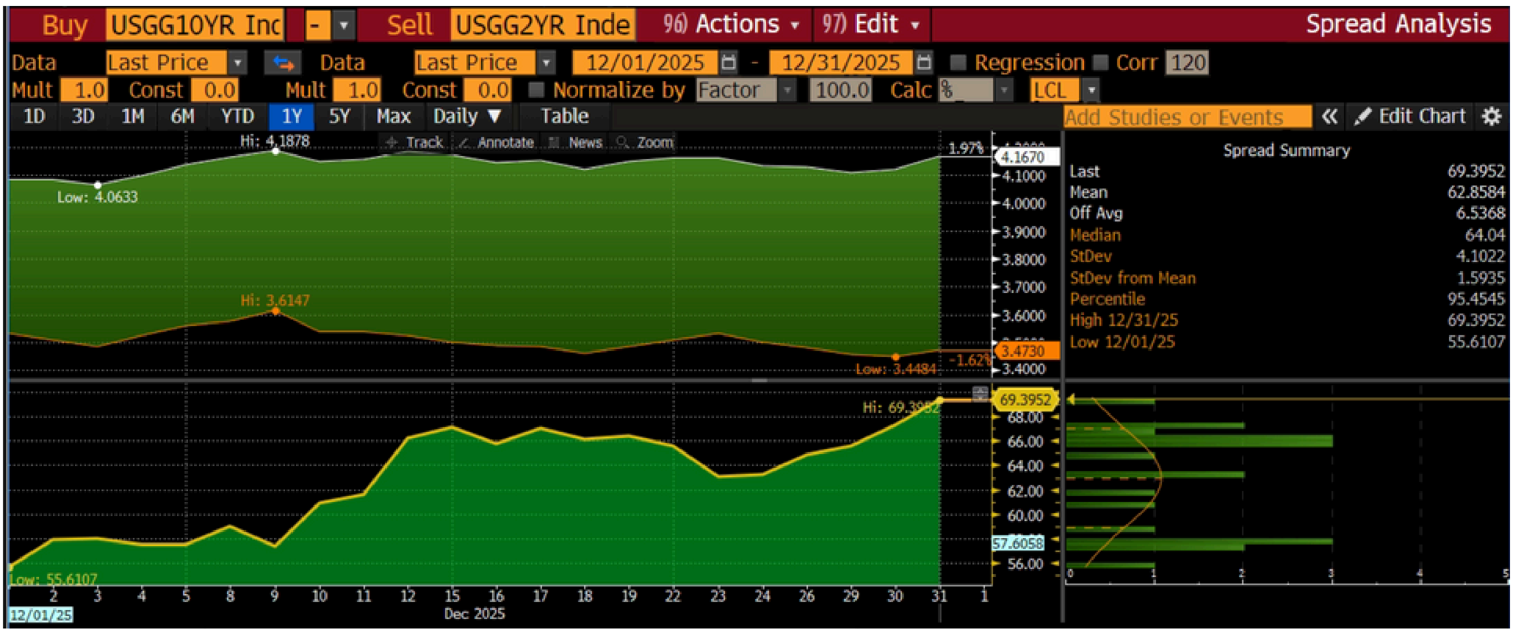
British 10 Year Gilt

USA

During December, US Treasury markets were initially influenced by signs of labor market softening, the official conclusion of the Federal Reserve's quantitative tightening program, and speculation regarding its next chair, before the FOMC meeting and mixed macroeconomic indicators subsequently shaped investor sentiment and the outlook for the year ahead.

In the early part of the period, the US Treasury yield curve shifted higher, with the 2-year and 10- year maturities rising from 3.5% and 4.03% to 3.62% and 4.2%, respectively. This increase was largely attributable to evolving FED policy expectations, amid signs of waning jobs market momentum with ADP Employment Change at -32k, well below the 10k consensus and Challenger Job Cuts coming up to 71k, the highest level for the month since 2022, alongside persistently severe consumer distress despite a modest uptick in the Michigan Consumer Sentiment to 52.9 from 51. The manufacturing sector continued its contraction for a ninth consecutive month and at a faster pace (ISM Manufacturing PMI: 48.2, down from 48.7), while the services sector maintained its robust performance for a sixth straight month (ISM Services PMI: 52.6, up from 52.4). In addition, the pronounced JGB repricing resulting from the selloff poses significant dangers to overseas holdings by incentivizing capital repatriation, potentially triggering an unwinding of carry trades. Such dynamics could amplify market volatility, especially given Japan's status as the largest foreign holder of US Treasuries.

The FOMC meeting on December 10 offered key policy guidance and stemmed the preceding uptrend in Treasury yields. In more detail, the weakening labor market was prioritized over high inflation, resulting in the widely anticipated third consecutive benchmark rate cut by 25bps to 3.5-3.75%, although internal dissent within the committee was evident. Furthermore, the T-bill buyback program was announced, with the NY FED scheduled to purchase $40bn of short-term US bonds from December 12 onwards, continuing into next year. However, this RMP fundamentally differs from a QE, as this program is focused exclusively on short-end maturities and involves a significantly smaller volume, in order to stabilize the overnight repo market strain caused by the QT, and to help the FED reinforce its influence over short-term rates. On the data front, Non-Farm Payrolls exceeded expectations, rising by 64k (above the 50k consensus), while the unemployment rate increased to a four-year high of 4.6%. The US economy expanded at a striking 4.3% QoQ, amid an inflation rate of 2.7% notably below the 3.1% consensus, though analysts noted government shutdown distortions. The 2-year and 10-year maturities closed the year at 3.47% and 4.15% respectively, as Wall Street's focus shifted towards the FED's next chair, and expectations for fiscal stimulus, monetary policy easing, and continued investment in AI, factors collectively expected to support growth in 2026, even as inflation risks remain underestimated.



US 10 Year Bond Yield and 10Y-2Y Spread

Asia

China

December commenced with underwhelming PMI data, as two out of three metrics missed forecasts -notably in manufacturing which saw a significant shrinkage (Manufacturing PMI: 50.1 vs 49.2 forecast). Meanwhile, China's November trade surplus hit a record $112 billion, pushing the year-to-date trade balance past $1 trillion and prompting major trade partners, including France and Mexico, to consider implementing retaliatory tariffs in an attempt to ease this spiraling export momentum. Such was the outcome of strong export growth (5.9% vs 3.2% forecasts), which recovered from a prior -1.1% contraction via diversification to non-U.S. markets (shipments to U.S.: -28.6%, Taiwan: +12.8%, Australia: +35.8%, EU: +14.8%), and weaker than expected imports (1.9% vs 2.5%), indicating a soft labor market (Unemployment rate: 5.1%) and a demand shift toward high-tech equipment (e.g., automatic data equipment: +18.2%, coal & lignite: -33.5%). Moreover, the disparity between industrial production (+4.8% YoY) and retail sales (+1.3% vs +3.3% forecast) underscores the imbalance between robust domestic supply and inconsistent demand, which combited with the tariff threats, prognosticates a lurking risk to Chinese producers' ability to sell their goods either within or beyond China's borders. Despite the news and economic data released during the month including rising inflation (0.7% vs 0.2% previous), the 10-year bond yields exhibited marginal volatility, opening the month at 1.870% and closing at 1.862%.

Japan

December proved to be a pivotal period for fixed-income markets. Bank of Japan (BoJ) Governor Kazuo Ueda's initial press conference signaled a robust economic outlook, underpinned by resilient domestic demand and escalating input/output costs. More specifically, rising PMIs (Composite at 51.5 vs 52 previous, Services at 52.5 vs 53.2 previous and Manufacturing at 50 vs 48.7 previous), firm consumer confidence (37.5 vs 35.8 previous) and above target inflation at 3% coupled with Yen depreciation, heightened expectations for a monetary tightening later in the month, driving both the 5 and 10-year bond yields to post 2008 levels. This upwards momentum was concluded, though, after the 19th of the month when the BoJ unanimously raised short-term interest rates by 25 bps to 0.75%, effectively ending three decades of ultra-loose monetary policies. Until that day, 10-year yields had surged by 11.52%, rising to 2.023% from an opening of 1.814% on December 1st, before closing the year at 2.079%. All things considered, given that inflation still remains above target at 2.9% and PMIs continue to outperform forecasts, further rate hikes should be anticipated in 2026.

Japanese 10Y Bond

Commodity	31/12 Close	MoM	YtD
Bloomberg Commodity Index	USD 109,69	-0.65%	10.12%
Gold Continuous Cont	USD 4.341,10	2.03%	64.37%
Crude WTI Continuous Cont	USD 57.42	-1.93%	-20.08%
Crude Brent Continuous Cont	USD 60.85	-2.45%	-18.80%
Natural Gas TTF Continuous	EUR 28.16	-2.67%	-43.92%

References: Reuters, Financial Times, Bloomberg, FXToday, DailyFX

Gold (1M Future Contract)

Monthly Overview

Gold posted a strong performance throughout December, extending its upward trajectory and ending the month at record or near-record level of $4,341. The metal was supported primarily by expectations of monetary policy easing in 2026, a softer U.S. dollar environment, and sustained demand for defensive assets amid geopolitical and macroeconomic uncertainty. Price action during the first half of the month was characterized by consolidation at elevated levels, as markets awaited clarity from the Federal Reserve. Momentum strengthened mid-month following dovish signals and weaker U.S. economic data, reinforcing expectations of lower real yields. In the latter part of December, gold accelerated higher, breaking key psychological thresholds as safe-haven demand intensified into year-end. Investment flows reflected this constructive backdrop. Gold prices have remained above their 200-day moving average for almost 550 trading days, the 2nd-longest streak on record, only below the 2008 Financial Crisis. Brief episodes of profit-taking and short-term outflows occurred following sharp price advances, but these were limited in scale and quickly reversed, suggesting strong underlying investor conviction. Overall, December reinforced gold's role as a preferred hedge against macroeconomic uncertainty, with investor positioning remaining firmly supportive into year-end.

Weekly Breakdown

In the first week of December, gold traded within a relatively narrow range at elevated levels as investors adopted a cautious stance ahead of clearer signals from the Federal Reserve. Price action was supported by expectations of eventual monetary easing, but upside momentum was limited by consolidation following earlier gains with the 1st week closing at $4,243 on the 5th of December. Investment flows were largely balanced during this period, reflecting a wait-and-see approach. In the second week, gold prices strengthened as softer U.S. economic data and increasingly dovish central-bank expectations reinforced the outlook for lower real yields. This shift prompted renewed interest from institutional investors, with notable inflows into gold-backed vehicles and increased futures participation supporting prices. In the third week, gold extended its rally, breaking through key psychological levels amid rising safe-haven demand. Geopolitical uncertainty and continued U.S. dollar softness sustained momentum, although brief episodes of profit-taking led to temporary outflows, which were quickly absorbed by renewed buying interest resulting at a close of $4387 on (Friday (19/12). In the fourth week, gold surged to record or near-record levels of $4552 on the 26th of Devember as year-end positioning, thin holiday liquidity, and persistent macro uncertainty amplified price moves. Strong inflows resumed, reflecting defensive portfolio reallocation into year-end, and gold closed December with firm upward momentum.

Gold

Crude Oil (WTI & Brent Crude 1M Future Contract)

Monthly Overview
Crude oil markets faced persistent downward pressure throughout December, shaped by an oversupply narrative and fragile global demand expectations. While geopolitical events periodically injected short-term volatility, they failed to alter the broader bearish trend. Early in the month, prices declined as markets digested OPEC+ policy signals and shifting geopolitical risks, despite a brief rebound that saw Brent trade near USD 64/bbl and WTI approach USD 60.5/bbl. However, attention quickly returned to structural pressures, including ample inventories and weak demand, driving WTI to a monthly low near USD 55/bbl on December 16, while Brent reached a similar low around USD 58.7/bbl. Late-month gains during the holiday period were modest and largely liquidity-driven. By month-end, crude closed under pressure, with Brent just below USD 61/bbl and WTI just below USD 58/bbl. WTI recorded its fifth consecutive monthly decline, with oil prices down roughly 19% over the past five months, trading at their lowest levels since February 2021.

Weekly Breakdown
In the first week of December, crude prices eased after an early rebound, with Brent slipping below USD 63/bbl after testing USD 64/bbl, while WTI fell from around USD 60/bbl. Early optimism tied to OPEC+ signals briefly pushed WTI back toward USD 60–60.5/bbl, but gains were quickly capped by inventory and macro concerns. In the second week, volatility increased as prices retreated from early-month highs. Brent fell into the USD 62–63/bbl range, while WTI moved between USD 57-58/bbl. A brief rebound followed the tanker seizure, lifting prices by about USD 1/bbl, though the move faded quickly amid renewed oversupply concerns. In the third week, crude prices came under heavier pressure, sliding to monthly lows. Brent dropped to around USD 59.3/bbl, while WTI fell to approximately USD 55/bbl on December 16, as easing geopolitical risk premiums and weak demand expectations reinforced bearish sentiment. In the fourth week, oil prices stabilized modestly amid thin holiday trading. Brent rebounded toward USD 62/bbl, while WTI recovered to the USD 58–58.5/bbl range, supported mainly by short-covering. By month-end, prices drifted lower again, closing December under pressure.

Crude Oil

Natural Gas - Dutch TTF

Monthly Overview

Natural gas prices experienced pronounced volatility throughout December, with the market oscillating between weather-driven optimism and supply-driven pessimism, trading largely between EUR 26.8/MWh and EUR 29.0/MWh. While early winter positioning initially supported prices near EUR 28.2/MWh, sentiment deteriorated as forecasts shifted toward milder conditions. During the first half of the month, natural gas softened as warmer-than-expected weather reduced heating demand expectations, pushing prices toward the EUR 27/MWh area. High production levels and ample inventories further pressured prices, outweighing supportive LNG export flows. Mid-to-late December brought brief rebounds as colder forecasts emerged and technical buying followed prior selloffs, lifting prices back toward EUR 28–28.5/MWh. However, these rallies proved unsustainable. By the final week of the month, prices retreated again amid renewed warmth in forecasts and persistent supply abundance. Natural gas ended December lower overall, settling near EUR 28.2/MWh, highlighting the market's sensitivity to short-term weather outlooks and the difficulty of sustaining rallies without sustained cold-weather demand.

Weekly Breakdown

In the first week of December, natural gas prices weakened as warmer-than-expected weather forecasts reduced heating demand expectations, with prices falling from around EUR 28.2/MWh toward EUR 27.1–27.3/MWh. High production levels and comfortable inventories weighed on sentiment, setting a bearish tone early in the month. In the second week, prices continued to trend lower despite occasional supportive storage data, trading mostly between EUR 26.6–27.7/MWh. Market participants remained focused on weather outlooks, and continued mild forecasts outweighed structural demand from LNG exports. In the third week, natural gas experienced a brief rebound as colder weather projections and technical buying followed the earlier sell-off, with prices recovering from the monthly low near EUR 26.8/MWh on December 16. Prices stabilized temporarily, supported by short-covering and speculative positioning around the EUR 27.5–28.0/MWh range. In the fourth week, the recovery proved short-lived. Renewed warmth in weather forecasts and persistent supply abundance pushed prices lower again, and natural gas ended December under pressure near EUR 28.2/MWh, reflecting a market dominated by short-term demand uncertainty.

Natural Gas

Index	31/12 Close	MoM	YtD
S&P 500	6,845	-0.05%	16.39%
NASDAQ 100	25,249	-0.72%	20.60%
DJIA	48,063	0.73%	13.50%
FTSE 100	9,931	2.16%	17.68%
DAX	24,490	2.74%	23.01%
CAC 40	8,149	0.34%	10.42%
STOXX 600	592,19	2.73%	16.67%
ATHEX GD	2,120	1.80%	44.30%
HANG SENG	25,630	-0.88%	33.86%
NIKKEI 225	50,339	0.17%	28.07%

References: Investing.com, CNBC, Financial Times, Bloomberg, The Washington Post, Reuters

American Market - Indices

Monthly Overview

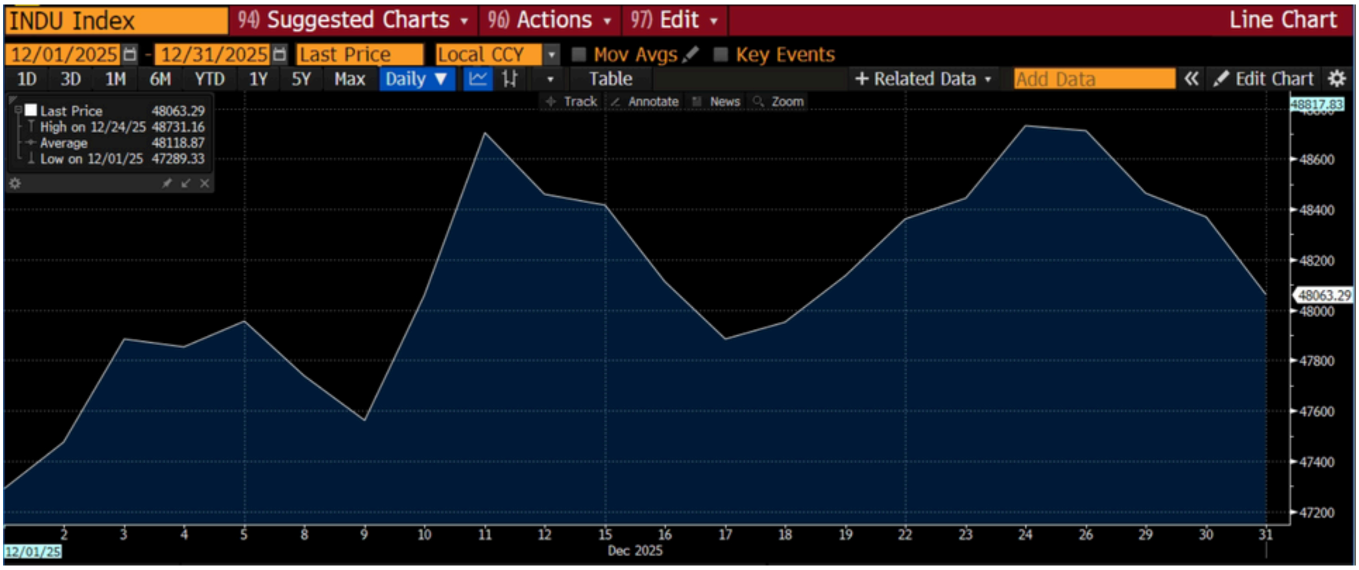
December 2025 was a highly volatile month marked by historical peaks and a year end pullback that wiped out monthly gains and snapped the seven month winning streak of the S&P 500 as it ended the month lower by a mere 0.05%, with Nasdaq extending losses at 0.7%, while Dow Jones rose 0,7%. That being said all three indices reached fresh all time highs in the month. December marked the last month of the historic six decade tenure of legendary investor Warren Buffet at Berkshire Hathaway who handed in the reigns at the age of 95. JP Morgan alongside other investment banks continued its buying of treasuries (reaching a $350b total) as December saw a third consecutive 25 basis point cut by the Federal Reserve lowering interest rates to a range of 3,5%-3,75%. US margin debt jumped +$30 billion in November, to a record $1.21 trillion.This marks the 7th consecutive monthly increase. Bank of America's Bull & Bear Indicator is up +0.6 points over the last few trading days, to 8.5, re-entering extreme bull territory. Global equity ETFs posted a record +$145 billion in inflows in mid December. Total US public equity market capitalization is now up to a record $72 trillion. This comes as the Nasdaq's market cap has more than doubled since 2022, to a record ~$38 trillion. Net foreign purchases of US assets are up to an annualized +$1.65 trillion this year. This comes as equity purchases by investors from abroad have doubled from last year, to ~$650 billion. The US represented 54% of the total, or +$78 billion, the 2nd-largest weekly inflow on record. US-listed ETFs have attracted a record $1.4 trillion in net inflows so far in 2025. This surpasses the previous full year record by +$300 billion and is more than double the 2023 figure. Participation remained high in the month with quarterly options volume exceeding 3,5 billion contracts for the first time. December 2025 marked a very strong year for US equity indices, as for the third straight year they achieved double digit growth

Weekly Overview

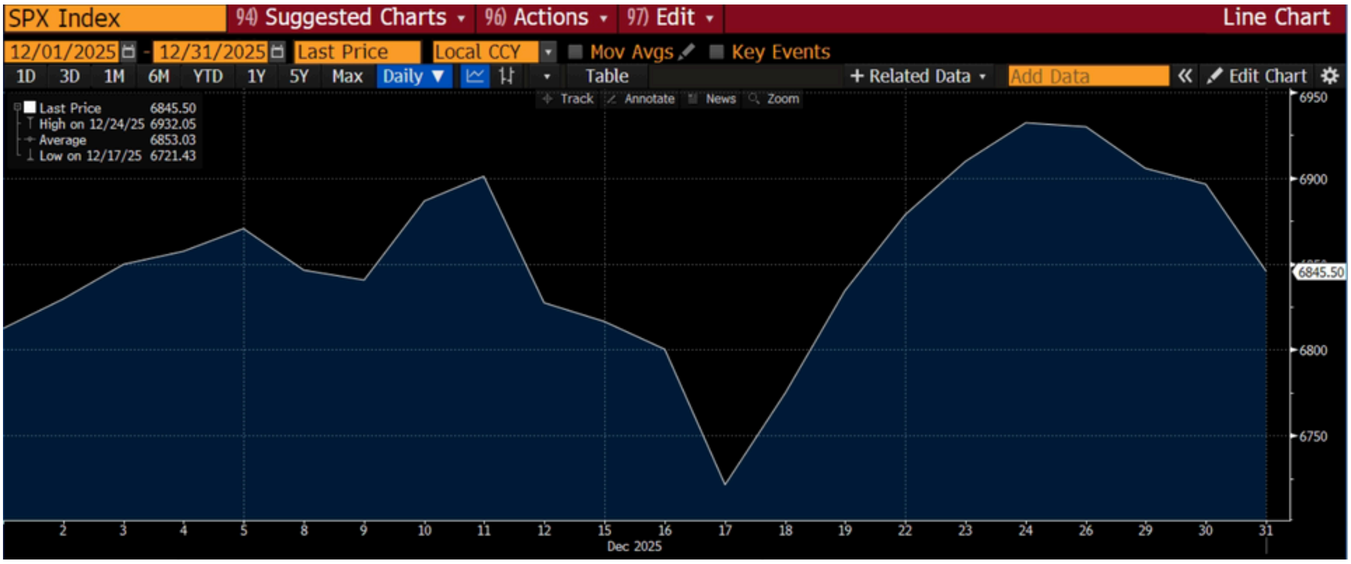
During the first two weeks of December 2025, U.S. equity indices delivered a mostly resilient but mixed performance, shaped by macro signals and technology-sector volatility. The month opened with positive momentum, particularly in industrial and broad-market benchmarks. The Dow Jones Industrial Average traded with steady upward bias in the early sessions, supported by strength in cyclical and value-oriented constituents, briefly moving above 48,700 points with intraday gains over 1 percent on stronger economic data. The S&P 500 also maintained constructive momentum, holding above 6,900 and posting marginal daily advances, reflecting investor confidence across diversified sectors. In contrast, the Nasdaq Composite experienced intermittent pressure, declining slightly in some days as high-growth and mega-cap technology stocks faced valuation concerns and profit-taking, though sentiment around artificial intelligence provided episodic support. By mid-month, both the S&P 500 and Nasdaq had staged partial recoveries, trimming earlier December losses and reinforcing expectations for a seasonal Santa-Clauss rally. Overall, the period was characterized by controlled optimism, modest index-level gains in most sessions, and higher dispersion inside the tech complex, rather than a uniform market direction. After the mixed results of the early and mid-month sessions, U.S. stock indices extended that nuanced trend through the final weeks of December. Into the third week, the S&P 500 and Nasdaq showed modest gains as technology and AI-linked stocks regained traction, while the Dow softened slightly in some sessions as cyclical names lagged. Around Christmas Eve, the S&P 500 even hit a new intraday record before easing back later in the week, reflecting a calm, low-volatility backdrop with few major catalysts. As markets approached the year's close, the classic end-of-year seasonal lift was weaker than historic norms.

References: Investing.com, CNBC, Financial Times, Bloomberg, The Washington Post, Reuters

American Market - Indices



INDU Index



SPX Index

NDX Index

European Market - Indices

Monthly Overview

European equity markets experienced significant volatility at the start of December 2025, driven by political turbulence and shifting global risk sentiment. The collapse of France's Barnier government following a no-confidence vote triggered market caution, leading the CAC 40 to underperform its European peers and close at 8,068.82 points during the opening week. Broader European indices lacked clear direction, as risk appetite remained muted across the region. The STOXX 600 ended the first week flat at 578.77 points, reflecting subdued investor confidence and limited willingness to increase exposure. Germany's DAX showed relative resilience, maintaining its position above 24,000 points despite the unsettled euro-area political backdrop. Market sentiment briefly improved in the second week as investors shifted focus to global monetary policy, with European equities advancing mid-month following expectations and confirmation of a U.S. Federal Reserve rate cut, which supported liquidity conditions. However, the recovery reversed sharply on Friday, December 12, after disappointing Oracle earnings triggered a sell-off in U.S. technology stocks, reigniting concerns over elevated valuations. The STOXX 600 declined 0.53 percent to close at 578.24 points, wiping out earlier gains and reinforcing global spillover risks from tech weakness. Attention then turned to Super Thursday, when the ECB left rates unchanged at 2.0 percent, reaffirming a data-dependent policy stance. Initial pressure from the ECB decision faded quickly, as defensive sector rotation, particularly into healthcare, stabilized indices. Toward the second half of the month, the cautious tone persisted, but trading conditions improved into the holiday period despite thinning volumes. The final week delivered a seasonal Santa Rally, supported by rebounds in luxury stocks and signs of resilience in industrial activity. This recovery helped major indices, including the DAX and STOXX 600, regain momentum and close the year near record highs, underscoring Europe's capacity to absorb earlier political and global growth concerns.

Weekly Overview

European equity markets opened December cautiously, pressured by political uncertainty and a lack of strong short-term catalysts. The first week was shaped by France's instability after the collapse of the Barnier government through a no-confidence vote. This caused the CAC 40 to underperform peers, sliding toward the 8,000 level. Broader European markets lacked direction, reflecting weak regional conviction. The STOXX 600 closed the week flat at 578.77 points, confirming muted risk appetite. Germany's DAX remained resilient, closing at 24,186.49, up 0.6 percent for the week. The EURO STOXX 50 ended week two at 5,720.90, gaining 0.5 percent. The index also reached new all-time highs during the same period. European markets strengthened mid-month, driven by global rate-cut optimism. A European rally materialized in the second week as investors priced in a U.S. Federal Reserve rate cut. The rate decision improved liquidity expectations and supported cyclical and industrial sectors. The DAX and STOXX 600 reached fresh intra-month highs as mentioned earlier in the month. Confidence returned temporarily despite lingering political risk in the euro area. The rebound faded on Friday, December 12, after Oracle earnings triggered a sell-off in U.S. tech. European indices reacted sharply to the U.S. technology correction. Concerns over AI valuations and growth sustainability spilled into European sentiment. The STOXX 600 dropped 0.53 percent, closing at 578.24 points. The move erased earlier weekly gains and reinforced fragility to external shocks. The third week focused on the ECB's Super Thursday meeting on December 18. ECB rates remained unchanged at 2.0 percent, in line with expectations. Policymakers reiterated concerns over persistent inflationary pressures. Markets initially pulled back on perceived policy caution. The CAC 40 and DAX both corrected mid-week following the meeting. By Friday, December 19, stabilization emerged through sector rotation into defensives. Healthcare outperformed strongly, led by Novo Nordisk. Novo Nordisk's strength helped stabilize the STOXX 600. The STOXX 600 recovered to approximately 579 points by the end of the week. The final week delivered a seasonal Santa Rally as liquidity thinned. The DAX cleared key resistance on December 23, boosted by BMW and automotive strength. The CAC 40 recovered partially as luxury stocks rebounded. LVMH and Hermès gained support on renewed optimism around Chinese stimulus. Investors priced hopes for potential Chinese fiscal or monetary support. The CAC 40 trimmed earlier losses into year-end. The DAX and broader indices showed strong structural resilience. European equities closed December near record highs, absorbing earlier shocks. The region displayed resilience despite early-month turbulence. The month ended with improved risk sentiment and selective sector leadership.

References: Investing.com, CNBC, Financial Times, Bloomberg, The Washington Post, Reuters

European Market – Indices

DAX Index

SXXP Index

CAC Index

References: Investing.com, CNBC, Financial Times, Bloomberg, Reuters

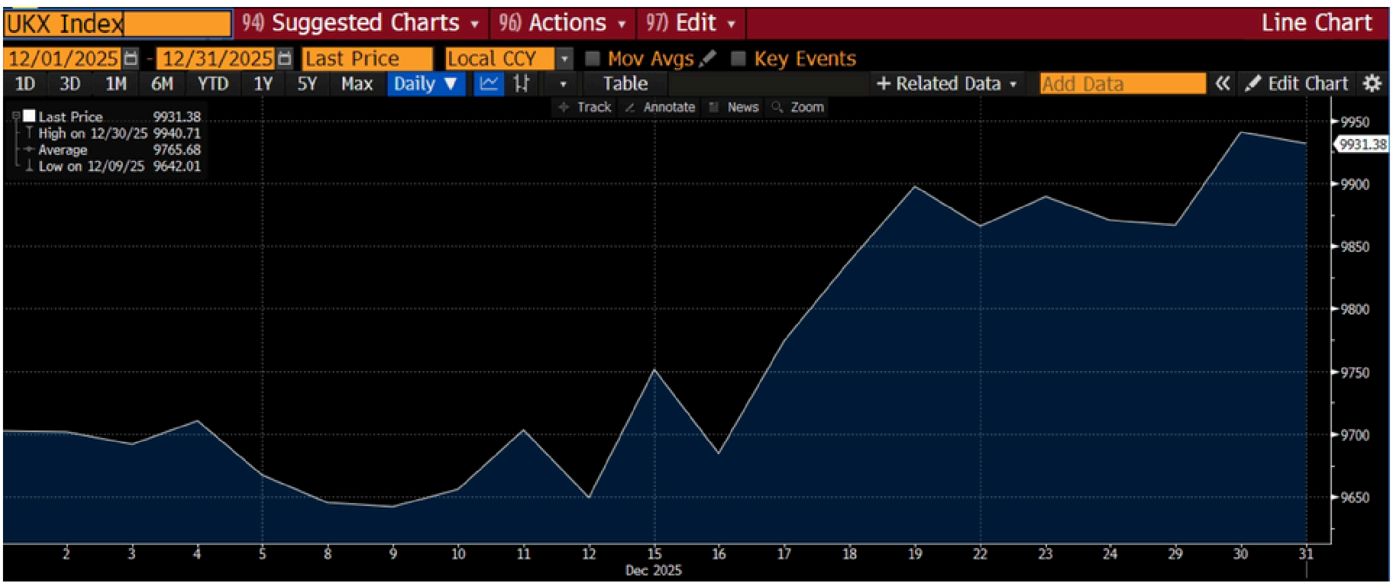
United Kingdom-Indices

Monthly Overview

December 2025 was a challenging month for UK equities, highlighting a growing divergence betwenn the weak economic backdrop and teh strength seen in global markets. European and US indeces reached new highs, while the UK's FTSE100 lagged weighed down by growth concerns. The decision of Bank of England to cut interest rates on the 18th of December, to 3.75%, pushing FTSE100 higher, above 9.800 points by 20/12. UK's index entered 2026 above 9900 points, marking a 2.17% gain in December and 17.68% in 2025.

Weekly Overview

During the first week, market activity was muted, with FTSE trading within a narrow range as participants remained reluctant to take strong positions ahead of key macroeconomic releases with on the upcoming GDP data. The second week marked a clear shift in tone, bringing renewed volatility and sharper intraday moves benefiting mining stocks advancing in line with higher gold and copper prices. Sentiment deteriorated decisively on Friday, December 12, following the release of disappointing UK economic data. The Office for National Statistics reported that the economy expanded by 0.1% in November, falling short of expectations for a bigger growth. In the immediate aftermath of the data, markets attempted a brief rally, as investors speculated that weaker growth could accelerate the timing of future Bank of England rate cuts, but by the afternoon session, a technology-led sell-off in New York undermined global risk sentiment, spilling over into UK equities and triggering broad-based losses. Divergence from global peers widened markedly in the third week of December, as UK equities came under pressure ahead of the Bank of England's policy decision on December 18. The index ended the week firmly in negative territory, weighed down by growing concerns that the UK economy remains mired in a stagflationary environment. The final trading sessions of the year offered little improvement, as the global "Santa Rally" largely bypassed London. However, deeper losses were avoided thanks to the index's heavy exposure to energy stocks. A late-year rebound in crude oil prices supported Shell and BP, allowing the FTSE 100 to defend the 9,550 level. Ultimately, UK equities ended December as a notable underperformer compared to European peers, with investors increasingly focused on rising recession risks heading into Q1 2026.



UKX Index

Asian Markets-Indices

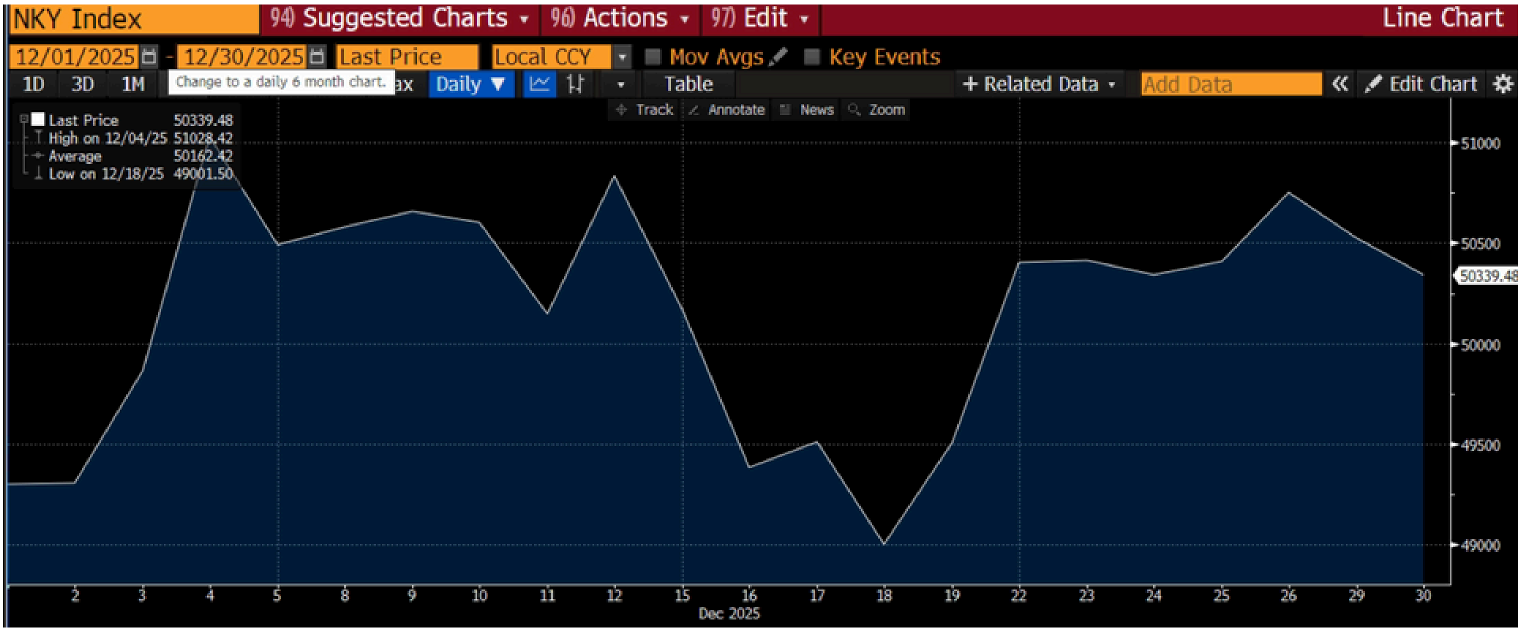
Monthly Overview

December was a volatile but ultimately constructive month for Asian equities, shaped by regional central bank actions and continued dispersion across technology-driven markets. The month began with cautious sentiment as weak Chinese macro data, including a restrictive non-facturing PMI, reinforced concerns around slowing domestic demand, keeping Chinese equities and Hong Kong-listed technology stocks under pressure. Major Chinese tech names such as $BABA, $TENCENT and $BIDU remained sensitive to macro uncertainty and renewed technology concerns, contributing to the Hang Seng's weak performance early in the month. The Japanese Market reacted to the Federal Reserve's 0,25% rate cut mid-month, with the Topix reaching record highs aided by a weaker yen, while the Nikkei 225 briefly traded above 50.000. Later in December, the Bank of Japan raised its policy rate to 0.75%, the highest since 1995, pushing 10-year yields to a 26-year high and contributing to yen volatility, which caused wider moves in exporters and rate-sensitive sectors. South Korea's KOSPI was the world's top-performing major equity index in 2025 rising 75% YtD, supported by semiconductor and technology, as global demand for AI and memory chips continued to drive earnings. South Korea's exports were reported to have surpassed $700 billion in 2025 for the first time, reflecting persistent global demand for tech and industrial goods despite pullbacks amid sector valuation concerns. Hong Kong equities remained sensitive to China macro data and AI sector concerns but stabilized on year-end positioning, delivering +27% YtD. Overall, December reflected stabilization following a volatile year, with growth concerns, policy uncertainty and reliance on global technology cycles, remaining key themes heading into 2026.

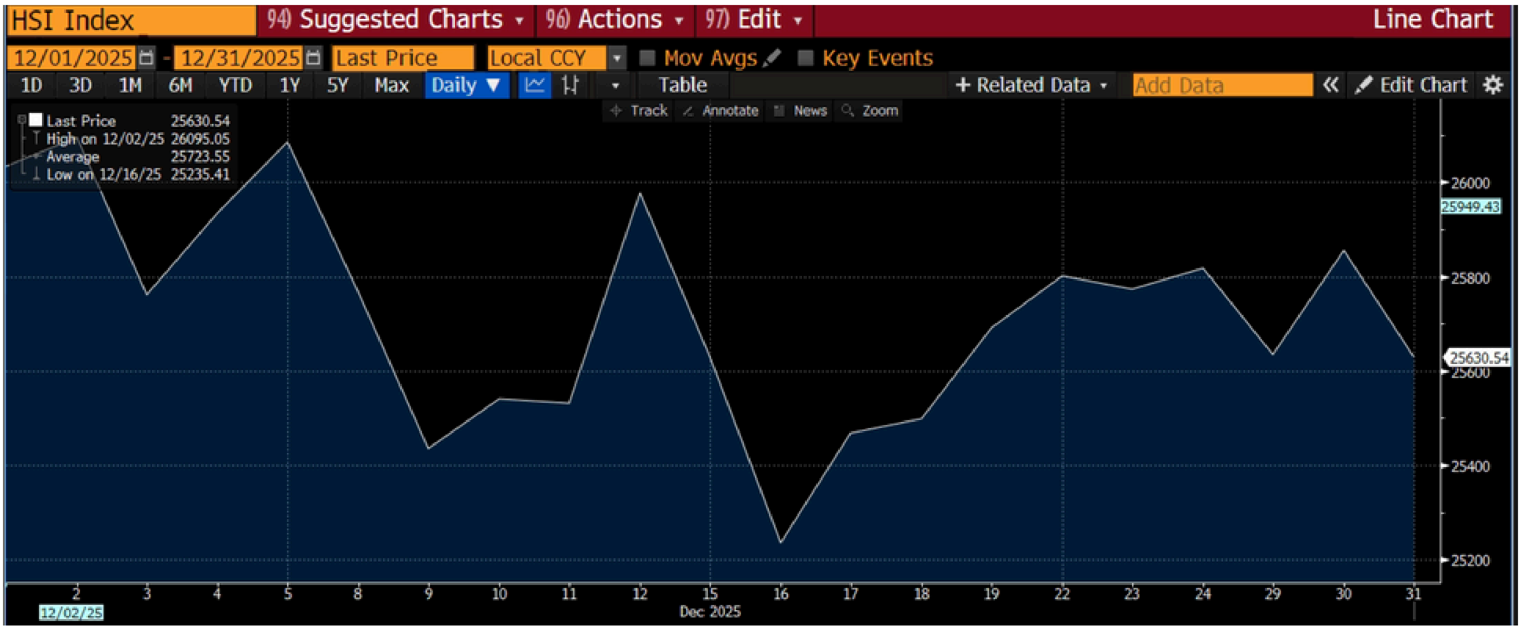
Weekly Overview

In the first week of December, Chinese markets faced pressure as the non-facturing PMI was reported at 49.5, the lowest level in over 3 years, highlighting that domestic demand in China is slowing, contributing to Hong Kong's Hang Seng remaining roughly flat at 26.085 on Dec 5. In contrast, Korean equities reflected gains with KOSPI having a weekly rise of around 4,6%, as a response to easing tariff related concerns. Japan's Nikkei 225 rose to 50.492 on Dec 5 due to optimism caused by the announcement of a potential Federal Reserve rate cut. The second week showcased a mixed performance across Asian equities as markets reacted to the Federal Reserve's rate cut and the volatility in the technology sector. Japan's Nikkei 225 remained essentially flat closing at 50.610 on Dec 12, while Topix reached record highs closing at 3.423 by the end of the week. KOSPI experienced mid-week weakness, amid technology and industrial exporter stocks under pressure which resulted in a roughly 0,3% growth from Dec 8 to Dec 12 in spite of a late-week rebound. Despite recent AI Bubble worries and a mid-week decline due to the approval of a 50% tariff from Mexico on China, the Hang Seng rose by approximately 1,8% on Dec 12 closing on 25.976. In the third week of December, the Japanese Markets experienced an eventful week, with the Nikkei 225 dropping from 50.168 on Dec 15 to 49.507 on Dec 19 amid the long-anticipated decision of The Bank of Japan to raise interest rates at a 30-year record high of 0,75%, as the yen weakened sharply and Japan's 10-year bond yield hit a 26-year record high. Korea's KOSPI fell about 2,24% on Dec 16 before modestly recovering later in the week supported by an AI rebound closing at 4.020 on Dec 19, while Hong Kong's Hang Seng traded volatile this week closing at 25.690 on Dec 19. During the fourth week, Asian equities traded in thin conditions amid holiday closures. In Japan the Nikkei 225 rose by approximately 0,68% on Dec 26 after experiencing some early week losses amid a weaker yen and elevated government bond yields. South Koreas KOSPI gained around 0,5% closing at 4.129 on Dec 26 due to gains in technology shares, while Hong Kong's Hang Seng remained flat closing at 25.818 at the end of the week. In the last three trading days of the year Asian equity markets ended the year on a constructive note amid year-end positioning. KOSPI closed the year at 4.214, being the best performing index stock in the world for 2025 due to major global technology demand, while Hong Kong's Hang Seng traded modestly lower in the final session of the year closing at 26.630 at Dec 31 but still delivered a strong annual performance. Japan's Nikkei 225 traded in light volumes during the final days of the year dropping by 0,37% and closing at 50.339 on Dec 30 despite a strong year.

References: Investing.com, CNBC, Financial Times, Bloomberg, The Washington Post, Reuters



NKY Index



HSI Index

AUEB Students' Investment & Finance Club

Greek Market

Macroeconomic Environment

The Greek economy concluded 2025 on a firm footing, maintaining its position as one of the Eurozone's top performers with an annual GDP growth rate of 2.1%. In December, economic sentiment remained upbeat as the S&P Global Manufacturing PMI rose to 52.9, signaling continued expansion even as the broader Eurozone manufacturing sector flirted with contraction. This growth was underpinned by a robust 12.8% YoY surge in gross fixed capital formation during the second half of the year, heavily supported by the continued deployment of Recovery and Resilience Facility (RRF) funds, which reached a cumulative €24.5 billion by year-end. Inflation dynamics presented a mixed picture in December. While headline inflation had dipped earlier in the quarter, it climbed back to 2.4% in November and December due to persistent price pressures in the services and energy sectors. This "sticky" inflation remains a key focus for the Bank of Greece, especially as a tight labor market continues to drive wage growth. However, the labor market provided the month's most positive headline: the unemployment rate fell to 8.2% in November ,atching the lowest levels seen since the onset of the 2009 financial crisis. Fiscal discipline remained a hallmark of the year-end wrap-up. The government announced a primary surplus of €12.7 billion for the January–November period, significantly overperforming budget targets. This fiscal strength allowed for the introduction of a new Multiannual Fiscal Program (2026–2029), which pledges €10 billion in household support and the gradual abolition of the pension "personal difference" mechanism. Investor confidence was further solidified by plans to accelerate the repayment of high-interest bailout loans maturing between 2033 and 2041, a move intended to further depress the debt-to-GDP ratio—currently projected to fall below 140% by 2027.

Greek Sovereign Bonds

The Greek 10-year bond yield exhibited notable volatility in December and closed the month higher, broadly tracking moves across European bond markets and reflecting the European Central Bank's more hawkish stance. On December 18, the ECB left rates unchanged for the fourth consecutive meeting, while signaling that rate cuts are unlikely in the near term. The Greek economy posted solid third-quarter growth of 2%, driven mainly by a 12.8% rise in investment and stronger domestic consumption, although the annual growth target of 2.2% appears increasingly unlikely to be met. Inflation remained elevated at 2.4%, above the eurozone average, while unemployment edged lower to 8.2%. Exports increased by 5.8% and imports fell by 5%, narrowing the trade deficit to €2.7bn, while a strong primary surplus allowed for early repayments of approximately €5.3bn in government debt. The Greek 10-year government bond yield opened December at 3.35% and peaked at 3.52% on December 22, reflecting broader European bond market dynamics, the ECB's cautious guidance on future rate moves, and expectations of higher indebtedness in Germany. The yield later retreated, closing the month at 3.48%, while the spread versus the German 10-year bond narrowed slightly to 63.2 basis points.

References: Investing.com, CNBC, Financial Times, Bloomberg, The Washington Post, Reuters

Greece 10-2 Year Bond Yield and 10Y-2Y Spread

German-Greek10Y Yield Spread

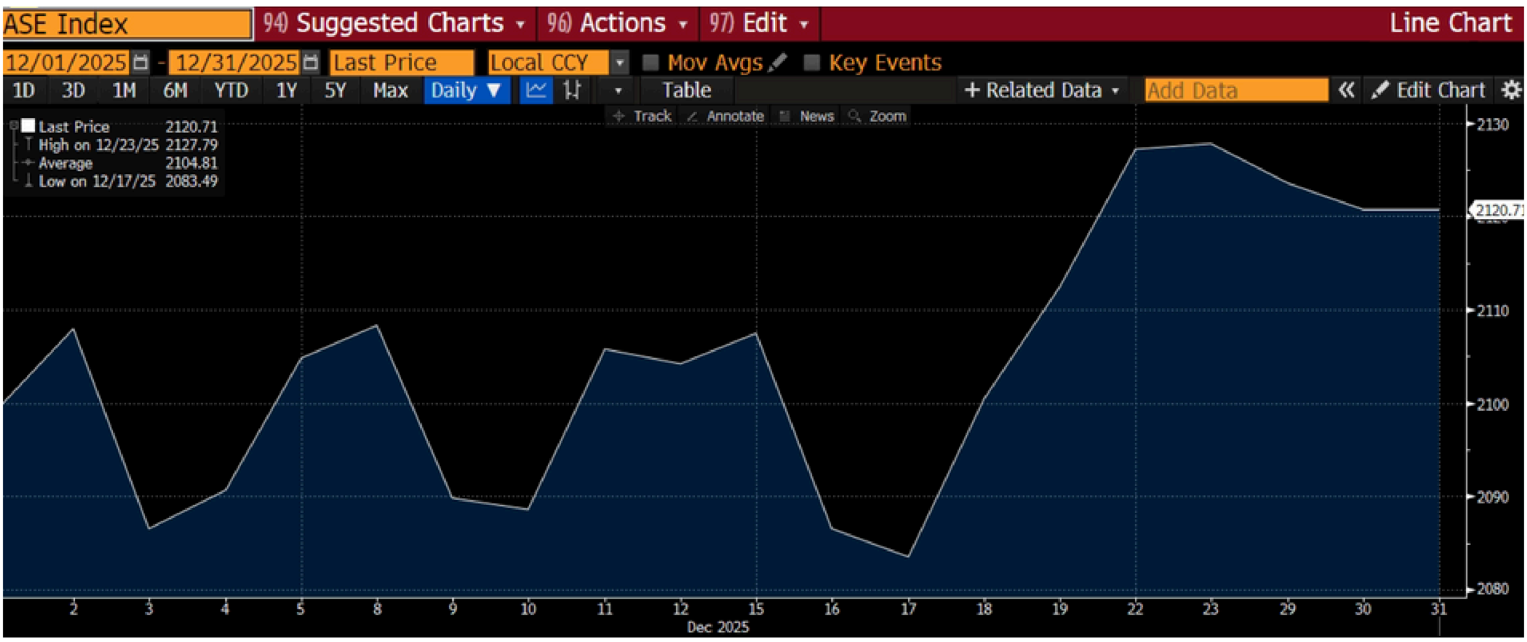
Athens General Index

Montly Overview

December 2025 was a month of controlled consolidation for the Athens Stock Exchange after a strong upward trend in the prior months. The General Index delivered a modest gain of +1.94% for the month, maintaining levels close to a 16-year high. Selective trading dominated activity, with reduced investor participation due to the Christmas–New Year holiday season, keeping volumes below the monthly average in late December sessions. On 18/12 the index traded near 2,087.13 pts (+0.17% day) in a tight 8-pt range, reflecting caution ahead of central bank decisions. Macro focus centered on ECB and BoE policy, with expectations of stable euro-area rates at 2% and a UK cut to 3.75%, reinforcing a neutral-to-supportive liquidity backdrop. Banking stocks faced pressure mid-month but remained a key market driver overall, despite short-term weakness. Mid-cap stocks showed resilience, while large caps were mixed. Metlen provided upside support in late December due to a major Chile energy deal and bullish Citi targets. Market cap held steady around €146.22 bn. Liquidity improved strongly vs 2024, although December's turnover was boosted by technical flows rather than fundamental rotation. The market ended the month near 2,120 pts, preserving positive momentum into 2026.

Weekly Overview

December 2025 started with the General Index holding above 2,100 points, extending November's upward bias, although participation gradually thinned as investors began reducing exposure ahead of the holiday season. In the second week the market shifted clearly into selective trading, with stock picking driving performance and mid-cap names showing stronger relative movement than large caps, while overall index fluctuations remained mild and upward-leaning. During week three caution dominated as traders awaited central bank decisions, but stability was preserved thanks to expectations that the ECB would keep eurozone rates unchanged at 2% and the Bank of England would cut to 3.75%, keeping liquidity conditions supportive for equities. On December 23 the index reached 2,127.79 points, the highest closing level of 2025, marking a key technical peak for the month. The following sessions saw a calm, orderly pullback rather than aggressive selling, as holiday absences kept volumes low, especially toward Christmas. On December 27, during the index rebalancing window, turnover surged to 393 million euros and volume reached 72 million shares, pushing the General Index to a strong weekly gain of 0.39% and a daily rise of 0.57%, despite banks weighing on the sector index, which ended the week down 0.66%. With only two sessions left in the year, the index held its structure near highs rather than resetting lower. Week five began with a small daily decline on December 29, closing at 2,123.51 points, with the index trading as low as 2,117.65 before recovering toward 2,131.37 intraday, confirming a controlled correction phase. The final trading day of 2025 closed at 2,120.71 points with a flat-to-marginal daily decline, finishing December with a gain of 1.94%, reflecting resilience, strong technical footing, and preservation of momentum into 2026.



ASE Index

Our emblem, a symbol of the creation and the deeper mentality of our club.

In the center, there is the legendary mermaid, the Medusa's head, which had the ability to turn into stone whoever dared to look it in the eyes. It's undoubtedly an Ancient Greek element. The choice of the mermaid is a kind of allegorical gate. Looking Medusa is like looking into yourself in the eyes and putting the greatest effort to overcome your biggest fears. You can either step back or proceed forward in a way that will make you considerably stronger.

At the bottom, the phrase «esse est percipi» is written. The deeper meaning of this expression is that the perception of something, is what really establishes the foundations of its existence. It consists of an element of the philosophy of "plasticity" that describes the world, or in other words it is a basis that highlights the fundamental importance of the power of ideas and analytical thinking in its creation, by providing many different alternative dimensions and perspectives.

Last but not least, the background is dominated by the exciting wheel of luck (rota fortunae). As it is lyrically mentioned in the poem collection Carmina Burana of the 13th century, "Fortune rota volvitur; descendo minoratus; alter in altum tollitur; nimis exaltatus; rex sedet in vertice; caveat ruinam!"