

Weekly Market Report For 15 – 19 December 2025





Overview



- ❖ U.S. stocks ended the week little changed, with Dow -0.7%, S&P +0.1%, and Nasdaq +0.5% amid tech sector worries.
- ❖ U.S. inflation eased more than expected, fueling bets on Fed rate cuts next year.
- ❖ U.S. labor market shows signs of cooling as unemployment rises and wage growth slows.
- ❖ Oracle shares fell after the company reviewed the cost-effectiveness of its AI data center project.
- ❖ ECB holds rates. BOJ hikes as expected, signaling a gradual policy shift.
- ❖ China under pressure as weak economy and lack of fresh stimulus frustrate investors.
- ❖ Thailand cuts rates to boost growth as the baht strengthens on multiple factors.

Market Brief




-  **U.S. stocks traded in a tight range last week**, with Dow down 0.7%, S&P up 0.1%, and Nasdaq up 0.5%. Tech concerns, led by Oracle's decline, weighed on sentiment, though several economic data supported Fed rate-cut hopes.
-  **U.S. inflation cooled in November**, with headline CPI falling to 2.7% from 3.1% and core CPI to 2.6% from 3.0%, the lowest since 2021 and below forecasts, though data may be skewed by the recent government shutdown. Fed Chair signaled inflation pressures should ease, assuming no additional tariff rounds.
-  **U.S. labor market** showed signs of slowing as November added 64,000 jobs, beating forecasts, after October saw a sharp 105,000 drop—the biggest since 2020—driven by government cuts while private hiring held steady.
-  **U.S. unemployment** rose to 4.6% in November, a four-year high as more workers reentered the market, while wages grew just 0.1%, signaling easing inflation pressures and reinforcing expectations of Fed rate cuts next year.
-  **Oracle shares** fell after reports that Blue Owl Capital will not back the \$10 billion AI data center project in Michigan under Project Stargate, citing weak returns and high debt compared to other investments.
-  **The ECB** kept its policy rate at 2% as expected, with President Lagarde saying current monetary policy are appropriate amid easing service inflation and wage growth. The bank raised economic and inflation forecasts, signaling policy rate would be on hold in the near term.
-  **BOJ** raised its policy rate to 0.75% as expected and signaled its readiness to continue raising rates if its economic and price forecasts materialize. The yen weakened to around 156 per dollar after the move while stocks rose as the BOJ's decision is in-line with market expectations with a lack of hawkish signals.
 - o BOJ Governor signaled a gradual return to normal policy, noting real rates remain low while inflation stays above central bank's 2% target and broadens. The bank seeks sustainable price gains driven by domestic demand. The BoJ said it expects companies to continue delivering steady wage increases, amid improving corporate profits.
-  **Chinese stocks** remained sluggish as Hang Seng fell about 1% on soft data, with retail sales up just 1.3%, the weakest since 2022, and home prices declining. Investors' disappointment over the lack of major stimulus and Beijing's cautious focus on quality growth signals limited near-term recovery.
-  **Thailand's monetary policy committee** cut its policy rate by 25 bps to 1.25% to support a slowing economy, with the central bank projecting GDP growth of 2.2% in 2025 and 1.5% in 2026 amid weak consumption and exports despite tourism is likely to gradually recover.
-  **Thailand's inflation** is expected at -0.1% this year and 0.3% next year, returning to target range in early 2027, with deflation risks remain low. The baht has strengthened on multiple factors, and the central bank pledged to closely monitor the baht movements. Meanwhile, the Election Commission has set February 8, 2026, as the date for the next general election.
-  **WTI crude** slipped 1.3% WoW despite geopolitical tension between the U.S. and Venezuela, as global supply concerns weighed on prices.

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