



PNC Weekly Market Watch

Feds-giving Eve

Global equities were largely flat last week, looking for direction ahead of this week's Federal Open Market Committee (FOMC) meeting. Economic data released last week generally implied a still-solid economic backdrop, with a strong services report from the Institute for Supply Management®, below-consensus jobless claims and in-line September inflation data (personal consumption expenditures [PCE]). In contrast, alternate jobs data, including ADP® private payrolls, pointed to labor market softening. The bond market was quiet last week as well, major indices were relatively flat, and the 10-year U.S. Treasury yield ticked up slightly to 4.13%.

Market Outlook

Investors are focused on this week's FOMC meeting, with market expectations currently pricing in a high probability for a 25-basis-point cut. In our view, the Federal Reserve's (Fed's) messaging will be just as important as a rate cut action. The market will be looking for signals about the path forward for rates and monitoring for dissent within the committee. We expect that potential signs of labor market softening could lead to a more dovish Fed in 2026 — a tailwind for equities.

Market Performance

	Price	1 Week	QTD	YTD	1 Year
Russell 3000®	3,901	0.4%	2.8%	17.6%	13.3%
S&P 500®	6,870	0.4%	3.0%	18.2%	14.6%
Growth	5,020	0.8%	3.2%	23.3%	21.3%
Value	2,085	(0.1)%	2.7%	12.6%	6.8%
S&P 400®	3,320	0.4%	2.0%	7.8%	1.3%
Russell 2000®	6,267	0.9%	3.7%	14.5%	6.7%
MSCI World Ex USA	2,898	0.7%	2.9%	29.0%	23.5%
MSCI Emerging Markets IMI	1,404	1.2%	2.8%	29.5%	26.4%

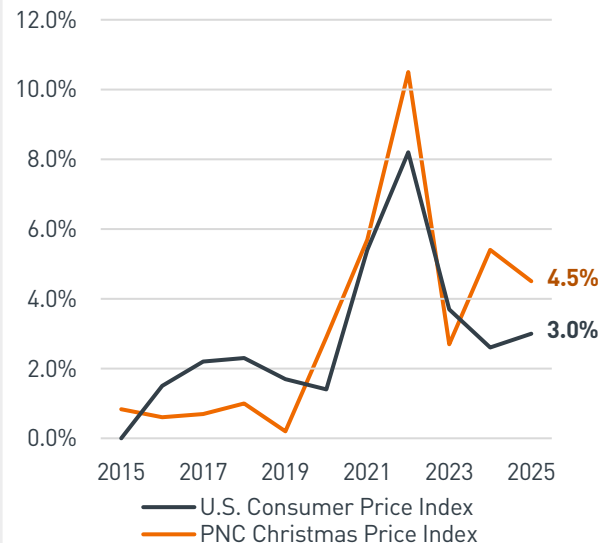
	YTW	1 Week	QTD	YTD	1 Year
Bloomberg US Agg	4.35%	(0.5)%	0.8%	6.9%	4.9%
Bloomberg Corp Inv Grade	4.84%	(0.5)%	0.6%	7.5%	5.1%
Bloomberg US Corp HY	6.58%	0.1%	0.9%	8.1%	7.3%
Bloomberg EM USD Agg	5.80%	(0.0)%	1.9%	10.6%	8.9%

	Price	1 Week	QTD	YTD	1 Year
US Dollar / Euro	1.16	0.4%	(0.9)%	12.5%	10.2%
Japanese Yen / US Dollar	155.27	(0.5)%	5.1%	(1.2)%	3.3%
Chinese Yuan / US Dollar	7.07	(0.1)%	(0.7)%	(3.1)%	(2.6)%
Bloomberg Commodity Index	112.01	1.5%	7.8%	17.9%	20.0%
Gold (\$/oz.)	\$4,199	(0.2)%	9.4%	58.4%	58.4%
Crude Oil (\$/barrel)	\$60.08	2.7%	(2.2)%	(4.0)%	1.6%
Copper (\$/lb)	\$5.38	4.0%	14.3%	37.4%	32.7%

As of 12/5/2025. Source: Bloomberg L.P., FactSet®. FactSet® is a registered trademark of FactSet Research Systems Inc. and its affiliates.

Chart of the Week

2025 PNC Christmas Price Index



As of 12/5/2025. Source: PNC, Bloomberg L.P.

- PNC conducted its 42nd annual whimsical economic analysis on the cost of gift-giving in concert with the holiday song, "The 12 Days of Christmas."
- The gifts included in the song will cost 4.5% more than they did in 2024. The rise is primarily attributable to an increase in the "Five Gold Rings" component, reflecting the recent investor flight to gold and other precious metals given Fed rate cuts and a decelerating U.S. dollar.
- For more holiday fun, please visit [PNC's interactive website](#).

Economic Updates

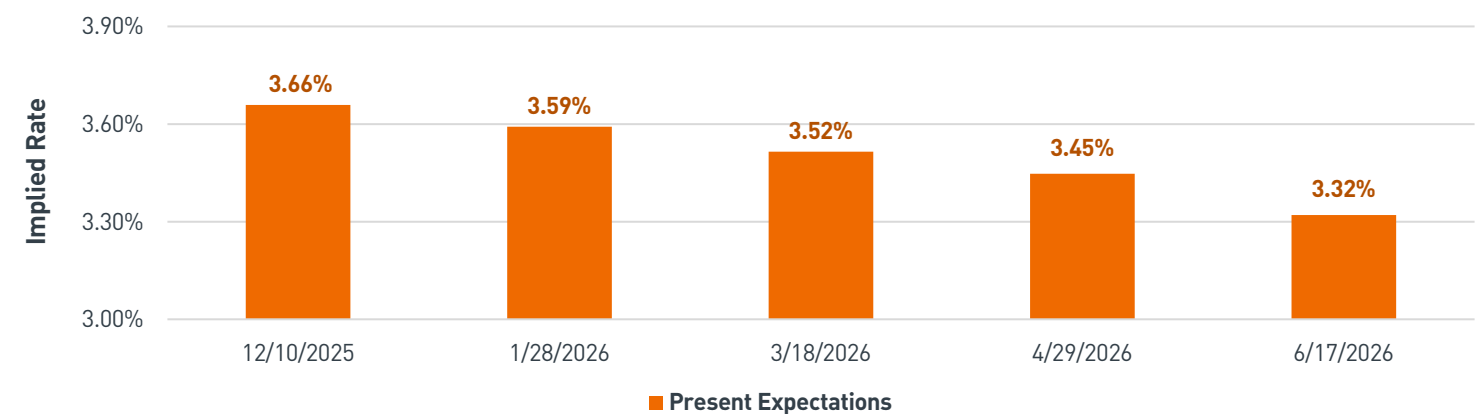
Previous Week

- PCE y/y (U.S.): 2.8%
- University of Michigan Consumer Sentiment: 53.3
- ISM® Manufacturing PMI®: 48.2
- ISM Services PMI: 52.6

This Week

- FOMC Rate Decision
- JOLTS Job Openings
- Consumer Price Index y/y (CH, GE)

Federal Funds Rate Projections



Equity Valuations

	Moving Averages				
	P/E	P/E 3-Yr Avg	Dividend Yield	50-Day	200-Day
Russell 3000	22.2 x	20.2 x	1.10%	3,830	3,522
S&P 500	22.4 x	20.2 x	1.10%	6,744	6,195
Growth	27.7 x	24.8 x	0.51%	4,916	4,404
Value	18.2 x	16.6 x	1.81%	2,052	1,941
S&P 400	16.1 x	14.8 x	1.32%	3,249	3,104
Russell 2000	23.9 x	22.4 x	1.19%	6,098	5,532
MSCI World Ex USA	15.6 x	13.7 x	2.73%	2,848	2,674
MSCI Emerging Markets IMI	13.6 x	12.2 x	2.33%	1,396	1,260

Fixed Income Valuations

	Duration (years)	OAS (bps)	3-Yr Median OAS (bps)
Bloomberg US Agg	6.1	27	39
Bloomberg Corp Inv Grade	6.9	77	94
Bloomberg US Corp HY	2.8	264	315
Bloomberg EM USD Agg	6.1	178	264

Data as of 12/5/2025 unless otherwise noted. Source: Bloomberg L.P., FactSet®.

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