



Market in a Minute

December 16, 2025

Index Performance: As of December 12, 2025

Index	Price	Last Week	YTD
S&P 500	6,827.41	-0.63%	16.08%
Dow Jones	48,458.05	1.05%	13.90%
NASDAQ	23,195.17	-1.62%	20.12%
Russell 2000	13,971.67	1.21%	15.85%
Russell 2000 Growth	12,515.28	0.48%	16.03%
Russell 2000 Value	20,323.22	2.01%	15.67%
Russell 1000 Growth Total Return	4,919.36	-1.55%	17.99%
SPDR Gold Shares	395.44	2.33%	63.32%
Powershares US \$ Index	27.95	-0.46%	-5.00%
iShares EAFE Index	96.5	0.72%	27.63%
Barclays Aggregate Bond Index	99.81	-0.22%	3.00%
iShares Barclays 20+ Yr Treasury Bond	87.34	-0.94%	0.01%
Utilities Select Sector ETF	42.83	-1.09%	-43.41%
Vanguard REIT ETF	89.45	-0.48%	0.42%
iShares Mortgage Real Estate	22.7	-1.26%	6.32%
Alerian MLP ETF	47.41	-1.19%	-1.56%
iShares Global Telecom	122.66	-2.69%	26.89%
ETFMG Alternative Harvest ETF	38.29	47.72%	42.45%
Grayscale Bitcoin Trust	70.58	0.97%	-4.65%
Shanghai SE Index	3,889.35	-0.34%	16.04%

A Word on the Market

By: Patrick Adams, CFA



Market Update:

- There is a clear lack of a catalyst in the technology sector as much of the upside to earnings has been discounted with a lot of the companies giving multiple years of estimates.
- Additionally, we are seeing push back in terms of some of the timing of announced data centers.
- Rotation is clearly happening, out of tech into other areas.
- Interest rates are not low enough to get a strong pent-up demand driven recovery in the cyclical areas but could see a slow improvement.
- The spark to the economy will likely hit late in the first quarter of 2026 due to tax refunds and lower withholdings...etc.
- If the cyclicals are not ready yet the market will focus on other sectors, or individual stocks.
- The sentiment for technology stocks has turned very negative, not sure if it is overdone yet, but the last two weeks of the year tend to be strong. If tech cannot hold the market is going down.
- In early 2026, we would expect a significant amount of profit taking in tech, deferring the gains until 2026.
- If there is a correction or some sort of bad news that hits the market, it could fall

Source: Bloomberg & Yahoo.com, Returns are appreciation only.

S&P Sector Performance: As of December 12, 2025			
Index	Price	Last Week	YTD
Information Technology	5,645.84	-2.30%	22.48%
Consumer Disc.	1,936.82	0.33%	5.77%
Consumer Staples	879.34	1.11%	3.01%
Health Care	1,791.00	0.43%	11.61%
Financials	911.66	2.31%	13.33%
Industrials	156.74	1.40%	18.96%
Energy	692.03	-0.61%	5.68%
Communications Services	446.19	-3.20%	30.59%
Utilities	432.45	-1.14%	12.34%
Materials	568.07	2.44%	7.23%
Real Estate	256.27	-0.82%	0.14%

Source: Bloomberg website, Returns are appreciation only

PVG Strategies			
Tactical Strategies	QTD	YTD	Average Annual Return as of 9/30/25
Tactical Total Return	7.42%	12.61%	8.42%
Dynamic Core	1.58%	8.18%	9.05%
Tactical Growth	14.68%	17.87%	19.92%
Loss Averse			
Loss Averse Equity Income	2.30%	6.14%	3.82%
Specialty			
Emerging Healthcare	14.11%	28.00%	67.64%
Focus			
High Income Focus 10	1.10%	8.41%	7.06%
Growth Focus 10	16.79%	25.13%	9.90%

very quickly given the concentration and margin.

- Follow the technicals:
 - S&P 500 at 6830 is an important level, then 6730.
 - Nasdaq is right at an important level.
 - Russell 2000 is where the momentum is but overextended.

S&P 500 Index



QQQ



Emerging Healthcare Focus 10	20.66%	40.69%	15.83%
Strategic			
Tactical Aggressive	4.09%	11.89%	15.55%
Tactical Moderate	2.23%	6.29%	11.02%
Tactical Conservative	2.43%	7.64%	8.08%
Tactical Income	0.97%	8.06%	7.37%

Interest Rates			
Fed Fund	3.64 %	5-Year	3.72%
3-Month	3.66%	10-Year	4.75%
6-Month	3.62%	30-Year	4.79%
2-Year	3.52%		

Source: Bloomberg.com

Economic Events This Week			
Date	Report	Forecast	Previous
Nov	Nonfarm Payrolls	30k	NA
Dec 16	Unemployment rate	4.4%	NA
Oct	Retail Sales	0.3%	0.2%
Dec 16	Housing Starts	1320K	1307K
Dec 16	Building permits	1348K	1312K
Dec 16	Industrial production	0.1%	NA
Dec 16	Capacity Utilization	77.4%	NA
Nov	Retail Sales	0.2%	NA
Dec 18	CPI	0.3%	NA
Dec 18	Core CPI	0.3%	NA
Dec 19	Existing Home Sales	4.1M	4.1M



Important Federal Reserve Details:

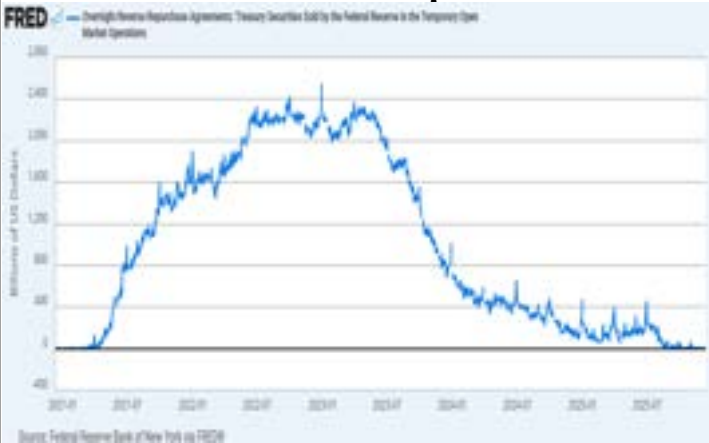
- The Federal Reserve did cut rates by .25% to 3.75%, but the Dot Plots were not inspiring with **one cut expected in 2026 and another in 2027**.
- **Inflation** is expected to be 2.4% in 2026, which was lowered by .20% and for 2027 inflation of 2.1%.
- We never got the full recession needed to cleanse the economy of inflation, but **under the expectations of the Fed, rates could be lower, below 3.0% in 2026 and 2.5% in 2027**.
- **What we liked from the Fed’s announcement was an additional \$20 billion in T-bill purchases per month on top of the \$40 billion already committed from the \$2 trillion agency mortgage-backed securities that they are allowing to roll off the Fed’s balance sheet (why not just keep the AGNC paper).**
- **The Fed will be about 30% of the T-bill market.**
- We have discussed, a number of times in the past, with Quantitative Tightening by the Federal Reserve, **it has sucked out the excess liquidity from the banking system.**
- **Overnight reverse repo shows the excess cash floating in the financial system that needs to be parked safely overnight at the Fed. No excess cash.**
- I think the difference with having Hasset as the Fed Chairman is he will likely be more

Dec 19	Univ. of Michigan Consumer Sentiment Final	53.3	53.3
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Economic Events Last Week	
Dec 9	Job openings rebound, but hiring doesn't. An increase in job openings is likely tied to temporary work for the holiday season
Dec 10	Worker pay and benefits rise faster than inflation, but that gap is shrinking in a poorer jobs market
Dec 11	Jobless claims surge after Thanksgiving, but low layoffs still the norm in the labor market

proactive in directing funds, as an example, helping the housing market would be to stop the agency debt roll off.

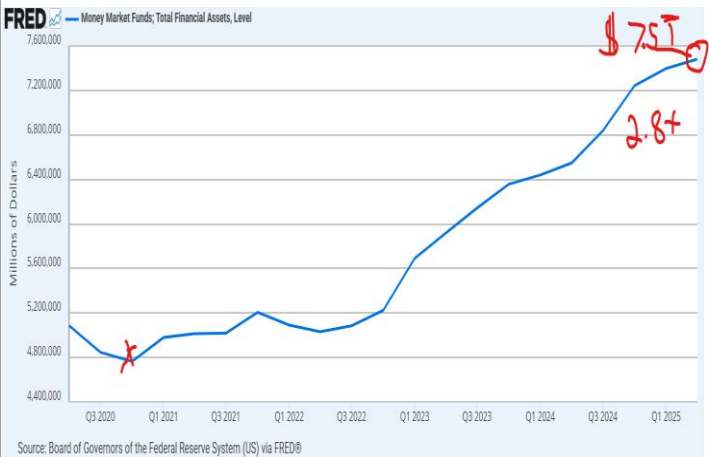
Reverse Repo

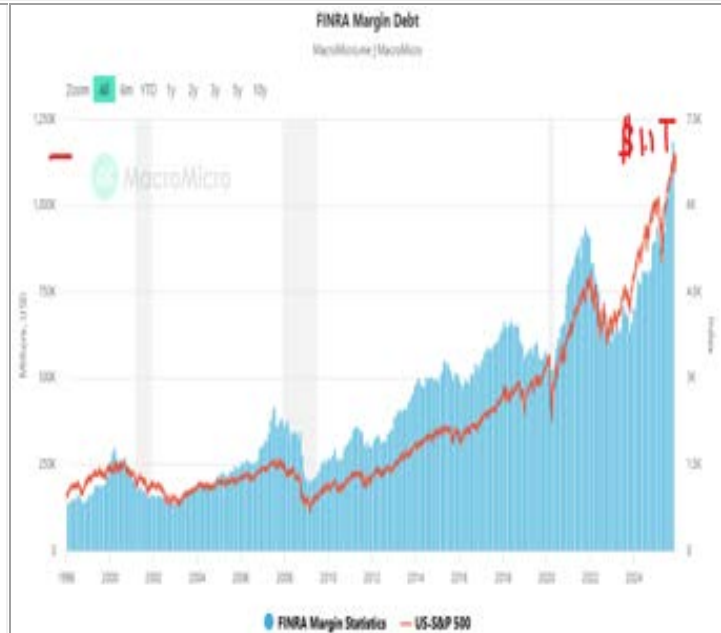


Bull Market Fuel:

- **There is close to \$8.0 trillion in Money Market funds, a record high**, the key is to move this money into the market by lowering short-term rates. This is a large amount of money, about 12% of the size of the total stock market.
- **Given the size of the market the margin debt does not seem that large at roughly 2%.** However, **there is a high correlation between the direction of the net change in margin debt.** This does not include all the leverage in other products like ETFs. We are concerned about the historical correlation.

Money Market Funds





Private Securities in Public Closed End Funds:

- Overtime the market has moved from technology going public as small companies and allowing the investor in great companies, examples are MSFT, GOOG, AMZN...to staying private much longer. There is plenty of private capital now versus when MSFT went public.
- Now private investors get huge returns as the companies with the great technology stay private and grow exponentially as private companies, then go public at huge market caps. The public stock investor misses out on this exponential growth.
- For smaller investors it is very difficult to access these great private technology companies.
- There is very little liquidity for private companies so investors may be stuck in these investments indefinitely, these are risks taken by hedge funds or private equity funds, not individuals.
- There is a Closed-End Fund that is all private equity that has a large position in SpaceX, Destiny Tech 100 (DXYZ).
- DXYZ has a NAV of \$11.37 and the fund trades at about \$35, that is not a misprint!
- We are watching a potential new fund that may come to the market.

WXYZ



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