



# Purple Patch



DECEMBER 2025

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## In the news: Interesting Rates

December was a tale of interest rates with the UK and US Central Banks cutting base rates by 0.25% each, to 3.75%. This was the UK's fourth cut in 2025 but, with a 5 to 4 vote, it was a close call: Governor Andrew Bailey changed from his previous hold vote to a cut, which swung the decision. The reasons given for the reduction were falling inflation and softer growth but further cuts will be very much "data dependent". The US vote was much stronger at 9 to 3, bringing the third cut of 2025, but with very similar messaging.

Japan, on the other hand, raised rates by 0.25% to 0.75% (a 30-year high), citing persistent inflation and indicating that the next move is also likely to be up.

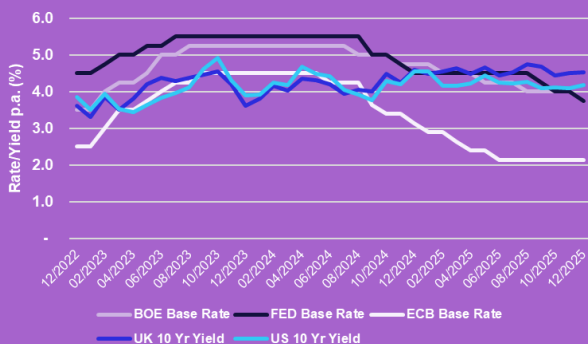
Looking back at 2025, and you can by reading through our newsletters ([PDC – News](#)), key drivers have been the impact of tariffs (rhetoric or actual) on trade and inflation, tech stock exuberance and slowing growth. With gold having a standout year and broad equity indices being pushed higher by tech and defence, more pedestrian returns elsewhere have been quietly masked. It all feels uncomfortably late cycle, making it quite easy to slip into a "stuff it all under the mattress" policy. Instead, here is our 2026 wish list.

1. Peace descends on the Middle East and Ukraine, for humanity's sake more than anything else.
2. Falling interest rates provide a positive backdrop to markets and households.
3. Leaders rein in the tub-thumping and sabre-rattling.
4. Inflation "normalises".
5. AI becomes part of the process, not necessarily the whole process.
6. Markets start to track fundamentals.

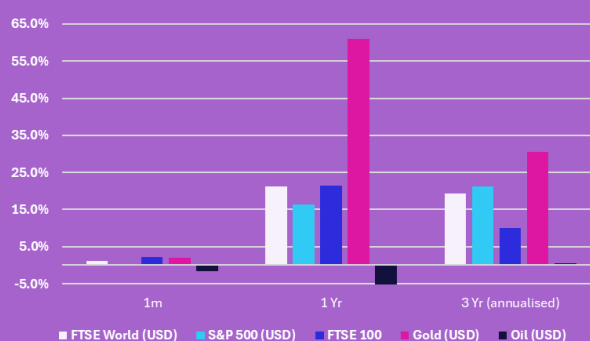
We can but hope! In the meantime, we wish all our readers a very happy and healthy New Year.



Bond Yields and Rates



Equities, Gold and Oil



Market Stats





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## Sports news (because it is not all about work)

Cricket: England lost the Ashes in Australia (again) in only 11 days of play, the fastest in nearly 100 years and worse than 2021-22 (which was a lengthy 12 days!). However, England did win a crazy 4<sup>th</sup> test in Melbourne, inside 2 days.

F1: Lando Norris finished 3<sup>rd</sup> in the final Grand Prix of the season in Abu Dhabi to get what he needed to win his first ever F1 title. McLaren had already convincingly wrapped up the constructors title.

Tennis: In the controversial "Battle of the Sexes", Nick Kyrgios beat Aryna Sabalenka 6-3, 6-3 in Dubai.

## A good news story



Griffon vultures are being reintroduced into the Carpathian Mountains in Romania, as part of plan to create a "European Yellowstone".

The idea is to build robust and diverse wildlife by restoring food chains and environmental custodians, of which the vulture is one. Christoph Promberger, co-founder of the Foundation Conservation Carpathia, describes the bird as the "sanitary police", cleaning up dead animals and preventing the spread of disease.

The reintroduction is almost 100 years since the vulture became extinct in the mountains and is the last keystone species missing from the region.

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## Quote for the Month

*"New Year's resolutions are something that go in one year and out the other."*

Anonymous

## Stat of the Month

# 19%

Proportion of Brits who "plan" to make a New Year's resolution, rising to 37% for 18-24 year olds. The same poll suggests 11% remembered (or admitted to) making any for 2025!

YouGov poll for 2026

