

Global Monthly Outlook

December 2025 (covering November 2025)

Index	Nov (%)	YTD (%)
MSCI World	USD 0.3	20.6
S&P 500	USD 0.2	17.8
MSCI Europe	EUR 0.9	17.1
MSCI Asia Pac ex Japan	USD -2.9	26.8
Hong Kong Hang Seng	HKD -0.1	33.3
Hang Seng China Enterprises (H-shares)	HKD -0.4	29.2
Topix	JPY 1.4	24.2

Source: Thomson Reuters Datastream, total returns in local currency unless otherwise stated. Data as of November 30, 2025. YTD refers to year-to-date.

Global Outlook

US equities posted modest gains, recovering late as hopes of a December rate cut. US PMI improved slightly to 54.8 according to S&P Global, signaling continued growth.

European equities outperformed US, global, and emerging markets in November, aided by limited AI exposure.

Asia ex-Japan equities corrected this month, as China, Korea and Taiwan stock market fell. ASEAN market outperformed the overall Asia this month, with Singapore, Malaysia, Indonesia and Philippines returned positively.

United States

- US equities rose slightly in November. September labour data was mixed: 119,000 jobs were added, unemployment was up to 4.4%.
- Consumer confidence weakened further in November, falling to 88.7 from October's revised 95.5 - well below the anticipated 93.5.

Europe (including UK)

- European equity markets continue upward trend, outperforming US, Global and EM equities. In sectors terms, financials, healthcare and energy were the leaders, while technology communication services and industrials were the laggards.
- Inflation rose to 2.2%, above the European Central Bank's 2% target. The central bank is expected to keep rates at 2%.

Asia Pacific (ex Hong Kong ex China ex Japan)

- India outperformed the Asia market this month with positive gains. Information technology and energy sector led the rally this month. Optimism around an impending India-US trade agreement boosted sentiment.
- Taiwan and Korea market detracted this month, with information technology and industrials lagged this month. Taiwan softened as export orders and Industrial production missed expectations on weaker tech demand, though AI-related exports offer upside.

Hong Kong and Mainland China (H-shares)

- The China and Hong Kong markets corrected in November, with IT, consumer discretionary, and communication services lagging during the month.
- On the economic front, October high-frequency macro data softened. China Exports fell 1.1% year-on-year, while industrial production declined 0.4% month-on-month, despite continued strength in high-tech manufacturing.

Japan

- The yen weakened against the US dollar as inflation held firm year-on-year.
- Expectations for a Bank of Japan rate hike shifted to January, while a ¥21.3 trillion stimulus package offered limited support amid fiscal concerns.

Fixed Income

- US Treasuries rallied on hopes of a December rate cut, supported by dovish Fed comments. US economic data was mixed with the shutdown delayed non-farm payrolls report showing 119,000 jobs (vs 51,000 expectations) were added in September although the unemployment rate ticked up to 4.4%, its highest level in four years.
- With the tailwind of rallying government bonds, it was a positive month for corporate bond markets in the US and UK. Dollar investment grade was the strongest performer, returning 0.64% vs 0.13% for sterling IG.

Emerging Markets

- Emerging market equities were mixed. Latin America led gains, driven by Brazil's longest winning streak in decades and strong commodity prices.
- Mexico reached an all-time high, led by industrials, consumer goods, and financials, aided by a stronger peso and cooling inflation. A thaw in US-China trade relations and higher soybean prices added to supportive conditions across the region.

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Hong Kong

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