

MARKET WEEKLY

PlainsCapital Bank
The Private Bank



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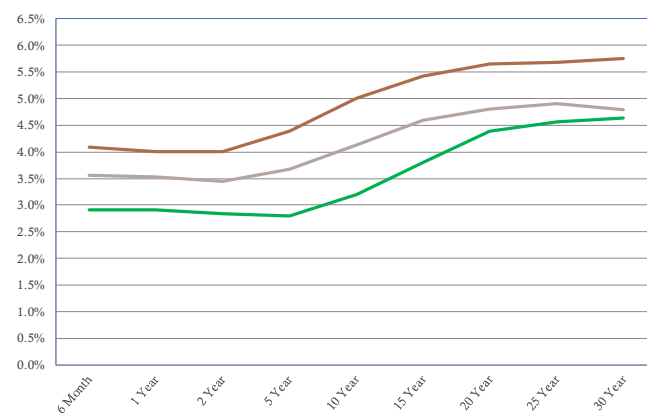
Global equities were mixed this week, with the S&P and NASDAQ rising slightly, while the Dow declined. Small caps underperformed. International markets didn't fare much better, as MSCI EAFE was essentially flat and MSCI Emerging Markets declined. Sector performance varied: Consumer Discretionary led, while Energy dropped sharply. Commodities experienced volatility, with silver jumping around 8% and gold increasing about 1%; meanwhile, oil and natural gas fell.

Economic data releases dominated headlines. The Bureau of Labor Statistics resumed regular reporting after the shutdown, releasing payroll data for October and November. Private payrolls grew modestly, while government employment continued to decline, pushing the unemployment rate to 4.6%. CPI data showed headline inflation at 3.1% year-over-year, but analysts noted distortions from imputed shelter costs, suggesting the report may have underestimated price pressures. Despite these quirks, markets largely ignored the release, focusing instead on labor market trends. Liquidity concerns remain, leading the Fed to rename its Standing Repo Facility as "standing repo operations" and to start Reserve Management Purchases of T-bills, which some see as a form of quantitative easing. These actions aim to stabilize funding markets before year-end and tax season, reinforcing perceptions of an ongoing Fed backstop.

Fiscal dynamics and valuation risks are increasingly coming into focus. The U.S. deficit narrowed to 5.8% of GDP, its lowest level since 2019, but total debt remains close to 123% of GDP. Tariffs have increased revenue, yet legal challenges could lead to refunds, creating uncertainty. Meanwhile, equity valuations are stretched: the Shiller CAPE ratio rose above 40, its second-highest level ever, suggesting muted long-term returns. Have a great weekend!

As of 12/19/25		Total Returns				
Equity Markets	Closing	1 Week	1 Mo	3 Mo	6 Mo	1 Year
Dow Jones	48134.89	-0.6%	4.6%	4.4%	14.7%	15.2%
S&P500	6834.78	0.1%	3.0%	2.5%	13.9%	16.8%
NASDAQ	23307.62	0.5%	3.4%	2.5%	18.1%	19.5%
Styles	Closing	1 Week	1 Mo	3 Mo	6 Mo	1 Year
Large Cap (Russell)		0.0%	3.1%	2.1%	13.6%	16.4%
Small Cap (Russell)		-0.9%	7.8%	1.9%	19.5%	13.9%
Value (Russell)		-0.3%	4.6%	3.5%	12.0%	15.9%
Growth (Russell)		0.3%	2.4%	0.7%	15.3%	16.4%
International (MSCI)		0.1%	5.0%	4.1%	10.9%	28.2%
Emerging Markets (MSCI)		-2.3%	0.1%	1.3%	15.3%	27.6%
Currency/Commodities	Closing	1 Week	1 Mo	3 Mo	6 Mo	1 Year
US Dollar Index	98.60	0.3%	-1.6%	1.0%	-0.3%	-9.0%
Gold	4387.30	1.0%	6.2%	17.0%	25.2%	59.6%
Bitcoin	87,910	-0.6%	-2.9%	-23.8%	-15.7%	-9.7%
Natural Gas	3.984	-2.5%	-15.6%	-3.5%	-23.3%	-9.8%
Oil	56.66	-1.4%	-4.4%	-8.2%	-16.8%	-14.3%

—Treasury —Muni (General Obligation, A Rated) —Corporate (Investment Grade)



		Historical Readings				
Economic Data	Last	Trend	1 Mo	3 Mo	6 Mo	1 Year
Unemployment %	4.6%	-	4.4%	4.3%	4.2%	4.2%
Jobless Claims	224	-	228	232	246	222
GDP Q/Q Annualized	3.8%	+	N/A	-0.6%	1.9%	3.6%
Headline CPI Y/Y	2.7%	-	3.0%	2.9%	2.4%	2.7%
Core CPI Y/Y	2.6%	-	3.0%	3.1%	2.8%	3.3%
FHFA Price Index Y/Y	1.7%	-	2.4%	2.8%	4.1%	4.6%
Existing Home Sales Y/Y	-1.0%	-	2.0%	1.8%	-0.5%	6.7%
NAHB Homebuilder Index	39	+	38	32	32	46
Retail Sales Y/Y	3.5%	-	4.2%	4.1%	5.0%	3.2%
Consumer Confidence	88.7	-	95.5	97.8	98.4	112.8
ISM Manufacturing Index	48.2	-	48.7	48.7	48.5	48.4

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*Figures quoted represent monthly changes (m/m) and are seasonally adjusted