

December 2025



## Market Data

World Stock Market Indices  
data as of 11/28/2025

	Change (10/31/2025)	%CHG
S&P 500		
6,849.09	8.89	0.13%
NASDAQ		
23,365.69	(359.27)	(1.51%)
DOW JONES		
47,716.42	153.55	0.32%
FTSE (UK)		
9,720.51	3.26	0.03%
DAX (Germany)		
23,836.79	(121.51)	(0.51%)
Hang Seng (Hong Kong)		
25,585.89	(47.76)	(0.18%)
Nikkei (Japan)		
50,253.91	(2,157.43)	(4.12%)

Source: Bloomberg. Please see descriptions of indices on Page 2.

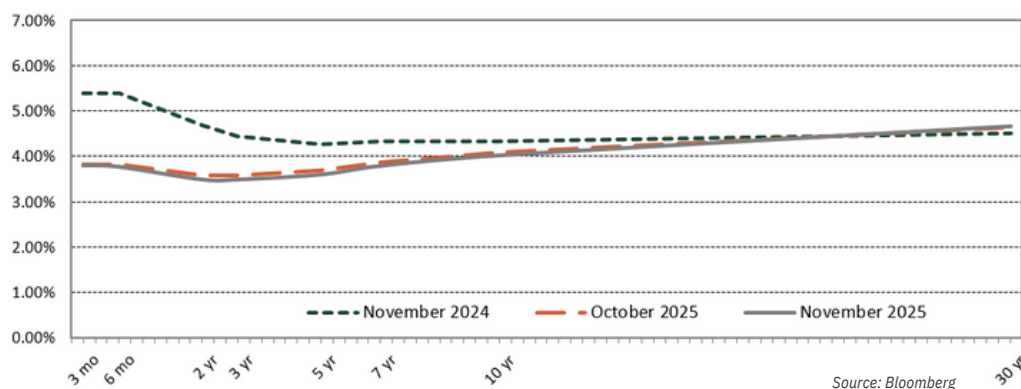
## Market Summary

The near-term economic outlook continues to be distorted by the data delays from the government shutdown. Recently released government data—reflecting conditions from two to three months ago—indicate inflation remains moderately above the Federal Reserve's target, while labor market conditions have continued to soften. As the flow of economic data normalizes, the Chandler team expects further yield curve steepening as the Federal Reserve moves the policy rate toward a more neutral range. U.S. trade and fiscal policy also remain sources of elevated market uncertainty.

The Federal Reserve's December Federal Open Market Committee meeting concluded with the third consecutive 25-basis-point rate cut in 2025, lowering the target range to 3.50%–3.75%. However, policymakers remain divided on the path forward. Four Fed governors project one additional 25-basis-point cut in 2026, another four anticipate no further easing, eight expect multiple cuts, and three call for a potential rate hike. Chair Jerome Powell noted that the Fed is now “well placed to wait and see” how labor market conditions and inflation evolve in the near term.

The US Treasury yield curve steepened slightly in November, as the 2-year Treasury yield dropped 9 basis points to 3.49%, the 5-year Treasury was down 9 basis points to 3.60%, and the 10-year Treasury yield was 6 basis points lower at 4.02%. The spread between the 2-year and 10-year Treasury yield points on the curve was 2 basis points wider from October at +52 basis points at November month-end. The spread between the 2-year Treasury and 10-year Treasury yield one year ago was 2 basis points. The spread between the 3-month and 10-year Treasury yield points on the curve was +21 basis points in November versus +26 basis points in October.

### U.S. Treasury Yields



After market expectations shifted away from another rate cut following the government shutdown, the FOMC ultimately delivered its third cut of the year at the December meeting. In total, the three cuts in 2025 reduced the federal funds rate by 75 basis points, bringing the target range to 3.50%–3.75%. The yield curve subsequently steepened, with markets also pricing in at least one additional 25-basis-point cut in the first half of 2026. The past year's developments have aligned with the Chandler team's view that lower short-term rates would lead to a steeper curve. We expect this steepening trend to continue into the first half of 2026, though likely at a more moderate pace.

TREASURY YIELDS	Trend (▲/▼)	11/28/25	10/31/2025	Change
3-Month	▼	3.80	3.82	(0.02)
2-Year	▼	3.49	3.58	(0.09)
3-Year	▼	3.49	3.58	(0.09)
5-Year	▼	3.60	3.69	(0.09)
7-Year	▼	3.79	3.87	(0.08)
10-Year	▼	4.02	4.08	(0.06)
30-Year	▲	4.66	4.65	0.01

# BOND MARKET REVIEW

## Credit spreads were wider in November

CREDIT SPREADS	Spread to Treasuries	One Month Ago	Change
3-month top rated commercial paper	0.07	0.04	0.03
2-year A corporate note	0.37	0.37	-
5-year A corporate note	0.57	0.56	0.01
5-year Agency note	0.04	0.04	(0.01)

Source: Bloomberg

Data as of 9/30/2025

## Crude oil prices decreased in November

ECONOMIC INDICATOR	Current Release	Prior Release	One Year Ago
Trade Balance	(52.83) \$B SEP. 30	(59.27) \$B AUG. 31	(81.50) \$B SEP. 30
Gross Domestic Product	4.30% SEP. 30	3.80% JUN. 30	3.30% SEP. 30
Unemployment Rate	4.60% NOV. 30	4.40% SEP. 30	4.20% NOV. 30
Prime Rate	7.00% NOV. 28	7.00% OCT. 31	7.75% NOV. 29
Refinitiv/CoreCommodity CRB Index	301.49 NOV. 28	302.54 OCT. 31	286.94 NOV. 29
Oil (West Texas Int.)	\$58.58 NOV. 28	\$60.98 OCT. 31	\$68.72 NOV. 27
Consumer Price Index (y/o/y)	2.70% NOV. 28	3.00% SEP. 30	2.70% NOV. 30
Producer Price Index (y/o/y)	3.30% SEP. 30	1.90% AUG. 31	(0.80%) SEP. 30
Euro/Dollar	1.16 NOV. 28	1.15 OCT. 31	1.06 NOV. 29

Source: Bloomberg

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## Economic Roundup

### Consumer Prices

Inflation came in lower than expected in November, with the Consumer Price Index (CPI) rising 2.7% year over year and core CPI easing to 2.6%. Notably, both Owners’ Equivalent Rent and Rent of Primary Residence contributed to the slowdown in services inflation. Shelter costs typically lag broader market trends by 12 to 18 months. Services, meanwhile, have remained the dominant driver of inflation throughout the post-pandemic period.

### Retail Sales

October Retail Sales, released with a one-month delay, were flat from the prior month but up 3.5% year over year. Eight of thirteen major categories posted gains, while motor vehicle sales declined following the expiration of federal tax incentives for electric vehicles, and gas station sales weakened amid lower fuel prices. The government shutdown may have weighed on consumer confidence regarding jobs, incomes, and overall financial conditions, both current and in the future. The Conference Board’s Consumer Confidence Index fell 6.8 points in November to 88.7 from 95.5 in October, marking its lowest level since April.

### Labor Market

The latest labor market data included the Nonfarm Payrolls reports for both October and November. October showed unexpected weakness, with payrolls down by 105,000 jobs—largely reflecting the removal of thousands of federal employees who accepted deferred resignation offers under the Trump administration. In November, payrolls partially rebounded with a gain of 64,000 jobs, though the unemployment rate ticked up to 4.6%.

### Housing Starts

Government provided U.S. housing starts data remain delayed due to the October government shutdown, with releases now expected to resume in January 2026. The latest available S&P Cotality Case-Shiller 20-City Composite Home Price Index rose 1.4% year over year in September, easing from a 1.6% increase in August and signaling further cooling in price appreciation. All 20 metro areas posted month-over-month declines before seasonal adjustment, underscoring broad-based softening as elevated mortgage rates continue to pressure affordability and demand. Existing home sales edged higher in November to a pace of 4.13 million units, reflecting only modest momentum despite recent rate relief. The Freddie Mac 30-year fixed mortgage rate averaged 6.23% at November month end.

World Stock Market Index Descriptions  
S&P 500—The S&P 500 is a market value-weighted index of 500 large-capitalization stocks. The 500 companies included in the index capture approximately 80% of available US market capitalization.  
NASDAQ—The NASDAQ Composite Index is the market capitalization-weighted index of over 3,300 common stocks listed on the NASDAQ stock exchange.  
Dow Jones—The Dow Jones Industrial Average is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange and the NASDAQ.  
The Financial Times Stock Exchange Group (FTSE)—The FTSE is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalization.  
DAX—The Deutscher Aktienindex (DAX) is a blue chip stock market index consisting of the 30 major German companies trading on the Frankfurt Stock Exchange.  
Hang Seng—The Hang Seng Index is a freefloat-adjusted market-capitalization-weighted stock market index in Hong Kong.  
It is used to record and monitor daily changes of the largest companies of the Hong Kong stock market and is the main indicator of overall market performance in Hong Kong.  
Nikkei—Japan’s Nikkei 225 Stock Average is a price-weighted index composed of Japan’s top 225 blue-chip companies traded on the Tokyo Stock Exchange.

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