



## Monthly Digest

DECEMBER 2025

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THOMAS M. MORAN, AIF®  
CHAIRMAN | CEO | CIO

## Insights from our Founder

As 2025 comes to a close, it is worth taking stock not just of where markets finished the year, but how they arrived there. U.S. equities delivered another year of strong headline returns, even as leadership narrowed and economic momentum cooled from the post-pandemic surge. Growth slowed without slipping into a traditional recession, inflation moderated, and monetary policy shifted from restrictive toward a more neutral stance. At the same time, investor outcomes became increasingly dependent on a small group of dominant companies, while international markets and select non-U.S. assets quietly reasserted themselves. The result is a year that looks healthy at the index level, but more complex—and more fragile—under the hood.

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## **MARKETS: STRONG RETURNS, BUT INCREASINGLY CONCENTRATED LEADERSHIP**

By late December, the S&P 500 was up roughly ~17–18% year-to-date. The NASDAQ compounded that strength, with year gains north of ~20% in the same year-end tallies. But the bigger takeaway is how those gains were generated: market leadership remained unusually concentrated, with the “Magnificent 7” (Alphabet, Amazon, Apple, Meta, Microsoft, NVIDIA, Tesla) representing over ~35% of S&P 500 market cap.

That concentration defined much of the second half of the year. [September's Moran Monthly Digest](#) highlighted a historically rare pattern—days when the S&P 500 rose despite negative market breadth—underscoring how index performance was being driven by fewer stocks rather than broad participation. By November, the same message showed up in different form: only ~51% of S&P 500 constituents were above their 200-day moving average, a technical signal consistent with weakening breadth beneath the index level.

This matters for portfolio construction because cap-weighted S&P 500 exposure behaved less like a diversified index and more like a concentrated growth allocation—especially in technology. By October, technology represented roughly 35.1% of the index—exceeding the 34.8% peak reached near the March 2000 dot-com apex.

## **THE AI CYCLE: STILL REAL, STILL POWERFUL, AND STILL PRONE TO AIR POCKETS**

The AI investment cycle remained the dominant structural theme of the year. As [November's Moran Monthly Digest](#) noted, this was not a late-cycle speculative frenzy, but an infrastructure-led buildup—characterized by sustained capital spending on semiconductors, cloud capacity, and data centers rather than IPO excess like in the dot-com bubble. It also put real scale behind the narrative: Nvidia revenue growth from \$5.9B in late 2022 to ~\$57B currently, with estimates approaching ~\$64B, underscoring why the market continued to pay up for perceived “AI winners.” We anticipate this dynamic continuing into 2026 and will continue to unpack the AI investment story as it evolves.

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At the same time, the year reminded investors that even dominant themes don't move in straight lines. November's pullback in Nvidia (down as much as ~13% during the month) was a good example of how quickly expectations can reprice when competitive dynamics (or valuation anxiety) come into focus.

## **INTERNATIONAL EQUITIES: THE ROTATION BECAME REAL**

One of the more consequential developments in 2025 was the powerful comeback of international equities, led largely by Europe rather than a broad, uniform global rally. [Moran Wealth's August commentary](#) highlighted the early setup: as of August 22, the MSCI EAFE Index was up ~21.5% year-to-date versus ~9.8% for the S&P 500, alongside a meaningful valuation gap (EAFE trailing P/E ~17.8× compared with the S&P 500 in the high-20s). That gap continued as the year progressed. By late December, developed-market benchmarks were delivering high-20% total returns for the year, with European equities accounting for much of the out-performance. Importantly, leadership was more evenly distributed across sectors—financials, industrials, energy, and select consumer names—rather than being dominated by a handful of mega-cap technology stocks. The implication is straightforward: 2025 reinforced the value of intentional regional and sector diversification, rather than assuming U.S. mega-cap growth alone can reliably carry portfolios forward.

## **ECONOMY: COOLING, NOT COLLAPSING**

On the macro side, 2025 unfolded as a year of slowing—but still resilient—economic growth. GDP surprised to the upside at several points, with real GDP expanding at a 4.3% annual rate in the third quarter following 3.8% growth in the second quarter. At the same time, softer sentiment readings and a gradual deceleration in hiring suggested underlying momentum was easing, consistent with an economy cooling in a measured way rather than stalling outright.

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Inflation continued to moderate over the course of the year. The November CPI report showed headline CPI-U rising 2.7% over the prior 12 months, a meaningful improvement from the elevated inflation levels of recent years and one that provided the Federal Reserve greater flexibility to ease policy.

The labor market also softened but remained far from distressed. By November, the unemployment rate had risen to 4.6%, with approximately 7.8 million people unemployed—little changed from the prior month and higher than a year earlier. As noted in [Moran Wealth's November digest](#), unemployment had moved off cycle lows but remained consistent with an economy that was slowing gradually rather than entering a contraction. Against that backdrop, the Federal Reserve ended the year with a lower policy rate, setting its target range at 3.50%–3.75% at the December 2025 meeting. Long-term yields eased into year-end as well, with the 10-year Treasury yield settling in the low-4% range in late-December observations.

### TARIFFS AS A RENEWED MACRO VARIABLE

Against this backdrop of moderating growth and easing inflation, trade policy re-emerged in 2025 as an important complicating factor for both the economy and monetary policy. Policymakers viewed the expansion of tariff measures as potentially inflationary, contributing to the Federal Reserve's cautious approach to rate cuts. Chair Powell acknowledged mid-year that inflation forecasts moved higher following tariff announcements, reinforcing the Fed's preference to wait for clearer evidence before easing more aggressively. [As discussed last month](#), more recent research from the San Francisco Fed complicates that view, finding that historically, large tariff increases have often coincided with slightly lower inflation and higher unemployment—suggesting a demand-softening effect rather than pure cost-push inflation. While the authors caution that today's economy differs meaningfully from past episodes, current data reflects this tension: consumer sentiment has weakened sharply, with the University of Michigan index near its second-lowest level since 1980, and both Consumer Discretionary and Consumer

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Staples ranking among the weakest-performing sectors this year. As 2025 comes to a close, tariffs appear less as an immediate inflation shock and more as a policy variable that interacts with consumer demand and monetary policy—one that could complicate the disinflationary path as growth continues to cool. The Federal Reserve ended the year with a lower policy rate than the recent past.

## WHAT THIS ALL ADDS UP TO AT YEAR-END 2025

Stepping back, 2025 closed with markets that appear strong on the surface, but more nuanced beneath it. Index-level returns were solid, supported by easing inflation and a Federal Reserve that shifted toward a less restrictive stance, even as economic growth cooled in an orderly fashion rather than breaking down. At the same time, equity leadership remained unusually narrow, leaving U.S. market performance increasingly dependent on a small group of dominant companies tied to the AI investment cycle—powerful, but not immune to volatility or valuation resets. Encouragingly, international equities, particularly in Europe, provided a reminder that diversification still matters, benefiting from broader sector participation and more attractive starting valuations.

From an end-of-year positioning perspective, the message is consistent with Moran Wealth's guidance throughout 2025: stay disciplined, avoid over-concentration, and diversify intentionally across sectors, regions, and asset classes. Headline market strength is real, but it is being driven by fewer engines amid a macro backdrop where policy, growth, and consumer dynamics are growing more complex—not less.

As we turn the page to 2026, we remain focused on navigating that complexity thoughtfully and deliberately. We wish you and your family a healthy, happy New Year, and we look forward to continuing the conversation in the year ahead.

# CLIENT UPDATES

## MORAN MONTHLY DIGEST DECEMBER 2025

### CLIENT UPDATES

## Holiday Hours

In observance of New Year's Day, our office will be closed on Thursday, January 1, 2026.

We will reopen and resume normal business hours on Friday, January 2, 2026.

Thank you for your understanding as we take this time to celebrate with family and friends.



Wishing you a happy and healthy New Year!



### CLIENT UPDATES

## USA Today Survey

USA TODAY, in partnership with the independent research firm Statista, is conducting its annual Best Financial Advisory Firms survey. The survey gathers feedback from clients and industry professionals as part of an independent research process.

We value the relationships we have with our clients and appreciate the time and engagement many of you bring to our work together. If you choose to participate, the survey is brief and typically takes only a few minutes to complete. All responses are submitted directly to Statista and reviewed independently.

Participation is entirely voluntary. There is no compensation or incentive for completing the survey, and your decision to participate or not participate will have no impact on your relationship with our firm or the services we provide. **The survey will be available until Friday, January 9, 2026.**

Thank you for your continued engagement and for the opportunity to serve you.

[CLICK HERE TO TAKE THE SURVEY](#)



## CLIENT UPDATES

# An Investment in Understanding

The good news: we have more seminars planned for the new year, with timely topics and practical insights. These educational sessions offer an opportunity to hear directly from Tom Moran, AIF®, ask questions, and engage with our team on current market trends.

Start the new year with perspective. [Click here to reserve your seat today.](#)

Prefer a more personal discussion? We would be happy to connect one-on-one. Schedule a [complimentary meeting](#) with our team. No sales pitch, no pressure, just a genuine discussion about your goals and how we might be able to help.

For additional perspectives, explore our [Insights page](#) for educational podcasts, videos, and articles from our team.

As we look ahead to 2026, our focus on education and analysis remains steadfast to help individuals and families stay informed about evolving market dynamics and the broader economic environment.

# FIRM UPDATES



## FIRM UPDATES

### Employee Milestones

We are pleased to announce that Stefanie Murray, Senior Client Relationship Manager, has earned the CERTIFIED FINANCIAL PLANNER™ (CFP®) designation, one of the most widely recognized credentials in the financial planning profession.

This accomplishment reflects a significant commitment to education, examination, professional experience, and ethical standards.

In her role, Stefanie supports our advisory team and helps ensure clients' needs are met with care, accuracy, and consistency, reinforcing the high standard of service we strive to provide every day.

[\*\*LEARN MORE ABOUT STEFANIE HERE\*\*](#)



### FIRM UPDATES

## A New Way to Tell an Enduring Story

If you have not seen our new commercials yet, we invite you to follow along on our social media platforms. Beginning in January, we will spotlight each video on social media and share the story it brings to life, from our flagship brand film, *Built on Trust. Invested in You.*, to messages led by Tom, Don, Corey, and Julie. It is a glimpse into the values behind our work and the way we serve clients every day.

Our guidance is grounded in experience. Our relationships are built on listening first. Our goal is for the level of care we provide to stay personal throughout every season of life because your financial decisions are never just numbers on a page.

[WATCH OUR NEW COMMERCIALS HERE](#)



## FIRM UPDATES

# Award Announcements

We're proud to share that Moran Wealth Management® has been nationally recognized again with two industry honors:

- **Financial Planning – 2025 Best RIAs to Work for**
- **Financial Planning – 2025 RIA Leaders**

These recognitions reflect the trust our clients place in us and our team's commitment to delivering thoughtful, fiduciary advice guided by planning, grounded in discipline, and built around your goals.

We're grateful for this acknowledgment and remain focused on helping clients make informed financial decisions.

Awards and rankings are not indicative of future results. Third-party recognitions may be based on various criteria and may not evaluate the quality of services provided to clients. For more information, please visit: <https://moranwm.com/disclosures/>

# FEATURED MEDIA

FEATURED MEDIA

## Facing Two Big Questions: Where You Live and What You Leave

Major life decisions often come with more than a financial impact. They shape daily life, family dynamics, and long-term direction. At Moran Wealth Management®, we believe thoughtful planning requires both perspective and discipline. As part of our ongoing educational series, we create resources designed to help you evaluate these transitions and connect the numbers to what matters most.

Within this month's feature, you will find two videos that explore pivotal moments many families face. [The Retirement Move No One Talks About Enough](#) looks at why "downsizing" is rarely as simple as it sounds, and how motivations, true costs, and long-term lifestyle needs can influence whether a move supports your retirement plan. [The Conversation Every Family Should Have](#) focuses on legacy planning beyond paperwork. It highlights how values, communication, and intentional giving can strengthen stewardship and reduce confusion across generations. Each conversation reinforces a central theme: the best outcomes often come from preparation, not pressure.

In addition, we have prepared [supporting insights](#) available as a practical guide for approaching these transitions with greater clarity. Whether you are weighing a home transition in retirement or beginning a family legacy conversation, these resources are designed to provide perspective and promote informed decision-making.

For many individuals, these topics are part of a broader conversation about aligning financial decisions with long-term purpose. [Our advisors](#) are available to discuss how these strategies fit within your overall wealth plan and to help you evaluate the approaches that best reflect your goals.



### FEATURED MEDIA

## Crafting Your Financial Legacy

Accumulating wealth is a meaningful milestone. But preserving it over time and ensuring it reflects your values, supports your family, and withstands life changes often calls for a more coordinated approach.

Private wealth management is designed for individuals and families who want to go beyond investment performance to build a strategy rooted in clarity, continuity, and intention. It brings together the moving parts of your financial life—investments, taxes, estate planning, philanthropy, and wealth transfer, so your plan works in harmony.

In this month's feature, we explore what private wealth management is, why a generic approach can fall short for more complex financial lives, and how coordinated planning can help reduce risk and create confidence through life transitions. You'll also find practical questions to consider as you evaluate whether your current strategy is truly aligned.

[CONTINUE READING ON OUR BLOG](#)

FEATURED CHARITY

## Parkinson's Foundation Florida Chapter

The Parkinson's Foundation makes life better for people with Parkinson's disease (PD) by improving care and advancing research toward a cure. The Foundation is committed to removing barriers to care, making research inclusive, and ensuring that information and resources are accessible to every person living with Parkinson's. We believe that everyone should have a fair opportunity to live a high-quality, long life with PD, regardless of their socioeconomic status, race or ethnicity, age, gender identity, sexual orientation, disability status, or geographic location.

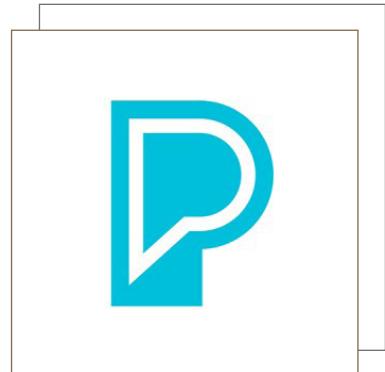
For over half a century, they've made tangible progress on all fronts, from the largest clinical study of Parkinson's, which has significantly improved care, to breakthrough treatments. Today, we continue to:

1. Provide life-changing support to people living with Parkinson's and their caregivers.
2. Fund game-changing research on treatment and care.
3. Convene the best minds from every corner of the global Parkinson's community to find new approaches that enhance care and move us closer to a cure.

The Foundation's goal is to reach people with PD from populations of focus that have been adversely affected by health disparities, causing them to systemically experience decreased access to educational resources, care and research opportunities due to social, economic and environmental disadvantages.

To learn more about the Foundation's vision and mission, visit Parkinson's Foundation or call their helpline at 1-800-4PD-INFO (473-4636). For information about educational or other events planned in Florida in 2026, or to get involved, email Karen Lopez at [klopez@parkinson.org](mailto:klopez@parkinson.org).

[LEARN MORE OR REGISTER HERE](#)



# HIGHLIGHTED STRATEGY

# SSEL

## FEATURED STRATEGY

### Small Cap Select (SSEL)

The strategy seeks long term capital appreciation by investing primarily in small capitalization stocks. .

#### WHAT IS THE SSEL STRATEGY?

- Combines top-ranked stocks from Moran Wealth Management's other proprietary value and growth strategies.
- Top-ranked stocks in the portfolio are considered to be undervalued by small-capitalization companies with high-growth potential.

[For more information on SSEL and other strategies, please visit our website.](#)

*Your financial advisor will begin building your portfolio by first identifying your unique investment style based on a variety of factors, such as income, risk tolerance, diversification, investment and financial goals, and preferred market exposure. This will help us select a suitable strategy for you, allowing us to use a personalized approach to asset allocation and securities selection that meets your needs and yields the desired short- and long-term results.*

# Where Strategy Begins

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