THROGMORTON
PRIVATE CAPITAL

Monthly Market Update

December 2025

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"November was volatile, reinforcing the importance of a balanced, long-term investment approach"

Matthew Cove DipFA
Director
01304 371 753

November 2025 Commentary

November was a more unsettled month for markets as investors grew more cautious. Concerns increased that some technology and AI-related companies were priced very highly, alongside ongoing questions about the strength of the global economy. Changes in expectations around interest rates influenced market movements and led to different outcomes across regions. During this uncertainty, investors favoured more reliable businesses, such as healthcare and everyday consumer companies, while higher-risk technology companies saw their share prices fall. This highlighted the importance of holding a well-diversified portfolio.

United Kingdom

FTSE All Share: 0.37%

UK equities were supported by falling government bond yields and a weaker pound, which increased the value of overseas earnings for large UK companies that generate a significant proportion of their income abroad. Softer inflation and easing conditions in the jobs market increased expectations that interest rates may be cut, helping to reduce borrowing costs. The November Budget was well received, as lower expected government borrowing improved market confidence. Healthcare and essential consumer businesses performed relatively well, while companies more reliant on UK household spending lagged. Despite cautious sentiment, UK equities continue to trade at lower prices than many overseas markets.

United States

S&P 500: -0.63%

US markets were volatile throughout November but overall ended the month close to where they started, as gains in some areas were largely balanced out by losses in others. Investors remained concerned about high valuations in large technology and AI-focused companies, alongside signs that the labour market may be slowing after a period of growth. Delays to key economic information during the government shutdown added to uncertainty. However, sentiment improved later in the month as lower inflation increased expectations that the Federal Reserve may cut interest rates in coming months.

Europe

FTSE Developed Europe ex UK: 0.69%

European markets experienced a volatile start to the month but improved as November progressed. Investors were encouraged by signs that economic activity remained stable and that interest rates were likely to remain unchanged for now. Banks and other established businesses performed relatively well, supported by steady earnings. Manufacturing activity remained weak, particularly in Germany and France, but this was partly offset by stronger performance in the services sector. Employment continued to rise modestly, helping to support consumer confidence across the region, while slower price increases eased inflation concerns.

Discrete Monthly Performance as at 30/11/2025

Japan

MSCI Japan: -1.53%

Japanese markets were volatile during November, with share prices moving sharply as global concerns about expensive technology companies and uncertainty over US interest-rate policy influenced sentiment. At home, tensions with China weighed on travel and retail businesses, while strong company earnings helped support the broader market. Despite short-term fluctuations, Japanese equities showed resilience overall, with market movements driven more by global factors than by changes in Japan's own economic prospects.

China

CSI 300: -2.73%

Chinese markets fell during November as investors became more cautious about the pace of economic recovery and took profits after strong gains earlier in the year.

Companies linked to household spending and online services were among the weaker areas, reflecting softer consumer demand. Some technology companies benefited from continued investment in local semiconductor production, but this was not enough to support the wider market. With limited new policy support announced, confidence remained fragile as investors looked for clearer signs of sustained improvement.

Emerging Markets

MSCI Emerging Markets: -3.21%

Emerging market equities declined in November following a strong period earlier in the year. Markets with heavy exposure to technology, such as Korea and Taiwan, were weaker as investors reduced holdings in AI-related companies. Performance varied across regions, reflecting differing economic conditions and policy developments. India and several smaller Asian markets delivered modest gains supported by domestic growth, while some Latin American and Central European markets also performed well. Overall, returns were mixed, highlighting the wide range of influences across emerging economies.

Global Bonds

Bloomberg Barclays Global Agg: -0.61%

Bond markets were supported by growing expectations that US interest rates may be cut, leading to falling yields and rising bond prices. US government bonds performed particularly well. Corporate bond returns were mixed, as a large amount of new bond issuance weighed on UK and European markets. UK government bonds recovered after the Budget proved more supportive than expected, while Japanese government bonds underperformed following the announcement of a large government spending programme.

All investment involves risk. It is important you understand that past performance is not a guarantee of future performance. The value of investments and any income derived from them may go down as well as up and you might not get back the full amount you invested.

Cumulative Performance and Annualised Volatility as at 30/11/2025

	5 Years %	3 Years %	1 Year %	Volatility %
Global Bonds	-9.34	1.32	1.27	5.05
UK Equities	98.57	41.33	19.96	11.31
US Equities	116.85	55.51	9.98	13.04
European Equities	79.08	43.92	22.67	12.99
Japan Equities	58.93	45.54	18.48	10.91
Asia Equities	84.44	41.41	23.17	14.63
China Equities	3.46	15.77	16.40	18.67
Emerging Market Equities	41.01	35.69	24.24	12.37
Global Equities	103.02	51.87	12.23	11.91

Data source FE Analytics 30.11.2025. Indices used: Global Bonds: Bloomberg Barclays Global Aggregate, UK Equities: FTSE All Share, US Equities S&P500, European Equities: FTSE Developed Europe (Ex UK), Japan Equities: MSCI Japan, Asia Equities: FTSE World Asia Pacific (Ex Japan), China: CSI 300, Emerging Markets Equities: MSCI Emerging Markets, Global Equities: MSCI World. Volatility annualised over 5 years.