Monthly Market Review – December 2025

AcePro
A Sarthi Group Enterprise

Dear Reader,

Global markets closed December on mixed note where the European markets emerged strong while major US and Asian markets saw mixed performance in December 2025.

Overall, the global macroeconomic environment continues to remain supportive for risk assets. Factors like steady economic growth, lower interest rates, supportive fiscal policies by governments, and easing financial conditions have created a favorable backdrop for investors.

However, with the recent developments such as the conflict between the United States and Venezuela, the ongoing Russia–Ukraine war, and concerns related to US trade tariffs have increased global uncertainty. Due to these risks, investors are becoming more cautious and safe-haven assets are in momentum. Silver have gained strong attention, witnessed a sharp rally of over 45% during December 2025, driven by tight supply conditions and rising industrial demand.

Market Performance:

In US, S&P 500 and NASDAQ has lost 0.05% and 0.53% while Dow Jones Industrial Average has closed the month by gaining 0.73% during the month of December 2025. Fall in crude inventory, increase in new manufacturing order has kept the US market resilient during the month.

European markets outperformed the global peers in December 2025, DAX in Germany and UK's FTSE closed with gain over 2% while CAC 40 in France was marginally higher by 0.33%. Economic activity is mixed, with data consistent PMI data and consistent inflation were the major reason in moving the European market.

Asian markets closed on mixed notes, wherein Japan the inflation is in control while there was a rate hike by 25 bps by Bank of Japan. In China economic momentum weakened further, property markets are tight while export were strong. Nikkei closed higher marginally by 0.17%, Shanghai composite gained 2.06% on the back of strong exports. Hang Seng closed marginally lower during the month of December.

Back on the domestic front, the RBI has reduced the repo rate by 25 bps, bringing it down to 5.25%. In addition, retail inflation for the month of December stood at 1.33%, which remains well below the RBI's medium-term target level of 4%. Despite these positive domestic developments, market sentiment remains cautious. Concerns over potential US tariff-related shocks have created uncertainty and have kept both the markets and investors on edge, as any escalation in trade tensions could have a negative impact on global growth and domestic market stability.

Domestic Macro-Economic:

Retail inflation firmed up in December, rising to a 3 month high of 1.33% from 0.7% in November. GDP growth for FY26 is estimated to be 7.40% as per first advance estimates. IIP rose to 25-month high to 6.7% in November 2025, driven by a broad-based improvement led by the manufacturing and capital goods. GST collection for December 2025 was over ₹1.75 lakh crore, a 6.1% increase year-on-year. The collections have consistently remained strong, with the highest-ever monthly collection recorded in April 2025 at ₹2.37 lakh crore. RBI in is monetary policy meet held on December 5 reduced the repo rate by 25 bps to 5.25%.

Conclusion:

December 2025 witnessed a mixed performance across major global equity markets. Resilient macroeconomic data and stable growth indicators helped support overall market stability. However, volatility persisted amid uncertainty regarding the timing and magnitude of future interest rate cuts and the broader outlook on the US FED. Indian equity markets continued to trade within a narrow range during the month. This was marked by net selling from FIIs amounting to ₹343 billion, which was offset by strong buying from DIIs for ₹796 billion in equities during December. On the global macroeconomic front, uncertainty remains elevated due to evolving U.S. trade policies and ongoing geopolitical tensions. As markets enter the earnings season, investor sentiment and market direction are expected to be driven by corporate earnings performance and forward-looking guidance from companies.

Global Index	30-Nov	31-Dec	Change
Sensex	85,707	85,221	-0.57%
Nifty	26,203	26,130	-0.28%
Dow	47,716	48,063	0.73%
Nasdaq	23,366	23,242	-0.53%
S&P 500	6,849	6,846	-0.05%
CAC	8,123	8,150	0.33%
DAX	23,837	24,490	2.74%
FTSE	9,721	9,931	2.17%
Nikkei	50,254	50,339	0.17%
Hang Seng	25,859	25,631	-0.88%
Shanghai Composite	3,889	3,969	2.06%

Key Data Release		
Particulars	**Current**	**Previous**
India Manufacturing PMI (Dec)	55.0	56.6
India Service PMI (Dec)	57.8	59.8
India CPI (YoY) (Dec)	1.33%	0.71%
India WPI Inflation (YoY) (Nov)	-0.32%	-1.21%
India IIP (Oct)	6.68%	0.40%
RBI Interest Rate	5.25%	5.50%
India FY26 GDP Advance Estimates	7.40%	6.50%
FII Net (Rs cr)	-34,350	-17,500
DII Net (Rs cr)	79,620	77,084

Sectoral Indices	30-Nov	31-Dec	Change
NIFTY Midcap 150	22,395	22,277	-0.53%
NIFTY Smallcap 100	17,829	17,714	-0.65%
NIFTY Auto	27,775	28,190	1.49%
NIFTY Bank	59,753	56,582	-5.31%
NIFTY Consumer Durable	37,882	36,756	-2.97%
NIFTY FMCG	55,596	55,476	-0.22%
NIFTY IT	37,406	37,884	1.28%
NIFTY Media	10,293	11,168	8.50%
NIFTY Metal	12,034	12,231	1.64%
NIFTY Pharma	22,998	22,724	-1.19%
NIFTY Private Bank	28,789	28,721	-0.24%
NIFTY PSU Bank	8,514	8,533	0.22%
NIFTY Realty	903	878	-2.79%

Other Asset Class	30-Nov	31-Dec	Change
MCX Gold 10 g (in Rs)	125,504	135,447	7.92%
MCX Silver Kg (in Rs)	171,637	235,701	37.33%
Brent Crude ($ Barrel)	63.20	60.85	-3.72%
India 10 Year G-Sec Yield	6.53%	6.59%	0.92%
US 10 Year G-Sec Yield	4.02%	4.15%	3.33%
USD INR	89.46	89.92	0.52%

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