December 2025 market update: How the year ended and what's ahead

By Perpetual Wealth Management

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In our December 2025 Quarterly Market Update, we explore what's been driving markets and the key developments investors are watching closely. The past year proved challenging for investors, with Donald Trump's administration taking a far more aggressive approach to governing and international relations than many anticipated. Whilst we were on-guard (our publication this time last year was aptly titled 'A Bull in a China Shop'), the speed and degree of turmoil exceeded our expectations.

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Fortunately, markets were able to shrug off the worst fears, climbing the proverbial 'wall of worry', and leading most indices to meaningfully outpace our expectation baseline. However, though returns remain high, so too does risk, with the first two weeks of 2026 already witnessing the arrest of Venezuela's President Maduro, escalating attacks by the Trump administration on the independence of the Federal Reserve, and escalating unrest in Iran.

This quarter's report delves into the main factors dominating the global economy and investment markets, whilst our Special Article considers the return of Great Power geopolitical dynamics.

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