



3D Financial Planning
Independent Financial Advisors

Newsletter
December 2025





Market Update

November was a mixed month for markets. Some regions made steady progress, while others pulled back after strong earlier gains. Bond markets were relatively stable, and interest rate expectations continued to play an important role in market movements.

US Equities

US markets were more volatile than usual, particularly in technology, artificial intelligence and defence-related areas. Investors became more cautious as economic data on jobs, inflation and consumer confidence sent mixed signals. Despite the day-to-day swings, overall market movements were fairly contained.

Eurozone Equities

European markets moved modestly higher. Parts of the economy, especially services, showed signs of improvement as the year draws to a close, although manufacturing remains under pressure, particularly in Germany. Investor sentiment was cautious but steady.

UK Equities

UK shares rose during the month. Falling government bond yields and a weaker pound helped support the market, while softer inflation and employment data increased expectations that interest rates may begin to fall in the coming months. The November Budget was generally well received and helped improve confidence.

Emerging Market Equities

Emerging market shares fell in November after a strong run earlier in the year. Some of the larger markets, including China, Korea and Taiwan, pulled back as technology stocks weakened and investors reassessed valuations.

Asia ex-Japan Equities

Asian markets outside Japan also declined, giving back some recent gains. Ongoing geopolitical tensions and concerns about share prices being stretched weighed on sentiment, even though global bond yields moved lower, which would normally be supportive for markets.

Japanese Equities

Japanese markets were mixed but broadly stable. Strong company earnings helped support confidence, although concerns around global technology valuations and regional tensions created some volatility.

Global Bonds

Bond markets were relatively stable. US government bonds performed well as investors increasingly expected interest rate cuts in the period ahead. UK and European bond markets were more uneven but settled as the month progressed.



Commodities

Commodity prices were mixed. Oil prices rose modestly, which supported energy-related companies, while industrial metals showed varied performance depending on demand in different parts of the world.

Source: Schroder Investment Solutions – Monthly Update November 2025

In the Spotlight

The Santa Rally and Year-End Markets

At this time of year, you may hear references to the so-called *Santa Claus Rally*. This is a term used to describe the tendency for stock markets to rise during the final few trading days of December and the first couple of trading days in January. It is a pattern that has been observed over many decades and is often mentioned as the year draws to a close.

Why does it happen?

There is no single explanation, and it is important to stress that this is a historical observation rather than a rule. Some theories suggest it may be linked to more positive investor sentiment at the end of the year, lower trading volumes over the holiday period, or portfolio adjustments ahead of a new year. None of these factors guarantee a positive outcome, but together they help explain why the idea has persisted.

What does it look like in 2025?

So far, the picture in 2025 has been mixed. December has been more uneven than usual, particularly in US markets, with investors weighing interest rate expectations, economic data and the valuation of some technology-related stocks. As the traditional Santa Rally window approaches, markets have shown tentative signs of improvement, although uncertainty remains and any late-year uplift may be modest rather than dramatic.

Why it matters (and why it doesn't)

Seasonal patterns like the Santa Rally can be interesting, but they should never drive financial decisions. Some years the rally appears, other years it does not. Its absence does not signal trouble ahead, just as its presence does not change the long-term outlook.

This is where good financial planning plays its role. Markets will always have moments of excitement, distraction and noise. A clear plan helps keep the focus on what really matters, not just at Christmas, but throughout the year.



Planning in Practice

Time Well Spent

At this time of year, many of us pause and reflect. Christmas has a way of reminding us that life is about far more than finances alone. It is not just about how we spend our money, but how we spend our time, and the people and moments we choose to give it to.

Money as a means, not the end

At the heart of our approach to financial planning is this belief. Money is a tool, not the destination. Used well, it can support the life you want to live, rather than distract from it or add unnecessary pressure.

Creating space for what matters

When your finances are organised and aligned with what truly matters to you, it creates space. Space to be present with family and friends. Space to enjoy experiences while they are happening. Space to make choices that reflect your values, not just your circumstances.

A seasonal perspective

At Christmas especially, this feels particularly relevant. A well-considered plan working quietly in the background can reduce worry and free up mental energy, allowing you to focus on the here and now, while feeling confident about what lies ahead.

As we look towards a new year, this is the real purpose of financial planning. Not simply to manage money well, but to help you spend more of your life on the things that matter most.

Because in the end, it's not the numbers we remember, but how we spent our time.

With Thanks and Best Wishes

As this is our final newsletter of the year, all of us would like to wish you and your family a very happy and healthy Christmas and a peaceful New Year.

Thank you for the continued trust you place in us. We genuinely see working with our clients as a partnership, and it's a privilege to support you as you make decisions about your life, your family and your future.

We're grateful for the relationships we've built and look forward to continuing that journey together in the year ahead.

From everyone here at 3D Financial Planning.



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