Ark Capital - Daily Market Brief

Thursday 11 Dec 2025

Summary - GLIDE

U.S. equity indices closed higher after the Fed delivered a widely expected 25 bp cut but signalled only a gradual path for future easing, with cyclicals, financials and renewables leading gains while mega-cap tech traded more mixed. Treasury yields drifted lower across the curve, as the addition of T-bill purchases helped ease funding concerns and modestly steepen the 2s10s slope. The dollar weakened, pushing the euro above $1.17 and lifting the yen and other majors, while EM FX and carry trades generally benefited. Oil extended its rebound around the low-60s on geopolitical supply worries tied to a seized tanker, supporting energy equities without materially altering the inflation outlook. Precious metals saw gold hold near record levels and silver break to new highs, reflecting persistent hedging demand amid slightly lower real yields. Corporate action focused on GE Vernova's upgraded guidance, multiple AI-related gainers, and Oracle's post-close miss, which hit Nasdaq futures and AI-exposed names in Asia.

Takeaway: A "hawkish-lite" Fed cut weakens the dollar and refocuses risk appetite on quality cyclicals, carry and high-yielding assets.

- **G – Growth:** Fed cut and resilient data reinforce a gradual soft-landing narrative, downplaying imminent recession risks.
- **L – Leadership:** Cyclicals, financials and renewables increasingly outperform as mega-cap tech consolidates after an extended AI-driven surge.
- **I – Inventory:** Oil's rebound from the low-60s signals surplus persists but reduces the tail-risk of sub-60 capitulation.
- **D – Dollar:** Dollar slides as the euro breaks above 1.17, boosting EM FX, commodities and gold-linked sentiment.
- **E – Extensions:** Asia ex-Japan advances; European banks and renewables extend gains, tracking Wall Street's dovish Fed tone.

Bias: OW U.S. quality cyclicals, financials and investment-grade credit; UW long-duration unprofitable tech and weakest EM FX.

Key Pivots: DXY trend post-cut, Brent in a $60–65 range, 10Y UST around 4.1%, 2s10s slope, IG/HY credit spreads and equity volatility.

Top Headlines

- Fed cuts rates 25 bp to 3.50–3.75, signals a likely pause and only one more cut in 2026.
- Dollar slides as euro tops $1.17 after dovish Fed tone and announcement of short-term Treasury purchases to support liquidity.
- Wall Street rallies; Dow +1.1%, S&P 500 +0.7%, Nasdaq +0.3% as markets embrace soft-landing and easing path.
- Renewables and grid plays surge after guidance upgrades, with GE Vernova and European wind names extending gains on higher growth targets.
- Oracle shares sink more than 11% after earnings miss and higher AI infrastructure spending, pressuring global AI-exposed tech.
- Mexico's Senate approves tariff hikes of up to 50% on Chinese and other Asian imports from 2026, aiming to support local industry.
- Vietnam's VPBank Securities drops 4.7% on trading debut after a $482 million IPO, valuing the brokerage near $2.35 billion.

Notable Policy & Macro Developments

Event	Score	Market Impact & Implication	Key Risk
Fed cuts 25 bp and starts T-bill buying	5	Cut and T-bill buying ease funding, lower yields, lift risk.	Inflation or funding stress forces policy reversal, hitting credit.
Fed projections: one 2026 cut, deep dissent	4	"Hawkish-lite" dots curb hopes for an aggressive easing cycle.	Growth slump forces faster cuts, unsettling bonds and FX.
Dollar slide and euro strength above $1.17	3	Softer dollar aids EM assets and commodities, slightly hurts exporters.	Sharp dollar rebound whipsaws FX and pressures EM financing.
Mexico approves steep tariffs on Asian imports	3	Tariffs support near-shoring, but raise costs and inflation risks.	Retaliation or USMCA strains disrupt supply chains and assets.
Oil higher on tanker seizure and geopolitics	2	Crude rebound stabilises energy equities without major inflation shock.	Escalating disruptions spike oil, lifting inflation and hurting risk.

***Score reflects event importance/market impact; 5 = highest importance**

Sector Heatmap & Leadership (U.S. 1-day)

Sector	1-Day % Change	Leader	Catalyst / Commentary
Industrials	+1.84%	CAT / BA	Strong gains across machinery and aerospace as manufacturing sentiment improved.
Materials	+1.77%	LIN / SHW	Metal and chemical names rose with firmer commodity pricing and better demand signals.
Consumer Discretionary	+1.52%	AMZN / TSLA	Retail and autos outperformed on resilient consumer demand trends.
Health Care	+1.45%	UNH / LLY	Pharma and managed care advanced amid defensive flows and stable earnings outlook.

Top 10 U.S. Movers

Gainers	Losers
GEV +15.62% — GE Vernova Inc. Jumped on demand for energy-transition equipment and upbeat guidance.	AVAV –12.85% — AeroVironment, Inc. Dropped after weaker drone-delivery sentiment and profit-taking in defense tech.
JBTM +11.60% — JBT Marel Corporation. Rose on optimism around industrial automation and stronger order trends.	VG –8.45% — Venture Global, Inc. Fell on LNG-contract uncertainty and softer export-pricing expectations.
SATS +11.16% — EchoStar Corporation. Gained as satellite-connectivity momentum improved and volume surged.	DBX –7.55% — Dropbox, Inc. Declined on mixed cloud-software sentiment and subscription-growth concerns.
MIDD +9.27% — The Middleby Corporation. Advanced on better commercial-kitchen demand and operating-margin improvement.	UEC –7.45% — Uranium Energy Corp. Pulled back alongside weakness in uranium-equity momentum.
CHYM +9.10% — Chime Financial, Inc. Rallied on strong user-growth expectations and improved fintech-sector flows.	BE –7.45% — Bloom Energy Corporation. Slipped as fuel-cell names faced margin pressure and risk-off trading.

Day Ahead

Focus will be on U.S. jobless claims, trade data and PPI to confirm whether the labour market and inflation are aligning with the Fed's soft-landing narrative. Equity investors will watch if Oracle-related pressure on AI and cloud stays contained or triggers a broader rotation out of high-multiple tech, while lower yields and a weaker dollar keep supporting IG issuance and selective HY refinancing. European and Asian markets will trade the interplay between a softer dollar, stronger euro and yen, and ongoing stories in renewables, banks and key exporters.

Global Top Movers - ex-U.S.

Gainers	Losers
DHER +13.25% — Delivery Hero SE. Rose on stronger food-delivery volumes and improving unit-economics signals.	BBD.A –5.82% — Bombardier Inc. Class A. Declined on profit-taking and softer sentiment in aerospace names.
ABVX +9.52% — Abivax SA. Advanced on renewed interest in late-stage clinical assets.	FRA –5.54% — Fraport AG. Weakened amid softer airport-traffic expectations.
NDX1 +8.30% — Nordex SE. Climbed as wind-turbine demand improved and order momentum strengthened.	3800 –5.31% — GCL Technology Holdings. Fell on weakness in solar-materials pricing.
GMIN +6.05% — G Mining Ventures Corp. Gained on firmer gold sentiment and stable project development updates.	CPX –4.70% — Capital Power Corporation. Dropped as utilities lagged amid shifting rate expectations.
4280 +4.88% — Kingdom Holding Co. Rose on steady financial-services performance and resilient regional flows.	1258 –4.47% — China Nonferrous Mining Corp. Declined as metals sentiment softened and demand concerns persisted.

Strategy Takeaway

The Fed's cautious cut, weaker dollar and modestly steeper curve favour an OW stance in quality cyclicals, financials and renewables, funded from unprofitable or richly valued AI-exposed tech. A hotter-than-expected PPI print, a sharp dollar rebound, or Brent breaking sustainably above $70 would argue for trimming risk and adding duration and defensives. Conversely, a benign inflation/claims mix with contained AI volatility would support maintaining pro-cyclical equity and credit exposure into year-end.