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PHILEQUITY CORNER

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10 Market Snapshots of 2025

With just a few days left in 2025, it's time to revisit the winners, surprises and trends that defined the year. All figures are year-to-date and as of the close on Dec. 26, 2025. Below are 10 market snapshots of 2025.

1. Global equities up 21.6 percent year-to-date

Global equities delivered another strong year. The MSCI All Country World Index (ACWI) rose 21.6 percent as both developed and emerging markets contributed to the gains. Tariff fears, geopolitical flare-ups and recession chatter never fully went away, yet markets kept climbing.

2. US stocks: Three straight years of gains

US equities extended their winning streak to a third year. US stocks brushed off the February-April drawdown sparked by Trump's tariffs. Tech leadership continued: the Nasdaq 100 gained 22.0 percent, beating the S&P 500 (+17.8 percent) and the Dow (+14.5 percent).

3. Best Mag 7 stock: Alphabet (+65.6 percent)

In a year when investors started diversifying beyond the AI trade, Alphabet took the lead among the Magnificent Seven, up 65.6 percent. Its Gemini platform, custom TPU chips, and AI-enabled product rollout strengthened the ecosystem around Search, Cloud and YouTube – turning what was once framed as an existential threat into a catalyst.

4. Best S&P 500 stock: Sandisk (+549 percent)

Sandisk Corp. topped the S&P 500 leaderboard, soaring 549 percent in 2025. Spun off from Western Digital and relisted at \$38.50 in February, the storage maker became a pure-play beneficiary of surging enterprise flash demand – one of the less glamorous but essential bottlenecks of the AI data-center buildout.

5. Emerging markets: Outperforming US stocks after 8 years

Emerging markets staged a comeback that few were positioned for. The iShares MSCI Emerging Markets ETF (EEM) jumped 31 percent, outperforming US equities for the first time since 2017. After years of underperformance, a weaker dollar and attractive valuations drew investors back to the asset class.

6. Best stock market in Asia: South Korea (+72.1 percent)

South Korea led Asia, with its market up 72.1 percent. AI-linked semiconductors did the heavy lifting as SK Hynix and Samsung rode the capex wave. Just as important, a political reset after last year's impeachment crisis improved sentiment and reopened the door for global capital.

7. Best stock market in Europe: Spain (+48.1 percent)

Spain was Europe's standout performer, rising 48.1 percent and pushing the IBEX 35 index to a new all-time high. Strength in Spanish banks and an improving fiscal backdrop helped investors look past the stigma of Spain's post-European debt crisis period.

8. Best major currency: Swiss franc (+15 percent)

The Swiss franc topped the major currencies, rising 15 percent against the dollar. The US dollar index (DXY) fell 9.6 percent. Tariff blowback and concerns that US exceptionalism may be fading weighed on the greenback.

9. Best-performing asset class: Precious metals

2025 belonged to precious metals. Silver surged 174.6 percent, platinum gained 171 percent, and gold climbed 72.7 percent. Last Friday, December 26, 2025, all three metals hit fresh record highs. Central bank buying, strong inflows into precious metal ETFs, geopolitical tensions, and a falling dollar drove the rally in these “real assets.”

10. Best stock in the PSE Index: ICTSI (+47.7 percent)

Philippine equities had a difficult year. But ICTSI stood out as the PSE Index's top performer, gaining 47.7 percent. The global port operator benefited from resilient trade volumes and the diversification of its terminal footprint across the Americas, Asia, Europe, and Africa.

Bull market is broadening

An important event in 2025 was that the bull market broadened. Market gains were no longer confined to a narrow group of mega-cap AI winners. The rally widened into other sectors, including financials, industrials, and metals. It also spread across both developed and emerging markets, from Korean semiconductors to European banks. This broadening is a healthy sign for markets heading into 2026.

Asia's catch-up trade

Asia's 2025 rally was not broad-based. North Asia led, with Taiwan and South Korea riding the tech cycle and the AI chip supply chain. In contrast, Southeast Asia's TIP (Thailand, Indonesia, and the Philippines) lagged due to political uncertainty and fiscal concerns. While global markets are at record highs, the PSEi is still around 6,000, roughly where it was in 2013. It remains far below its all-time high near 9,000. If the global bull market continues to broaden in 2026, there is room for these laggard stock markets to catch up.

Philippine stock market: comeback story of 2026?

On a risk-reward basis, the PSEi deserves a second look heading into 2026. It remains a high-risk market, but the upside can be tremendous if sentiment turns. Valuations are more compelling, and yields are attractive. The market also offers diversification beyond the tech and AI trades that led global stock markets in recent years.

But cheap prices alone are not enough. The flood control scandal dealt a blow to sentiment. It highlighted the bigger issue investors are focused on: trust and confidence. A sustained recovery will require accountability and more transparent governance. If that political discount begins to unwind, the PSEi could re-rate higher. 2026 could be the Philippines' year.