HERE WE ARE AT THE END OF 2024.
THE FINANCIAL MARKETS COULDN'T LOOK BETTER.

It's December, the year is about to end and as always, we're taking stock.

For the economy, all things considered, 2024 was a good year.

According to *KPMG International*, global growth is expected to come in at a 3.1% pace in 2024, slightly lower than 2023 (3.2%), while 2025 will be under the sign of continuity (to 3.2%).

On the inflation front, the results of the last year confirm a constant decrease recognized at a global level, but especially in the West.
KPMG estimates global inflation at 3.5% for next year, but much will depend on the policy relating to tariffs and whether or not a trade war breaks out.
What is certain is that central banks have managed to identify the right times to first increase interest rates and then to cut them. The latter trend will continue in 2025.

A further cornerstone of economic stability in 2024 was represented by the labor market, which showed exceptional resilience.
In fact, the global unemployment rate for 2024 (5.3%) confirms the solidity of employment.

Despite a positive scenario and cautious optimism, especially after the pandemic years, the situation remains uncertain, especially due to the geopolitical tensions that have characterized and continue to destabilize several areas of the world, from Europe to Asia, passing through the Middle East. To date, it is difficult to make any prediction about the immediate future on this front.

The recent election of the new President of the United States will evidently have an economic impact as well, primarily in America, but in much of the world too.
Donald Trump has ambitious plans: roll back regulation, cut taxes, raise tariffs and curb immigration.
Economic actors and Wall Street welcome this business-friendly approach promised by Washington.

Stock markets

All analysts confirm it: for Wall Street the year that is about to end has been exceptional.
The strength and vibrancy of the U.S. economy, along with innovation in the tech sector has driven company earnings and market performance higher during this time: *"The U.S. excels in innovation.*
A relatively low tax regime, combined with buoyant research and development expenditure has helped nurture some of the most valuable and highly profitable technology companies in the world.
U.S. tech companies have helped lift the overall equity market profit margin than 12% above UK and Europe ex-UK at 10.7% and 9.6% respectively." (Evelyn Partners).
The tech revolution and the AI in particular have created a very concentrated stock market (the Magnificent Seven stocks account for a near record 33% of the benchmark S&P 500 market cap) and this, in addition to generating staggering profits, also presents obvious risks.
In fact, if investors' expectations regarding AI were to be disappointed, this would also have an immediate impact on the rest of the general performance of U.S. equity.
That said, the major world banks, questioned by *Forbes*, expect a third consecutive year for 2025 of strong returns for the S&P 500.
Goldman Sachs, in a note to clients, has predicted a view on continued U.S. economic expansion, bolstered by the forecasted 11% earnings per share growth for the 500-company index.

Investing in December

For several months financial markets have been extraordinarily bullish, and December does not seem to be an exception.

Many investors choose the last month of the year to examine carefully their portfolio and, if necessary, to refresh it.
However, it is good to remember that the December market is always particular and, at times, tempting.
It is therefore recommended not to be impulsive on purchases, but to conscientiously evaluate new investments, choosing only healthy companies with concrete growth potential.
Ideas include *Apple (AAPL), Boeing (BA), Toyota Motor (TM), Johnson & Johnson (JNJ)* and *Tesla (TSLA)*.
When in doubt, it is advisable to maintain positions and to reconsider them only during the first quarter of 2025.