

Tom Lee Unveils Bull Case for 2026

Last week saw the final meeting of the Federal Open Markets Committee (FOMC) of the year, and **the market response was positive** – the S&P 500 ended Dec. 10 up 0.8% after the meeting. A Friday decline, sparked once again by the possibility of an AI bubble, led to the S&P 500 closing out the week ever-so-slightly lower, down by 0.4%. The Nasdaq Composite saw a sharper decline, down 1.4%.

The Fed's 25 bps interest-rate cut (the third and final cut of 2025) was widely anticipated, so investors were primarily reacting to the post-meeting press conference by Fed Chair Jerome Powell, as well as the FOMC's Summary of Economic Projections (SEP). The **positive market response** to both was arguably due to **less hawkishness than many had feared**.

Chair Powell's current term is scheduled to end in May. It seems inconceivable that President Trump will nominate anyone who isn't dovish to replace Powell, and that forms just a part of the **constructive outlook for 2026 that Fundstrat Head of Research Tom Lee presented** at his live webinar on Thursday. "There is a Fed put in place," he told viewers.

As Lee elaborated, in 2023 and 2024, the S&P 500 notched gains of 20% or more. If stocks rally through the end of the year to the extent that Lee anticipates, we will get a third. Such gains over the past three years have fueled skepticism that stocks can rise yet another year in 2026, but as Lee reminded investors of what Art Cashin said: "Remember, **bull markets don't die of old age, they get killed by the Fed.**" The likelihood is that next year will feature **"a Fed that doesn't want the bull market to end"** rather than one intent on emulating a matador, in Lee's view.



Lee's base-case thesis addresses valuations, historical precedents, sentiment, and likely outcomes for economic and Federal Reserve policies. Ultimately, he sees **the likelihood of another up year of gains in 2026 – but not necessarily smooth sailing**. With a growing wall of uncertainty, including the ultimate fate of Trump's tariff policies at the Supreme Court, several periods of 2026 could be challenging for investors. Nevertheless, Lee's analysis sees the likelihood of the S&P 500 ultimately ending 2026 at 7,700.

As for Head of Technical Strategy Mark Newton, he told us at our weekly research huddle that **"I think that we will finish out the year on a good note."** He added, "my basic takeaway right now is that markets have improved in momentum and breadth in the last few weeks. It's been a good rally since Nov. 20," citing advances by industrials, financials, and small caps. "Those are all very big positives." Newton is scheduled to present [his 2026 outlook on Monday](#).

▶ Live Webinar and Q&A

Mark Newton's 2026 Technical Outlook

December 15, 2025 at 2pm ET

Mark Newton
Head of Technical Strategy

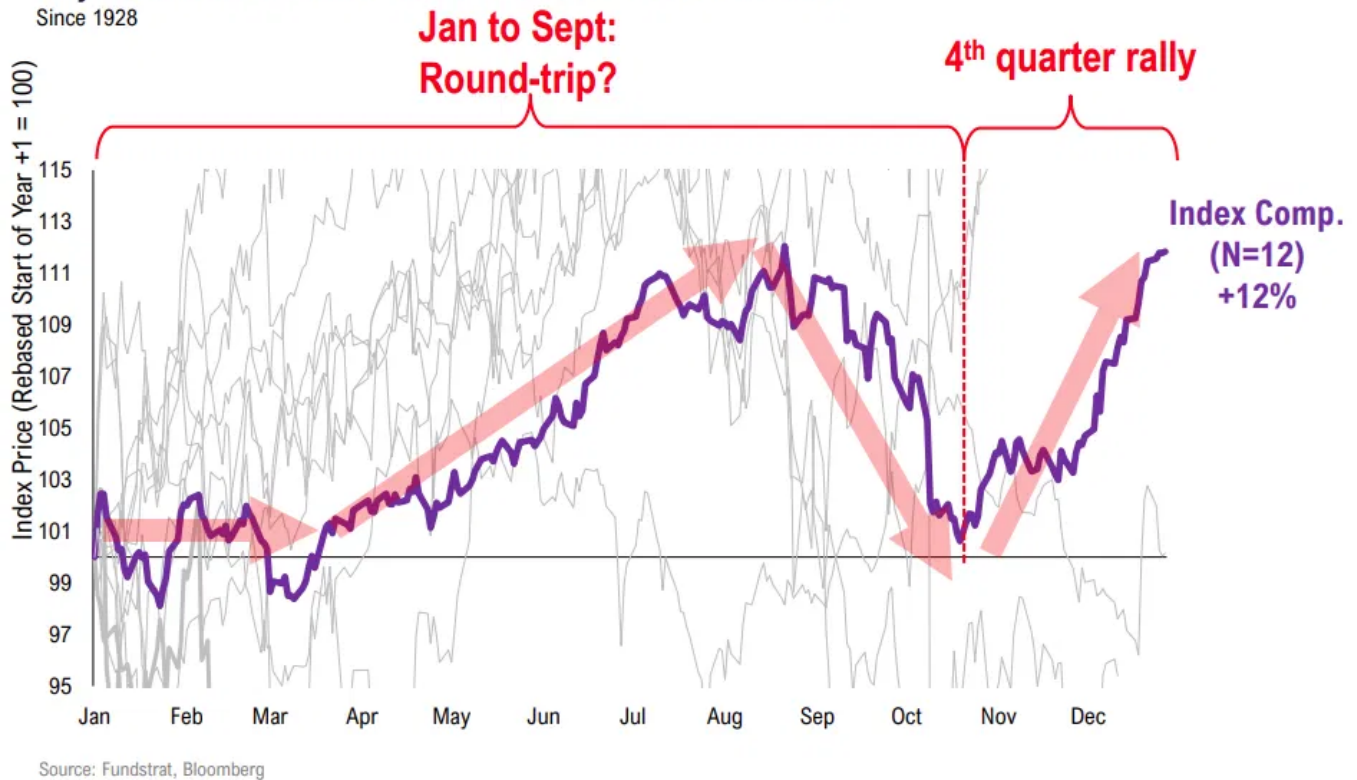


Chart of the Week

HISTORICAL COMPOSITE: Gains possibly “back-ended” towards YE

2026 *stylized* roadmap

Daily Index Performance in Year +1 After Three Consecutive $\geq +20\%$ Gains
Since 1928



Despite a growing wall of worries, a multitude of factors has Fundstrat Head of Research Tom Lee seeing the likelihood of the S&P 500 ultimately ending 2026 at 7,700. Our Chart of the Week summarizes a possible path for 2026, in Lee's view.

Recent *Flash Insights*

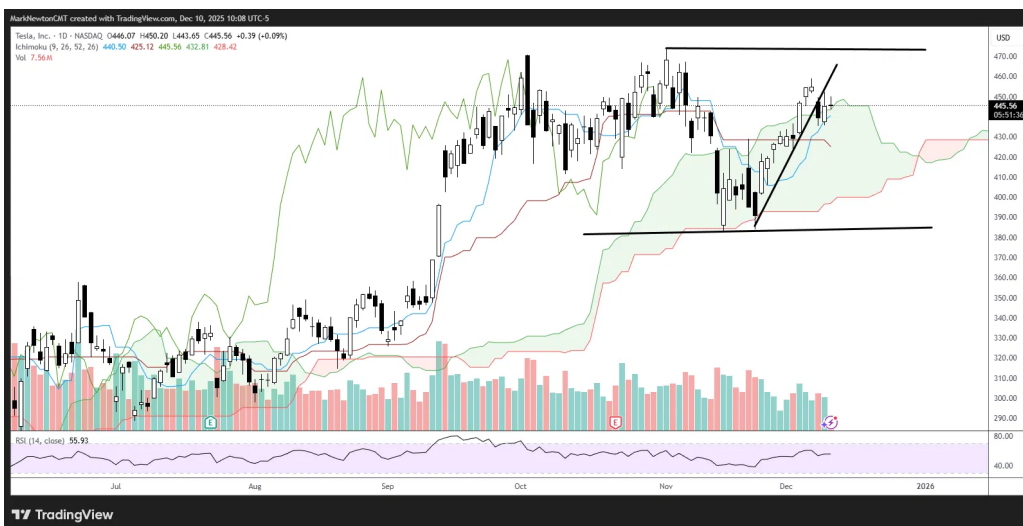


Mark L. Newton, CMT_{AC}

Head of Technical Strategy

TESLA Part 1- Given all the requests about **TSLA ▲2.71%** I'll shed some brief thoughts here. The near-term 3-5 day pattern is largely inconclusive, as the

minor uptrend from November gave way to a minor break. this doesn't have to lead down, but the near-term projection for SPX is in fact for a minor decline into next week before a rally. \$435 is the area to watch on the downside for short-term traders. Under this would bring about a possible move to 419 or 413, but i don't anticipate much downside. The key on the upside is \$458.87 and getting above this would allow for a test (and likely breakout above) \$474.07. For those trying to time breakouts, this is the single most important area to focus on, and I anticipate this will be exceeded into end of year. Getting above \$474.07 should result in a rapid technical upside acceleration that should reach \$560, \$581 and then a "Beeline" up to the mid- \$600's. I'll discuss this more when its time, but my timeline for a move up here is by the middle part of January into early February. The chart below highlights the daily short-term view only to identify the areas of interest for traders.



Dec 10 • 10:40 AM

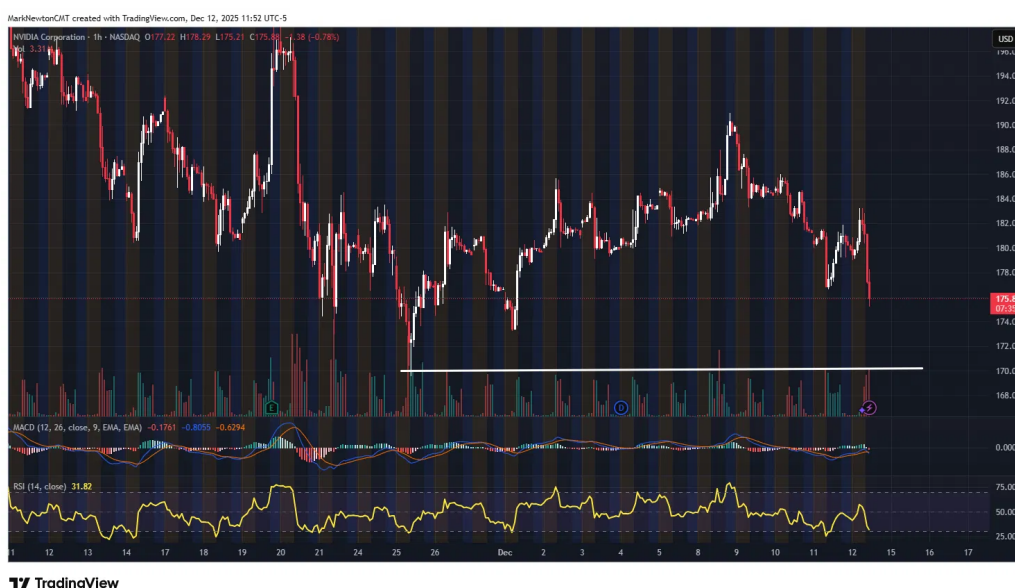


Mark L. Newton, CMT_{AC}

Head of Technical Strategy

NVDA ▼-3.27% pullback to undercut yesterday's lows is a temporary negative and given its 8% weighting in **^SPX** and could result in it weakening a bit further down to 173.68 or 172.81. I am not expecting an immediate break of

November lows, but its pattern has certainly become a bit more “top-like” since the churning began in late July and that could be an eventual issue for SPX next year if this starts to weaken more meaningfully and break down to multi-month lows. At present, my ideal scenario calls for this to bottom into early next week and turn back higher into mid-to-late January. However, the weakening in momentum is a near-term concern and will need to be rectified to have more confidence of “Mag 7” being able to maintain strength and not break down much more than it has recently



Dec 12 • 12:12 PM



Mark L. Newton, CMT_{AC}

Head of Technical Strategy

Gold and Silver are continuing their recent strength, but Gold in particular is making a very bullish move today exceeding the prior high from late November. The SPDR Gold Shares ETF (**GLD** ▲0.54%) exceeding \$390 is a very constructive sign technically, arguing for some continued strength back to new highs. My target is \$420



Dec 11 • 1:08 PM

FS Insight Video: Weekly Highlight





Key incoming data

- ~~12/8 11:00 AM ET: Nov NYFed 1yr Inf Exp~~ **Tame**
- ~~12/9 6:00 AM ET: Nov Small Business Optimism Survey~~ **Tame**
- ~~12/9 10:00 AM ET: Oct JOLTS Job Openings~~ **Mixed**
- ~~12/10 8:30 AM ET: 3Q ECI QoQ~~ **Tame**
- ~~12/10 2:00 PM ET: Dec FOMC Decision~~ **Mixed**
- 12/15 8:30 AM ET: Dec Empire Manufacturing Survey
- 12/15 10:00 AM ET: Dec NAHB Housing Market Index
- 12/16 8:30 AM ET: Nov Non-farm Payrolls
- 12/16 9:45 AM ET: Dec P S&P Global Services PMI
- 12/16 9:45 AM ET: Dec P S&P Global Manufacturing PMI
- 12/17 9:00 AM ET: Dec M Manheim Used Vehicle Index
- 12/18 8:30 AM ET: Dec Philly Fed Business Outlook
- 12/18 8:30 AM ET: Nov Core CPI MoM
- 12/18 11:00 AM ET: Dec Kansas City Fed Manufacturing Survey
- 12/18 4:00 PM ET: Oct Net TIC Flows
- 12/19 10:00 AM ET: Dec F U. Mich. 1yr Inf Exp
- 12/19 10:00 AM ET: Nov Existing Home Sales



▶ Replay Now Available

Tom Lee's 2026 Market Outlook

Watch Now

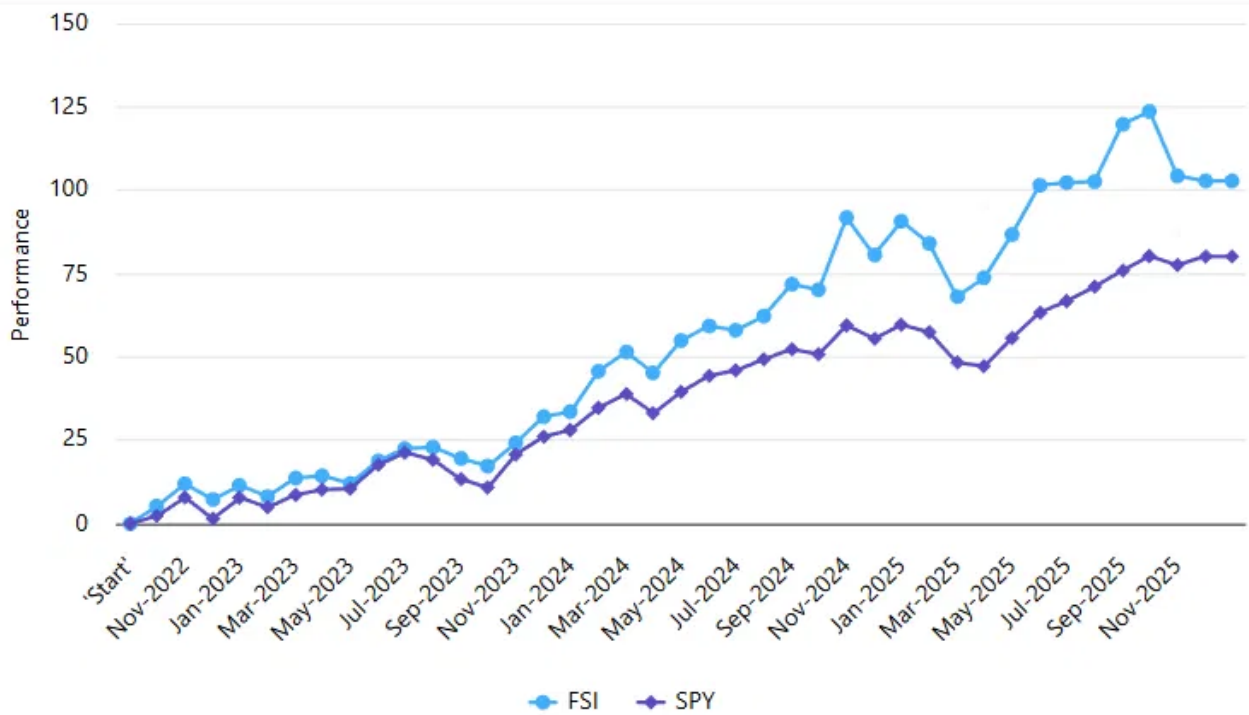
Tom Lee, CFA
Head of Research



Stock List Performance



Upticks vs SPY (Inception to Date)



Highcharts.com

Performance period: October 5, 2022 through December 12, 2025

In the News

Tom Lee: Why a Rocky Start to December Could Lead to a Year-End Rally

Dec 1, 2025



Mark Newton: Why Markets Will Still Prove Choppy in December



Nov 26, 2025



Permabull Tom Lee Sees Bitcoin as High as \$200,000 by January's End

Nov 21, 2025

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