

November 2025



Market Data

World Stock Market Indices
data as of 10/31/2025

	Change (9/30/2025)	%CHG
S&P 500		
6,840.20	151.74	2.27%
NASDAQ		
23,724.96	1,064.95	4.70%
DOW JONES		
47,562.87	1,164.98	2.51%
FTSE (UK)		
9,717.25	366.82	3.92%
DAX (Germany)		
23,958.30	77.58	0.32%
Hang Seng (Hong Kong)		
25,906.65	(948.91)	(3.53%)
Nikkei (Japan)		
52,411.34	7,478.71	16.64%

Source: Bloomberg. Please see descriptions of indices on Page 2.

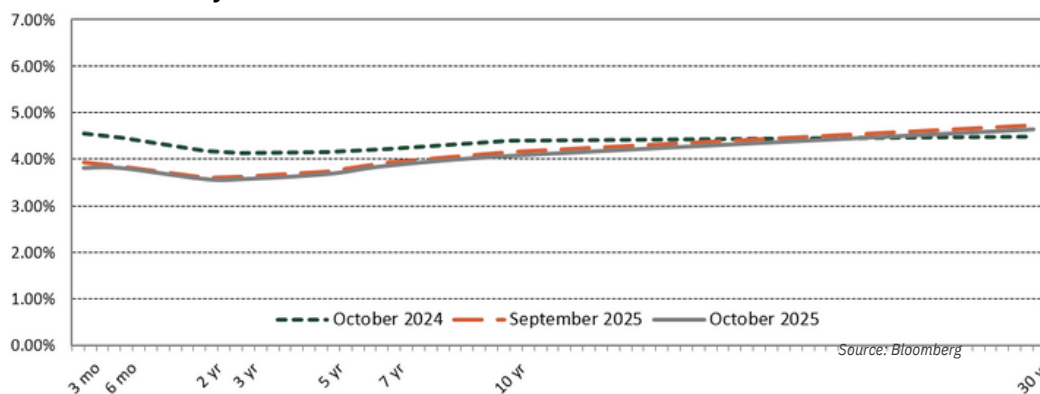
Market Summary

After 43 days, Congress voted to end the longest shutdown in U.S. government history. The resolution spurred a brief rally in equity markets, while fixed income investors remained frustrated by lingering shutdown effects and recent hawkish remarks from Federal Reserve officials. The Bureau of Labor Statistics (BLS) and other agencies are working to resume operations, clear data backlogs, and restore regular reporting schedules; however, the October employment and Consumer Price Index (CPI) reports may never be released. Core inflation remains above the Fed's target, and tariff uncertainty continue to weigh on the economic outlook. Signs of labor market softening are beginning to emerge, reinforcing expectations that the Fed will proceed cautiously with policy normalization. In this environment, a gradual tightening path and a steepening yield curve appear most likely.

The Federal Reserve lowered its benchmark Federal Funds Rate by a quarter percentage point to a range of 3.75% to 4.00% at its October policy meeting, matching market expectations. Two officials dissented: Governor Stephen Miran favored a deeper half-point cut, while Kansas City Fed President Jeffrey Schmid preferred to hold rates steady. Chair Jerome Powell cited signs of a weakening labor market, lingering inflation pressures, and moderate economic growth as the rationale for the move.

The US Treasury yield curve flattened in October, as the 2-year Treasury yield declined 3 basis points to 3.58%, the 5-year Treasury also down 5 basis points to 3.69%, and the 10-year Treasury yield declined 14 basis points to 4.08%. The spread between the 2-year and 10-year Treasury yield points on the curve decreased to +50 basis points at October month-end versus +54 basis points at September month-end. The spread between the 2-year Treasury and 10-year Treasury yield one year ago was +11 basis points. The spread between the 3-month and 10-year Treasury yield points on the curve was +26 basis points in October versus +21 basis points in September.

U.S. Treasury Yield Curve Flattens as December Cut Called into Question



The Federal Reserve delivered a widely expected quarter-point rate cut following its October meeting pushing the Fed Funds Effective Rate below 4% for the first time since December 2022. The decision came even as the federal government remained shut down, with the data blackout contributing to a more cautious tone from policymakers about the near-term path of rates. Chair Jerome Powell tempered expectations for another cut in December, using an analogy to describe the Fed's approach, "What do you do when driving in the fog?—You slow down." The yield curve flattened after the decision, with markets pricing in a reduced probability of an additional move this year.

TREASURY YIELDS	Trend (▲/▼)	10/31/25	9/30/25	Change
3-Month	▼	3.82	3.94	(0.12)
2-Year	▼	3.58	3.61	(0.03)
3-Year	▼	3.58	3.62	(0.04)
5-Year	▼	3.69	3.74	(0.05)
7-Year	▼	3.87	3.93	(0.06)
10-Year	▼	4.08	4.15	(0.07)
30-Year	▼	4.65	4.73	(0.08)

Source: Bloomberg

BOND MARKET REVIEW

Credit spreads were wider in October

CREDIT SPREADS	Spread to Treasuries	One Month Ago	Change
3-month top rated commercial paper	0.04	0.15	(0.11)
2-year A corporate note	0.37	0.34	0.03
5-year A corporate note	0.56	0.50	0.06
5-year Agency note	0.05	0.04	0.01

Source: Bloomberg

Data as of 10/31/2025

Crude oil prices decreased in October

ECONOMIC INDICATOR	Current Release	Prior Release	One Year Ago
Trade Balance	(59.55) \$B AUG. 31	(78.15) \$B JUL. 31	(71.21) \$B AUG. 31
Gross Domestic Product	3.80% JUN. 30	(0.50%) MAR. 31	3.60% JUN. 30
Unemployment Rate	4.40% SEP. 30	4.30% AUG. 31	4.10% SEP. 30
Prime Rate	7.00% OCT. 31	7.25% SEP. 30	8.00% OCT. 31
Refinitiv/CoreCommodity CRB Index	302.54 OCT. 31	300.60 SEP. 30	279.86 OCT. 31
Oil (West Texas Int.)	\$60.98 OCT. 31	\$62.37 SEP. 30	\$69.26 OCT. 31
Consumer Price Index (y/o/y)	3.00% SEP. 30	2.90% AUG. 31	2.40% SEP. 30
Producer Price Index (y/o/y)	1.90% AUG. 31	1.90% JUL. 31	0.30% AUG. 31
Euro/Dollar	1.15 OCT. 31	1.17 SEP. 30	1.09 OCT. 31

Source: Bloomberg

Economic Roundup

Consumer Prices

Despite the Federal Government shutdown, the Bureau of Labor Statistics released the Consumer Price Index (CPI) data for September on October 24th. Both headline and core measures came in below estimates. Headline CPI edged up 0.3% from August and 3.0% on an annual basis, while core CPI was up 0.2% from the prior month and 3.0% on an annual basis. The release was essential as third-quarter CPI data is used by the Social Security Administration to calculate the annual COLA, i.e. the cost-of-living adjustment. Other US Government data releases continue to be impacted by the shutdown.

Retail Sales

Retail sales data for October was unavailable amid the ongoing government shutdown, marking a second straight month without an official release. Third party data sources pointed to a slowdown in headline sales growth to 0.3%, down from an estimated 0.4% in September. September's figures may have been lifted by an uptick in electric-vehicle purchases, as consumers sought to claim a \$7,500 tax credit which expired at the end of the month. The Conference Board's Consumer Confidence Index declined by 1.0 point to 94.6 in October from an upwardly revised 95.6 in September, the lowest measure since April 2025. Measures of current conditions improved, including improving views on current job availability, while expectations weakened somewhat. Consumers have shown resilience, but mounting debt, rising delinquencies, persistent inflation concerns, and a cooling job market could begin to curb spending in the months ahead.

Labor Market

Like most other Bureau of Labor Statistics releases, the October nonfarm payrolls report was unavailable due to the federal government shutdown. A private-sector gauge from ADP showed payrolls rising by 42,000 in October, following a revised 29,000 decline in September. Still, the ADP report is not considered a reliable proxy for the official figures because of methodological differences. Other estimates suggest the unemployment rate climbed to 4.5% last month.

Housing Starts

Government provided U.S. Housing Starts data continued to be affected by the government shutdown in October. However, the National Association of Home Builders (NAHB) Market Index rose to 37 in October marking the first increase since April. A reading above 50 indicates more builders view conditions as good than poor. Mortgage applications declined 1.9% from September, yet Freddie Mac's 30-year fixed-rate mortgage rate ended the month of October at 6.17%--the lowest level since September 2024.

World Stock Market Index Descriptions

S&P 500--The S&P 500 is a market value-weighted index of 500 large-capitalization stocks. The 500 companies included in the index capture approximately 80% of available US market capitalization. NASDAQ--The NASDAQ Composite Index is the market capitalization-weighted index of over 3,300 common stocks listed on the NASDAQ stock exchange. Dow Jones--The Dow Jones Industrial Average is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange and the NASDAQ. The Financial Times Stock Exchange Group (FTSE)--The FTSE is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalization. DAX--The Deutscher Aktienindex (DAX) is a blue chip stock market index consisting of the 30 major German companies trading on the Frankfurt Stock Exchange. Hang Seng--The Hang Seng Index is a freefloat-adjusted market-capitalization-weighted stock market index in Hong Kong. It is used to record and monitor daily changes of the largest companies of the Hong Kong stock market and is the main indicator of overall market performance in Hong Kong. Nikkei--Japan's Nikkei 225 Stock Average is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

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