

Weekly Market Recap

October 6, 2025

Index	Price	Price Returns	
	Close	Week	YTD
S&P 500® Index	6,716	1.1%	14.2%
Dow Jones Industrial Average	46,758	1.1%	9.9%
NASDAQ	22,781	1.3%	18.0%
Russell 2000® Index	2,476	1.7%	11.0%
MSCI EAFE Index	2,788	1.7%	23.3%
Ten-Year Treasury Yield	4.12%	-0.1%	0.2%
Oil WTI ¹ (\$/bbl ²)	\$60.67	-7.7%	-15.4%
Bonds ³	\$100.18	0.1%	6.5%

¹WTI = West Texas Intermediate Oil. ²bbl = Barrel. ³Bonds are represented by the iShares U.S. Aggregate Bond ETF. Sources: Bloomberg L.P.; FactSet.

Last Week:

U.S. Equity Market

- U.S. large-cap equities (S&P 500 Index) rose +1.1% despite the U.S. government shutdown. Investors appeared to focus on the bullish narratives of the Federal Reserve (Fed) rate easing path, artificial intelligence (AI) data center buildout, and healthy earnings growth. September automatic data processing (ADP) payrolls fell \$32K, the weakest since March 2023, while August was revised down to a slight loss, which supports softening labor momentum. The job openings and labor turnover survey (JOLTS) job openings surprised higher, but consumer confidence weakened. The 10-year Treasury yield fell to 4.12% from 4.18%. Gold was up +2.7% and oil (WTI) fell -7.7%.
- S&P 500 Index Sector Returns:
 - Healthcare (+6.8%) outperformed, led by pharmaceutical stocks
 - Utilities (+2.4%) rose, led by NextEra and American Electric.
 - Technology (+2.3%) rose, led by NVIDIA and AI-related stocks.
 - Industrials (+1.2%) rose, led by logistics companies, airlines, and aerospace and defense stocks.
 - Materials (+1.1%) rose, led by rare earth stocks and chemical companies.
 - Real Estate (+0.9%) rose, led by public storage and cell towers.
 - Financials (-0.3%) fell, led lower by alternative asset managers.
 - Consumer staples (-0.4%) fell, led lower by tobacco stocks and Walmart.
 - Consumer discretionary (-0.8%) fell, led lower by Tesla, travel stocks, and Amazon.
 - Communication services (-2.1%) fell, led lower by streaming and social media stocks.
 - Energy (-3.4%) fell, as the price of oil fell -7.7%.

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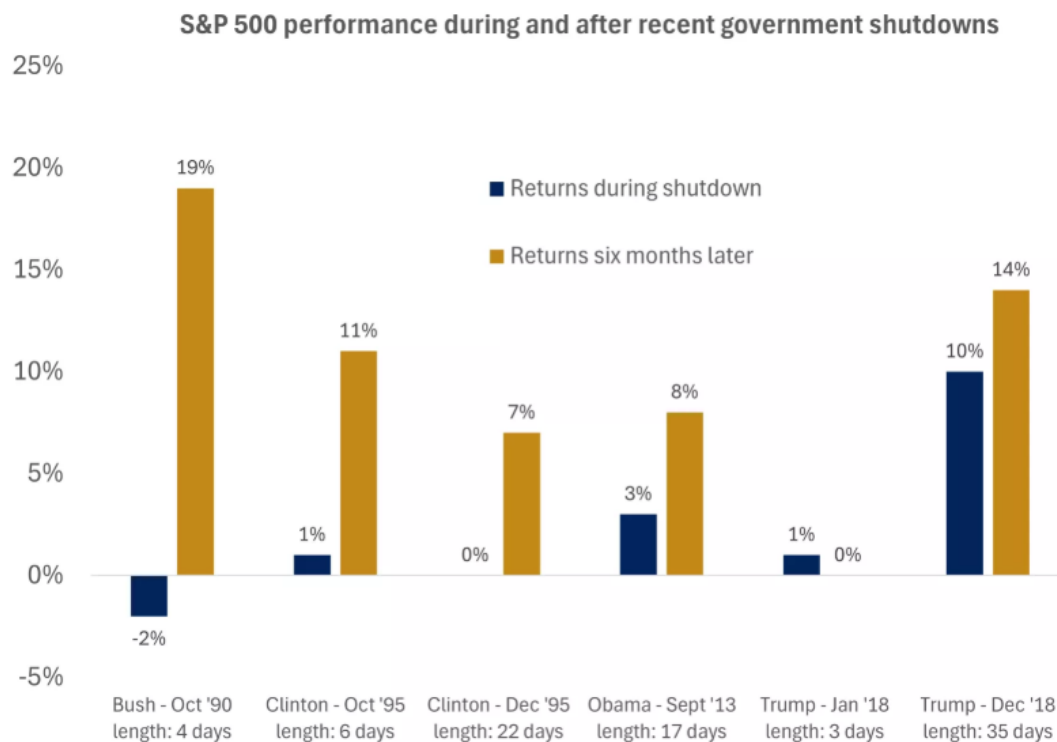
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- Since the April 8 low, the S&P 500 Index has rebounded over 30% with outperformance from high beta, cyclical, technology, and consumer discretionary stocks.



*Rebased to 100 on December 31, 2024. IT: Information Technology sector. SPX: S&P 500. Sources: Edward Jones; Bloomberg L.P.

- Historically, the S&P 500 Index has generated attractive returns six months after previous U.S. government shutdowns.

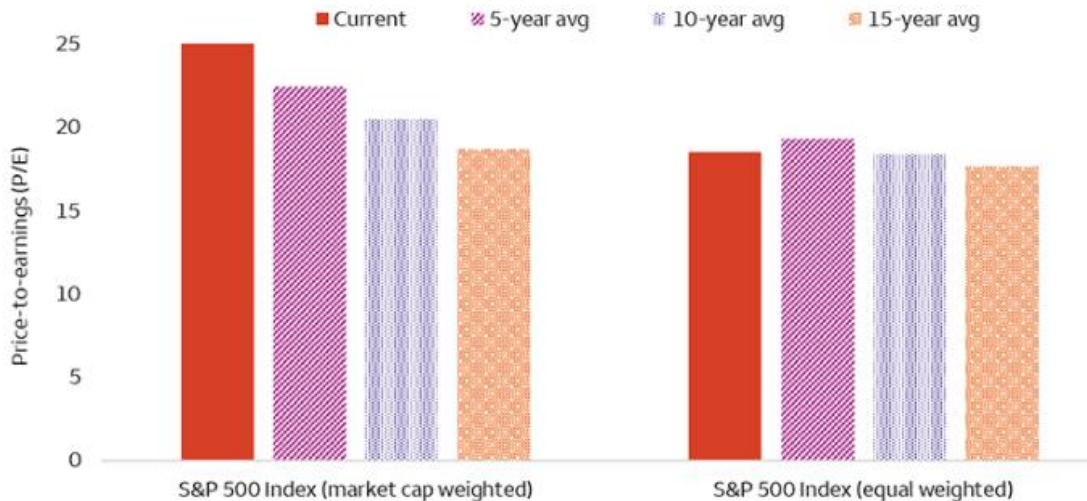


Sources: Bloomberg L.P.; Edward Jones.

Weekly Market Recap

- The S&P 500 Index (market cap weighted) is trading at elevated valuations, while the S&P 500 Equal Weighted Index is trading at similar valuations to its longer-term averages.

Why We Don't View U.S. Large Caps as Too Expensive



Source: Bloomberg L.P.; Wells Fargo. Data as of 09.19.2025.

- The S&P 500 Index has historically achieved many all-time highs (ATH, shaded blue) during bull market years.

S&P 500 Index: Number of All-Time Highs (1929 - 2025)									
Year	# ATH	Year	# ATH	Year	# ATH	Year	# ATH	Year	# ATH
1929	45	1949	0	1969	0	1989	13	2009	0
1930	0	1950	0	1970	0	1990	6	2010	0
1931	0	1951	0	1971	0	1991	22	2011	0
1932	0	1952	0	1972	32	1992	18	2012	0
1933	0	1953	0	1973	3	1993	16	2013	45
1934	0	1954	27	1974	0	1994	5	2014	53
1935	0	1955	49	1975	0	1995	77	2015	10
1936	0	1956	14	1976	0	1996	39	2016	18
1937	0	1957	0	1977	0	1997	45	2017	62
1938	0	1958	24	1978	0	1998	47	2018	19
1939	0	1959	27	1979	0	1999	35	2019	36
1940	0	1960	0	1980	24	2000	4	2020	33
1941	0	1961	53	1981	0	2001	0	2021	70
1942	0	1962	0	1982	2	2002	0	2022	1
1943	0	1963	12	1983	30	2003	0	2023	0
1944	0	1964	65	1984	0	2004	0	2024	57
1945	0	1965	37	1985	43	2005	0	2025	28
1946	0	1966	9	1986	31	2006	0		
1947	0	1967	14	1987	47	2007	9		
1948	0	1968	34	1988	0	2008	0		

Note: Closing Prices as of 9/22/25. Data Sources: S&P Dow Jones, YCharts

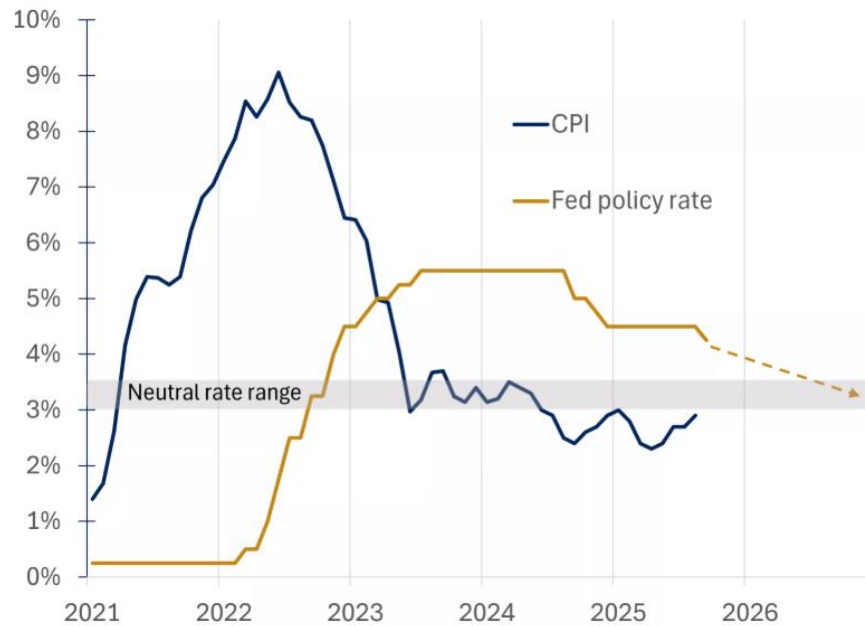
Sources: Creative Planning; S&P Dow Jones; YCharts. Data as of 09.22.2025.

All data is as of 10.03.2025 unless otherwise noted. Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful. Please reference important disclosures on pages 6-7.

Fixed Income Markets

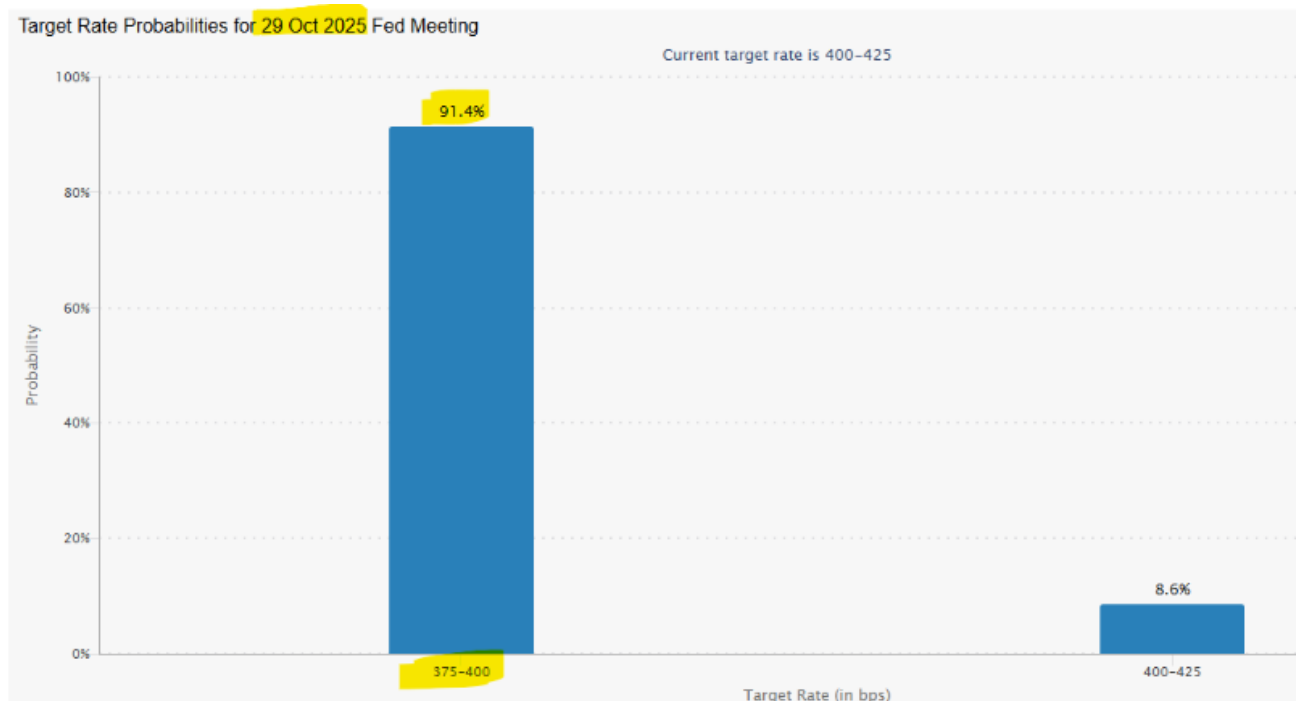
- Edward Jones and the fed funds futures markets are expecting the Fed to move the fed funds rate towards a neutral rate of approximately 3%-3.5% as inflation, measured by the Consumer Price Index (CPI), remains around 2.5%.

Fed's Journey Back to Neutral



Sources: Bloomberg L.P.; Edward Jones.

- Fed funds futures market is estimated at a 91.4% probability of a Fed cut at the October 29th meeting.



BPS: basis point. Sources: Creative Planning; YCharts; Sterling Capital Management.

U.S. Economic and Political News

- The Institute for Supply Management (ISM) Manufacturing was broadly in line with analysts' expectations with softer prices but stronger employment. ISM Services missed analysts' expectations, with new orders expanding but employment continued to contract.

International Markets and News

- European markets (STOXX 600 Index) rose +2.9% as Eurozone inflation accelerated to 2.2% in September from 2.0% in August, but the European Central Bank (ECB) President Christine Lagarde said, "the risks to inflation appear quite contained in both directions."
- The Chinese stock market (Shanghai Composite) rose in a holiday-shortened week that ended Tuesday, September 30, and will be closed from October 1-8 for the National Day holiday.
- Japanese equities (Nikkei 225 Index) rose +0.9% as Japanese technology stocks benefitted from the bullish narrative of the AI infrastructure buildout.

This Week:

- The volume of corporate earnings reports will be lighter this week.
- Economic data:
 - Monday: Limited U.S. data;
 - Tuesday: Trade Balance, Consumer Credit, Associated Petroleum Institute (API) Crude Inventories, NY Fed Speaking Events (Kartik Athreya), Fed Vice Chair Michell Bowman Speaking Event, Fed Governor Stephen Miran Speaking Events;
 - Wednesday: Federal Open Market Committee (FOMC) Minutes, Mortgage Bankers Association (MBA) Mortgage Purchase Applications, Department of Energy (DOE) Crude Inventories, Fed Governor Michael Barr Speaking Events;
 - Thursday: Wholesale Inventories (Final), Weekly Jobless Claims, Energy Information Administration (EIA) Natural Gas Inventories, Fed Chair Jerome Powell and Vice Chair Michelle Bowman speaking at Community Bank Conference in DC, Fed Governor Michael Barr speaking event, NY Fed panels in Chicago;
 - Friday: Michigan Consumer Sentiment (Preliminary), Treasury Monthly Budget.

As always, thank you very much for your interest in our thoughts and support of our services.

Whitney Stewart, CFA®
Executive Director

Griffith Jones, Jr.
Executive Director

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Index Definitions

Performance is compared to an index, however, the volatility of an index varies greatly. Indices are unmanaged and investments cannot be made directly in an index.

The **S&P 500® Index** is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P 500 Composite includes 500 of the largest stocks (in terms of stock market value) in the United States and covers approximately 80% of available market capitalization.

The **S&P 500® Equal Weight Index (EWI)** is the equal-weight version of the widely-used S&P 500®. The index includes the same constituents as the capitalization-weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

The **Russell 2000® Index** measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

The **Dow Jones Industrial Average (DJIA)** is an index that tracks 30 large, publicly-owned blue chip companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

The **NASDAQ Composite Index** is the market capitalization-weighted index of over 2,500 common equities listed on the NASDAQ stock exchange. The types of securities in the index include American depository receipts, common stocks, real estate investment trusts (REITs) and tracking stocks, as well as limited partnership interests. The index includes all Nasdaq-listed stocks that are not derivatives, preferred shares, funds, exchange-traded funds (ETFs) or debenture securities.

The **MSCI EAFE Index** is an equity index which captures large and mid-cap representation across 21 Developed Markets countries around the world, excluding the U.S. and Canada. With 900 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The **STOXX Europe 600 Index** is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The **Nikkei 225** is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

The **Shanghai Stock Exchange Composite Index** is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange.

Technical Terms:

The **job openings and labor turnover survey (JOLTS)** is a monthly report by the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor counting job vacancies and separations, including the number of workers voluntarily quitting employment. **Fed funds futures** are a financial derivative used by market participants to hedge against or speculate on short-term interest rate changes, particularly those set by the Federal Reserve's Federal Open Market Committee (FOMC). The **federal funds rate** is the target interest rate that commercial banks charge each other for overnight loans to meet their reserve requirements, set by the Federal Reserve's Federal Open Market Committee (FOMC) to influence broader economic conditions and rates such as prime rates, mortgage rates, and car loan rates. **The Consumer Price Index (CPI)** measures the monthly change in prices paid by U.S. consumers. The **Consumer Confidence Index (CCI)** is a measure of the results from the Consumer Confidence Survey administered by the Conference Board that measures consumer attitudes about individual financial prospects. The **Institute for Supply Management (ISM) manufacturing index**, also known as the **purchasing managers' index (PMI)**, is a monthly indicator of U.S. economic activity based on a survey of purchasing managers at manufacturing firms nationwide. It is considered to be a key indicator of the state of the U.S. economy. **The Michigan Consumer Sentiment Index (MCSI)** is a monthly survey of consumer confidence levels in the United States conducted by the University of Michigan. The survey is based on telephone interviews that gather information on consumer expectations for the economy. (Technical definitions are sourced from Corporate Finance Institute.)

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