

Weekly Market Recap

October 13, 2025

Index	Price	Price Returns	
	Close	Week	YTD
S&P 500® Index	6,553	-2.4%	11.4%
Dow Jones Industrial Average	45,480	-2.7%	6.9%
NASDAQ	22,204	-2.5%	15.0%
Russell 2000® Index	2,476	-3.3%	11.0%
MSCI EAFE Index	2,792	-0.7%	23.4%
Ten-Year Treasury Yield	4.06%	-0.1%	0.2%
Oil WTI ¹ (\$/bbl ²)	\$58.83	-3.4%	-18.0%
Bonds ³	\$100.44	0.3%	6.2%

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) fell -2.4% for the week after Friday's sharp decline that was mostly driven by President Trump's social media post threatening a massive increase in tariffs on Chinese products. He stated there seems to be no reason to meet China's president, Xi Jinping, at the Asia-Pacific Economic Cooperation (APEC) conference later this month. Prior to Friday, U.S. equity markets were positive for the week on favorable sentiment for the artificial intelligence (AI) narrative as Open AI announced a deal to power 6-gigawatt of OpenAI's AI infrastructure using Advanced Micro Devices' (AMD) Instinct graphics processing units (GPUs) over the next five years, while OpenAI has the option to purchase up to a 10% stake in AMD at \$0.10 per share. However, some investors are concerned with the lack of profitability and circular revenue of AI companies and AI chip stocks. The U.S. government shutdown is expected to continue until at least Tuesday, but some equity investors believe there will be a resolution sooner. The 10-year Treasury yield fell to 4.06% from 4.12%. Gold was up +2.3%, and oil (WTI) fell -3.4%.
- S&P 500 Index Sector Returns:
 - Utilities (+1.4%), consumer staples (+0.6%), and healthcare (-1.9%) outperformed, as investors appeared to favor more defensive sectors.
 - Communication services (-2.2%) fell, led lower by internet search and social media stocks.
 - Technology (-2.5%) fell, led lower by NVIDIA and AI-related stocks on Trump's China tariff announcement on Friday.
 - Industrials (-2.9%) fell, led lower by rail and logistics companies.
 - Financials (-3.0%) fell, led lower by banks and alternative asset managers.
 - Materials (-3.1%) fell, led lower by rare earth stocks and chemical companies.
 - Real Estate (-3.3%) fell, led lower by healthcare Real Estate Investment Trusts (REITs), e-commerce warehouses, and travel/entertainment REITs.
 - Consumer discretionary (-3.3%) fell, led lower by autos, travel stocks, Tesla, and Amazon.
 - Energy (-4.0%) fell, as the price of oil fell -3.4%.

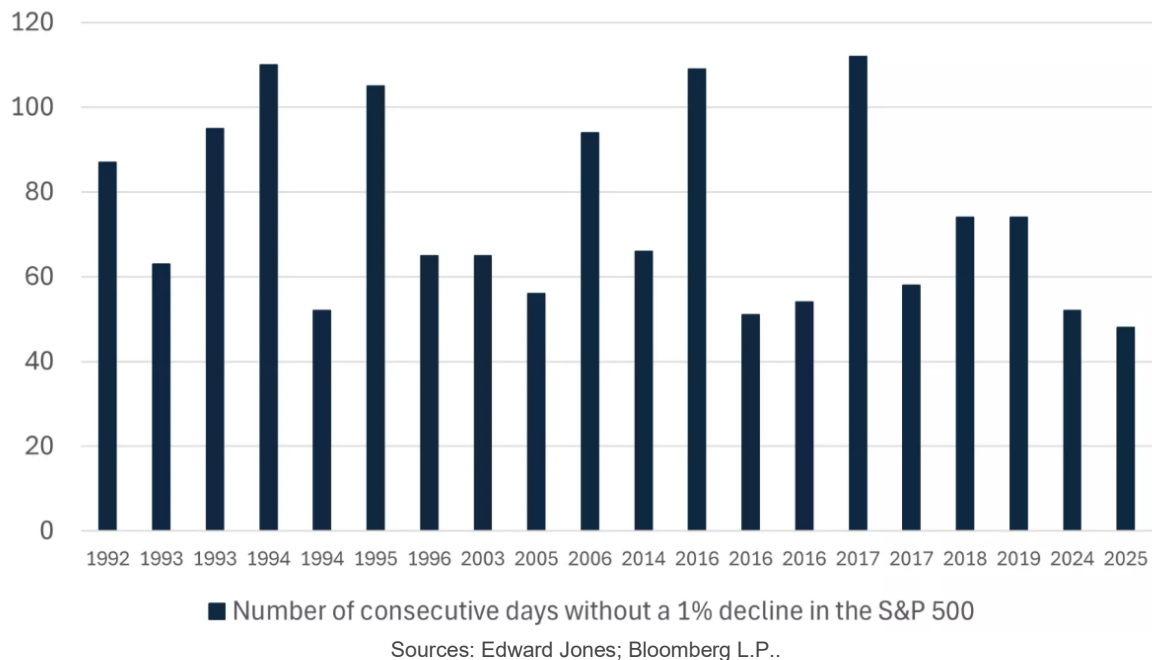
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All data is as of 10.10.2025 unless otherwise noted. Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful. Please reference important disclosures on pages 6-7.

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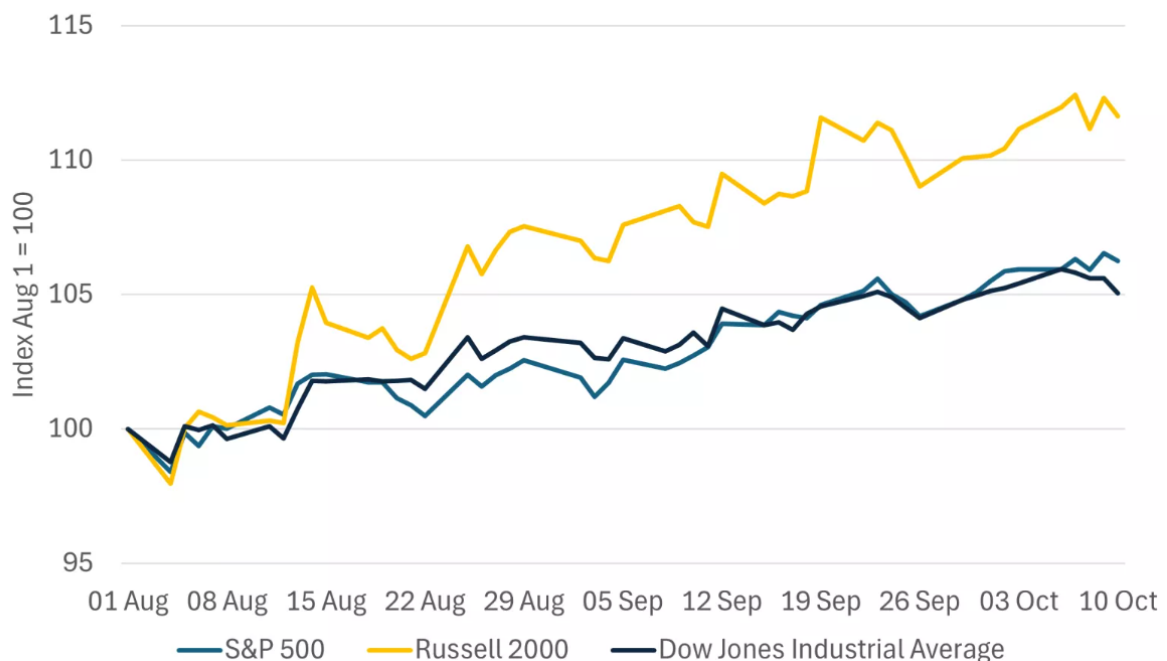
- Until Friday, October 10, the S&P 500 Index had not experienced a 1% decline in nearly 50 days.

Markets had enjoyed a strong run of nearly seven weeks without a material pullback



- Rising expectations for lower interest rates have contributed to the recent outperformance of small-cap stocks.

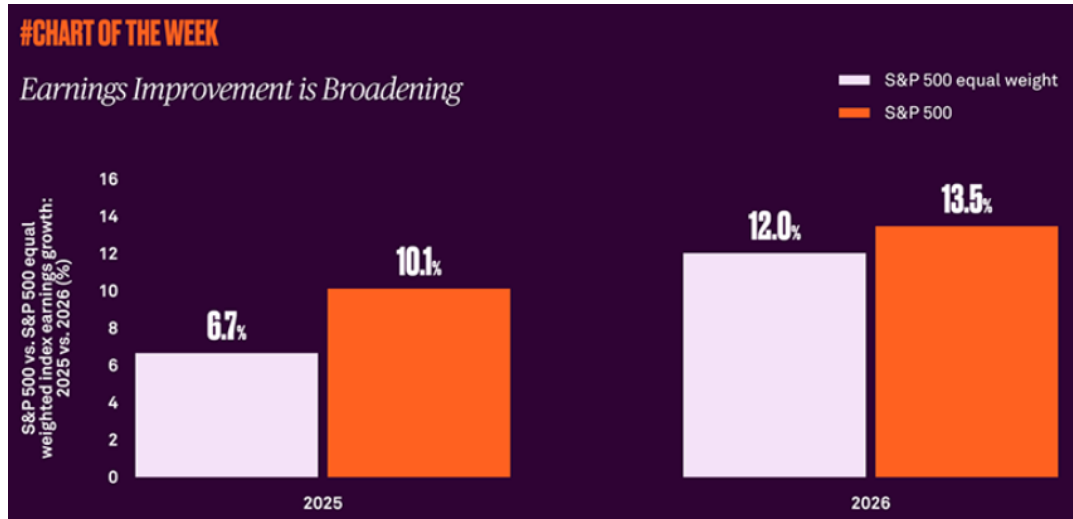
The prospect of lower interest rates has helped drive some short-term outperformance in small-cap stocks



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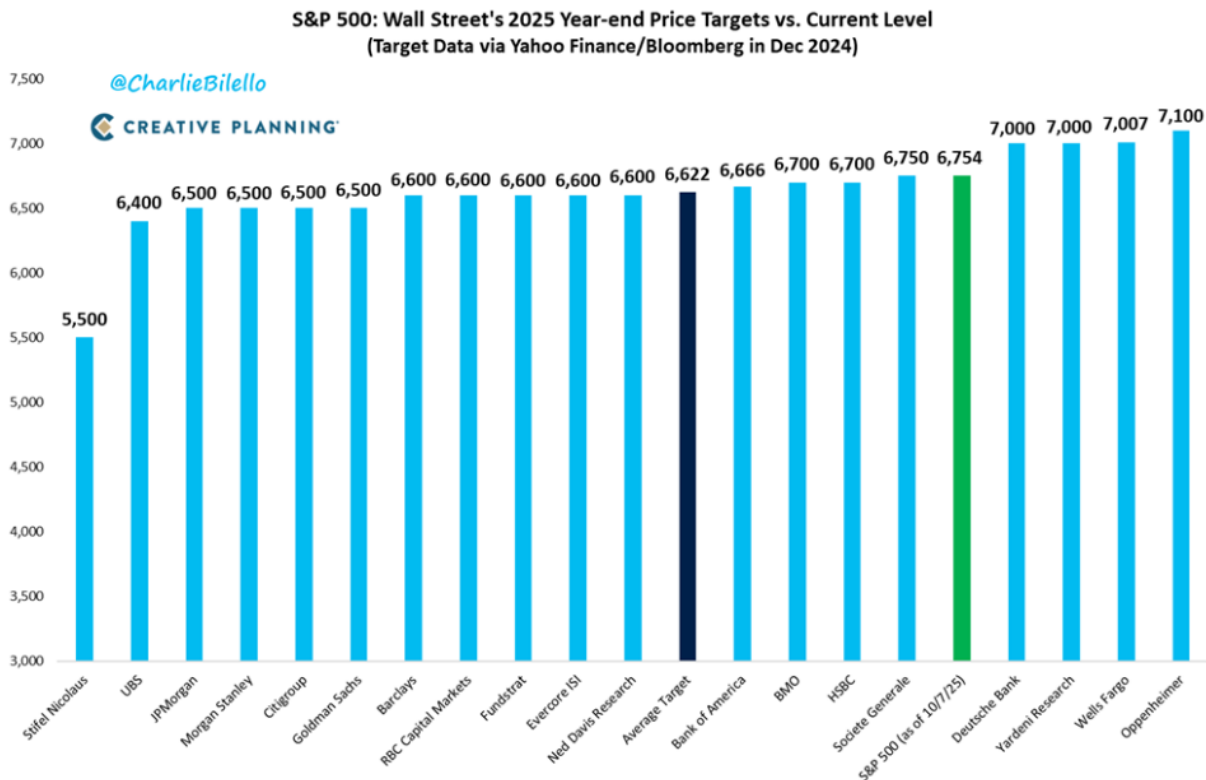
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- The S&P 500 Equal Weighted Index earnings growth rate is getting closer to the earnings per share (EPS) growth rate of the S&P 500 Index (market cap weighted), which implies the earnings growth is broadening out to the average stock in U.S. equity markets.



Source: FactSet; BNY. Data as of 10.02.2025.

- If the S&P 500 Index rises another 5% before the end of 2025, then the Index will have outperformed all Wall Street strategist forecasts for the year.

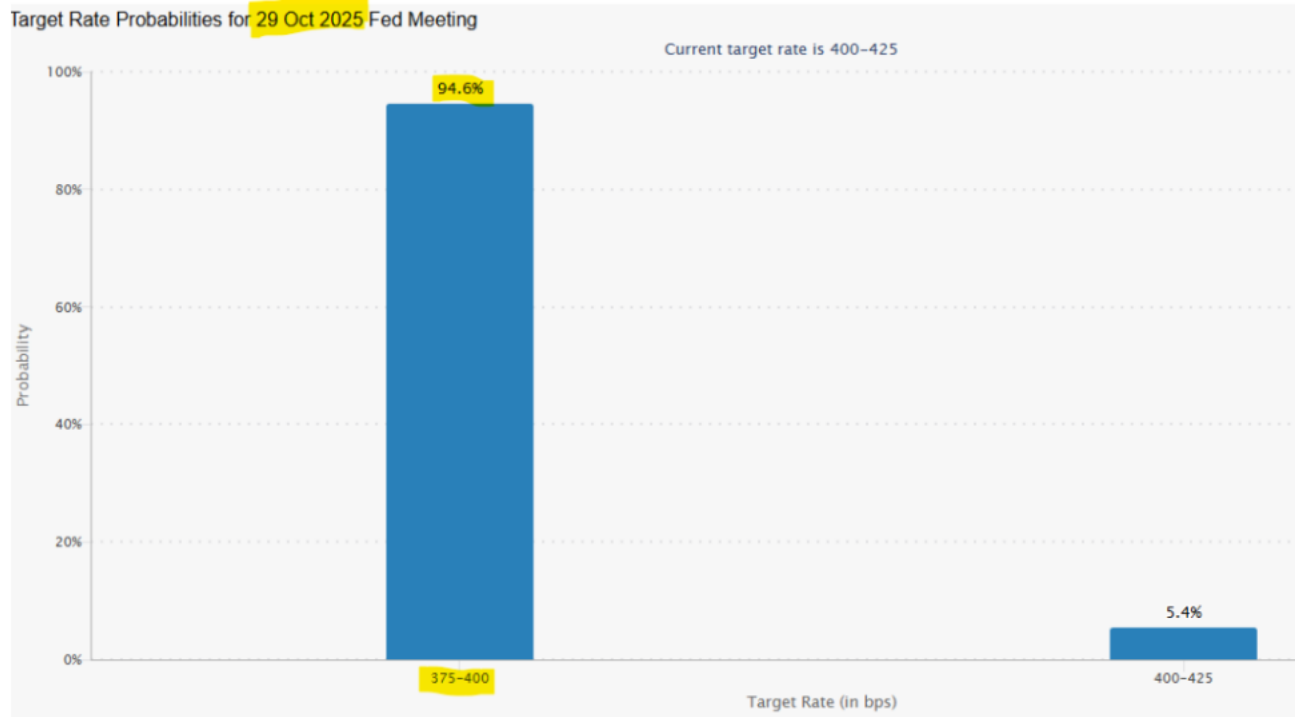


Sources: Creative Planning; S&P Dow Jones; YCharts. Data as of 09.22.2025.

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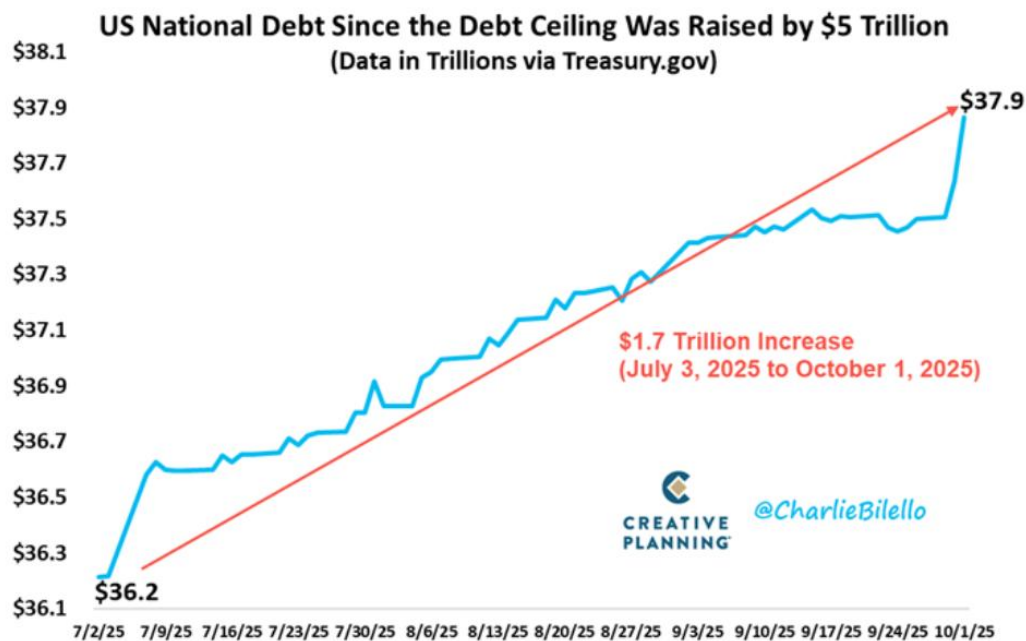
Fixed Income Markets

- The Federal funds futures markets are pricing in a 94.6% probability that the Federal Reserve (Fed) will cut rates at the October 29 meeting.



Sources: Bloomberg L.P.; Creative Planning; Sterling Capital Management.

- U.S. national debt has increased by \$1.7T since the debt ceiling was raised on July 3.



Sources: Creative Planning; YCharts.

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U.S. Economic and Political News

- University of Michigan reported that its preliminary October Index of Consumer Sentiment reading came in at 55, relatively unchanged from the prior month.

International Markets and News

- European markets (STOXX 600 Index) fell -1.1% as political turmoil in France, international trade tensions, and weak economic German data weighed on investor sentiment.
- The Chinese stock market (Shanghai Composite) rose +0.4% in a holiday-shortened two-day week that ended on Friday as preliminary data suggested that consumption during China's so-called Golden Week lagged the activity during the five-day Labor Day in May.
- Japanese equities (Nikkei 225 Index) rose +5.1% as Sanae Takaichi won the Liberal Democratic Party's (LDP) presidential election, which potentially set the stage for her to likely become Japan's next prime minister.

This Week:

- The volume of corporate earnings reports will increase this week.
- Economic data:
 - Monday: Limited U.S. data;
 - Tuesday: National Federation of Independent Business (NFIB) Small Business Index, Redbook Chain Store, Associated Petroleum Institute (API) Crude Inventories;
 - Wednesday: Mortgage Bankers Association (MBA) Mortgage Purchase Applications, Consumer Price Index (CPI), Empire Manufacturing, Department of Energy (DOE) Crude Inventories;
 - Thursday: Philadelphia Fed Index, Producer Price Index (PPI), Retail Sales, Business Inventories, National Association of Home Builders (NAHB) Housing Market Index, Weekly Jobless Claims, Energy Information Administration (EIA) Natural Gas Inventories;
 - Friday: Building Permits, Import/Export Prices, Housing Starts, Capacity Utilization, Industrial Production, Treasury International Capital (TIC) Flows.

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 depositary 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:

Asia-Pacific Economic Cooperation is an inter-governmental forum for 21 member economies in the Pacific Rim that promotes free trade throughout the Asia-Pacific region. **Real Estate Investment Trust (REIT)** is a company that owns, operates, or finances income-producing real estate, allowing individuals to invest in large-scale properties like apartment buildings, shopping malls, and office buildings without having to buy them directly. 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. The **Consumer Confidence Index (CCI)** is a measure of the results from **Fed funds futures** are financial derivative contracts traded on the Chicago Mercantile Exchange (CME) that allow investors to speculate on or hedge against future changes in the U.S. federal funds rate, which is the benchmark interest rate for overnight bank-to-bank lending. The **federal funds rate** is the target interest rate at which commercial banks lend their excess reserves to other banks overnight. **Eurozone** is the economic region formed by those member countries of the European Union that have adopted the euro. **Earnings per Share (EPS)** is a common measure of profitability per share of a company's common stock. (Technical definitions are sourced from Corporate Finance Institute.) The **Consumer Price Index (CPI)** measures the monthly change in prices paid by U.S. consumers. The Bureau of Labor Statistics (BLS) calculates the CPI as a weighted average of prices for a basket of goods and services representative of aggregate U.S. consumer spending. The **Producer Price Index (PPI)** is a measure of inflation at the wholesale level. It's compiled from thousands of indexes that measure producer prices by industry and product category. **Treasury International Capital (TIC)** data measures flows of portfolio capital into and out of the U.S., and the resultant positions between U.S. and foreign residents. The **National Federation of Independent Business (NFIB)** is a U.S. association that advocates for small businesses on governmental and regulatory issues. **Empire Manufacturing** is a monthly survey from the Federal Reserve Bank of New York that measures the general business conditions for manufacturers in New York State. The **Philadelphia Fed Index** is a monthly report from the Federal Reserve Bank of Philadelphia that surveys manufacturers in the Third Federal Reserve District (Eastern PA, Southern NJ, DE) about the direction of general business activity. The **National Association of Home Builders (NAHB)** is one of the largest trade associations in the United States, representing the interests of home builders, remodelers, developers, contractors, and associated businesses. (Technical definitions are sourced from Corporate Finance Institute.)

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