

Weekly Market Recap

October 27, 2025

Index	Price	Price Returns	
	Close	Week	YTD
S&P 500® Index	6,792	1.9%	15.5%
Dow Jones Industrial Average	47,207	2.2%	11.0%
NASDAQ	23,205	2.3%	20.2%
Russell 2000® Index	2,514	2.5%	12.7%
MSCI EAFE Index	2,803	1.0%	23.9%
Ten-Year Treasury Yield	3.99%	0.0%	0.1%
Oil WTI ¹ (\$/bbl ²)	\$61.44	7.5%	-14.3%
Bonds ³	\$101.14	0.2%	7.3%

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

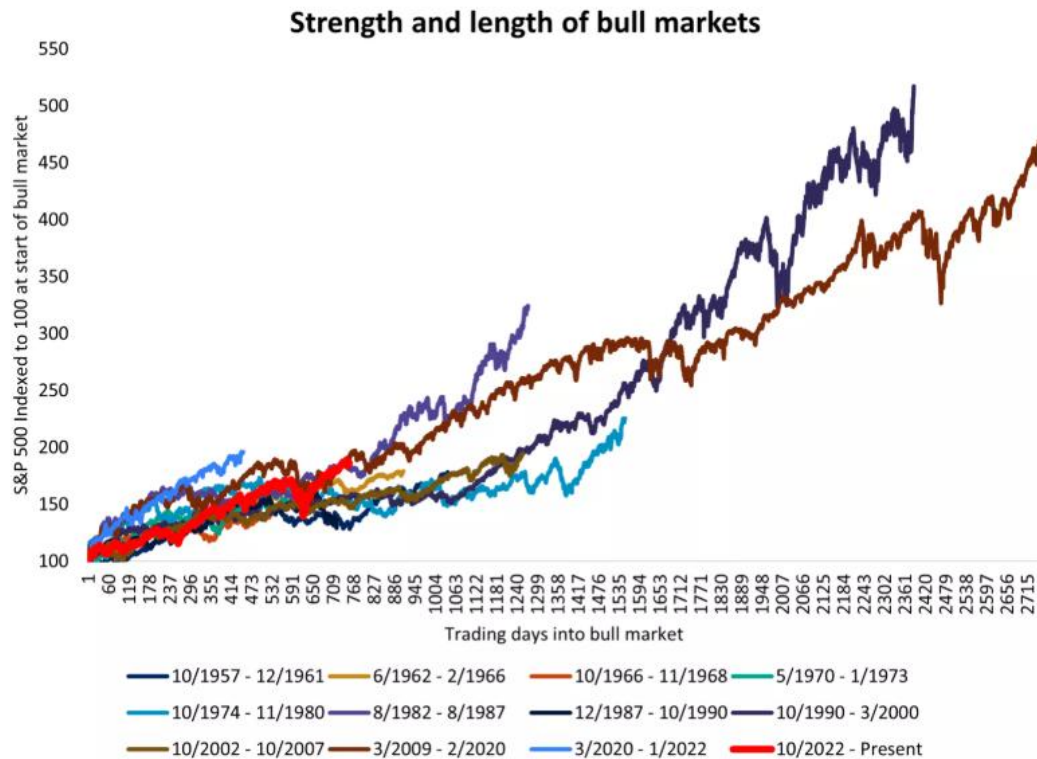
- U.S. large-cap equities (S&P 500 Index) rose +1.9% on continuing expectations that the Federal Reserve (Fed) may cut interest rates twice by the end of 2025, favorable inflation data, strong Q3 earnings growth, and de-escalatory trade headlines involving the U.S. and China. Despite a Reuters report that the U.S. is considering curbs on exports to China made with U.S. software, President Trump and China's Xi Jinping are expected to meet Thursday (10.30.2025) in South Korea before the Asia-Pacific Economic Cooperation Summit. Strong Q3 earnings thus far with nearly 30% of S&P 500 companies reporting has led to a blended earnings per share (EPS) growth rate of +9.1%, and 84% of reporting companies have surpassed analyst's expectations. September consumer price index (CPI), a key inflation metric, came in a bit cooler than expected with help from shelter-related components which continues to support futures market expectations for the Fed to cut rates twice by the end of 2025. The 10-year Treasury yield fell to -3.99% from 4.00%. Gold was down -1.7% and oil (WTI) rose +7.5% amid a new round of sanctions on Russian oil majors.
- S&P 500 Index Sector Returns:
 - Technology (+2.8%) rose, led by artificial intelligence (AI)-related semiconductor stocks and software companies.
 - Energy (+2.4%) rose, as the price of oil rose +7.5% amid a new round of sanctions on Russian oil majors.
 - Industrials (+2.1%) rose, led by airlines, aerospace and defense, and logistics companies.
 - Consumer discretionary (+1.9%) rose, led by autos and Amazon.
 - Healthcare (+1.9%) rose, led by medical devices and pharmaceutical stocks.
 - Financials (+1.8%) rose, led by banks (solid earnings reports).
 - Real Estate (+1.4%) rose, led by e-commerce warehouses, apartments, and cell towers.
 - Communication services (+1.0%) rose, led by internet search and social media stocks.
 - Materials (+0.6%) rose, led by chemical companies.
 - Utilities (-0.2%) and consumer staples (-0.6%) underperformed, as investors tend to favor less-defensive sectors.

Specific securities identified and described do not represent all of the securities purchased, sold or recommended to clients. There are no assurances that securities identified will be profitable investments. The securities described are neither a recommendation nor a solicitation. Security information is being obtained from resources the firm believes to be accurate, but no warrant is made as to the accuracy or completeness of the information.

All data is as of 10.24.2025 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.

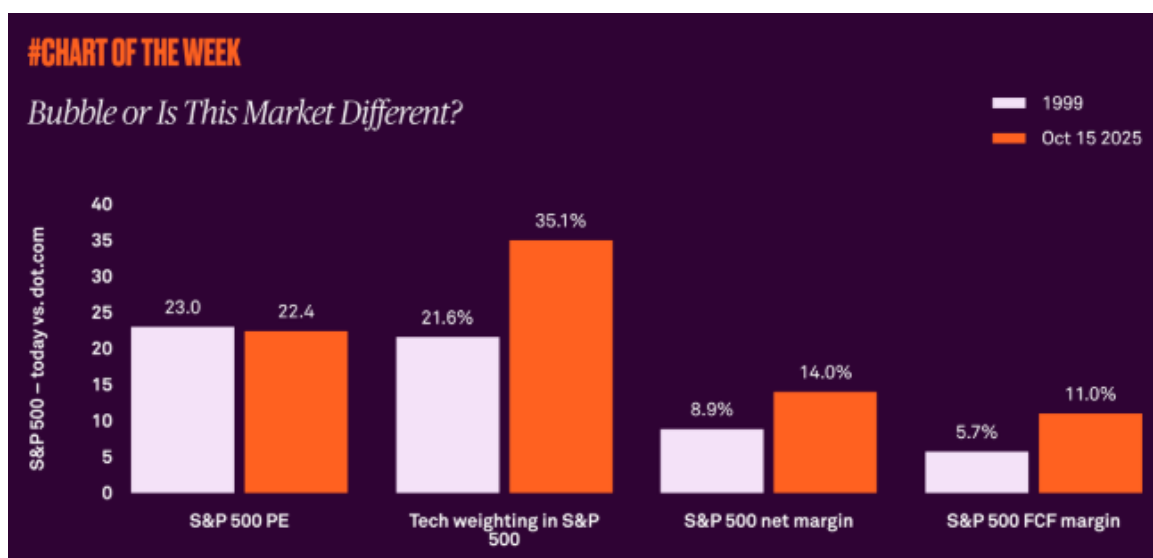
Weekly Market Recap

- Since 1945, the bull markets has lasted on average five years and generated an average gain of 200%. The current bull market, since October 2022, is not an outlier in terms of duration or total return.



Past performance does not guarantee future results. An index is unmanaged, cannot be invested into directly and is not meant to depict an actual investment. Sources: Bloomberg, L.P., Edward Jones; FactSet.

- Comparing S&P 500 Index today to 1999, current S&P 500 Index has lower valuations (price-to-earnings (P/E) ratio) to 1999 levels, however the current S&P 500 Index has 50% higher net margins and 90% higher free-cash-flow margins. Are today's elevated valuations justified?



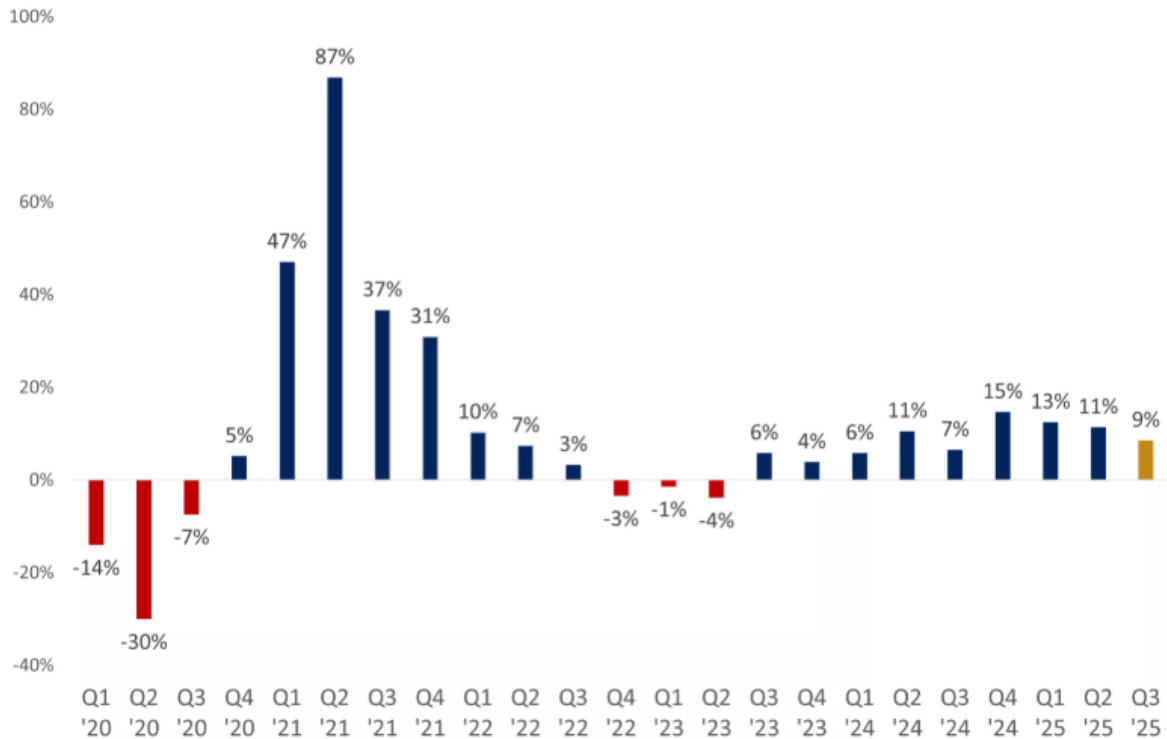
1999 = daily average of value in 1999. PE: 12-month forward price-to-earnings ratio. FCF: free cash flow. Data is as of 10.17.25. Sources: FactSet; BNY.

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- U.S. corporate earnings continue to be solid as Q3 data thus far suggests S&P 500 earnings will likely generate the ninth straight quarter of EPS growth.

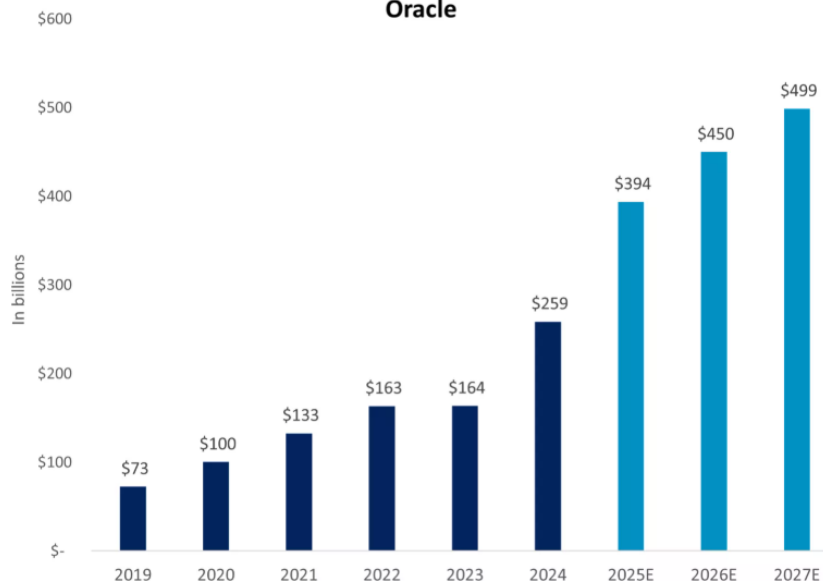
Q3 is poised to mark the ninth straight quarter of earnings growth for the S&P 500



Sources: Factset; Edward Jones.

- With Alphabet, Microsoft, Meta, and Amazon reporting earnings next week, investors will not only focus on Q3 results, but likely on their guidance related to capital spending on AI infrastructure buildout.

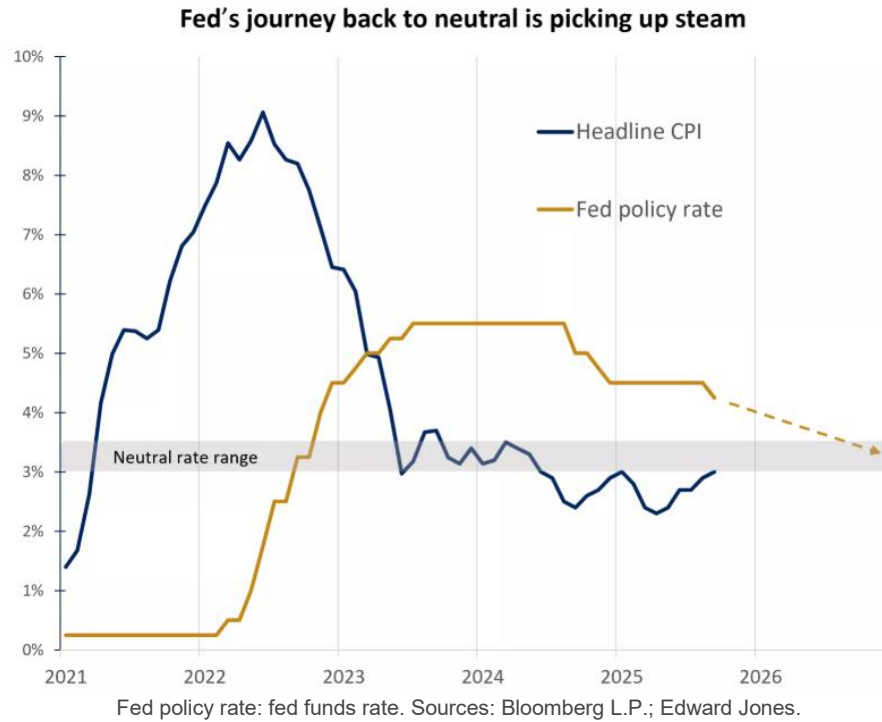
Capital spending of Amazon, Microsoft, Alphabet, Meta, Oracle



Sources: Bloomberg L.P.; Edward Jones.

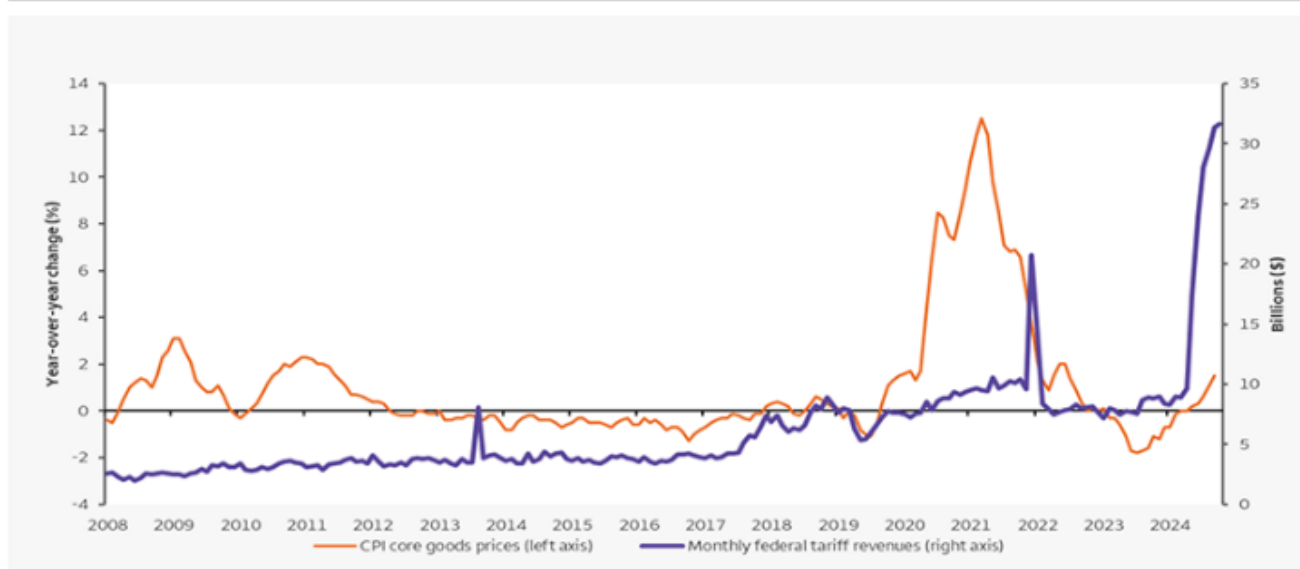
Fixed Income Markets

- Fed futures markets continue to expect the Fed to cut rates twice in the last quarter of 2025, but also cut another two times in 2026 as CPI inflation continues to be modest.



- Tariffs have generated a rapid increase in revenue, but only a modest increase in CPI core goods prices. The key question remains will the U.S. tariffs lead to a more significant increase in overall CPI?

Tariff revenue spikes — Will inflation follow?



Sources: Bloomberg L.P.; Edward Jones.

U.S. Economic and Political News

- Existing home sales hit a seven-month high in September, and the flash U.S. composite purchasing managers index (PMI) surprised to the upside, hitting a three-month high in October.

International Markets and News

- European markets (STOXX 600 Index) rose +1.7% as United Kingdom CPI inflation unexpectedly held steady at 3.8% for a third consecutive month, and Eurozone PMI surveys showed business activity hit a 17-month high in October.
- The Chinese stock market (Shanghai Composite) rose +2.9% as China's economy grew 4.8% year-over-year (Y/Y) in the third quarter, but China's November fixed asset investment unexpectedly fell 0.5% Y/Y.
- Japanese equities (Nikkei 225 Index) rose +3.6% as markets welcomed the election of the Liberal Democratic Party's (LDP) Sanae Takaichi as Japan's prime minister, given that her focus on the economy and proactive fiscal policy are likely to be tailwinds for equity prices.

This Week:

- The volume of corporate earnings reports will be heavy this week.
- Economic data:
 - Monday: Durable Orders;
 - Tuesday: Federal Housing Finance Agency (FHFA) House Price Index, Consumer Confidence, Redbook Chain Store, American Petroleum Institute (API) Crude Inventories;
 - Wednesday: Federal Open Market Committee Meeting (FOMC), Mortgage Bankers Association (MBA) Mortgage Purchase Applications, Wholesale Inventories (Preliminary), Pending Home Sales, Department of Energy (DOE) Crude Inventories;
 - Thursday: Gross Domestic Product (GDP), Weekly Jobless Claims, Energy Information Administration (EIA) Natural Gas Inventories, Fed Vice Chair Michelle Bowman Speaking Event;
 - Friday: Core Personal Consumption Expenditures (PCE), Personal Spending, Personal Income, Employment Cost Index, Chicago PMI.

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

Whitney Stewart, CFA®
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:

Earnings per Share (EPS) is a common measure of profitability per share of a company's common stock. 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. **Gross domestic product (GDP)** is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. As a broad measure of overall domestic production, it functions as a comprehensive scorecard of a given country's economic health. **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. **Federal Housing Finance Agency (FHFA)** The Federal Housing Finance Agency (FHFA) provides supervision, regulation, and housing mission oversight of Fannie Mae, Freddie Mac, and the Federal Home Loan Banks. **Consumer Confidence** is a statistical measure of consumers' feelings about current and future economic conditions, used as an indicator of the overall state of the economy. 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 **price-to-earnings (P/E)** ratio measures a company's share price relative to its earnings per share (EPS). The **Core Personal Consumption Expenditure (PCE) Index** is a measure of prices that people living in the U.S., or those buying on their behalf, pay for goods and services. **Eurozone** is the economic region formed by those member countries of the European Union that have adopted the euro. **Employment Cost Index** is a quarterly economic series published by the Bureau of Labor Statistics that details the growth of total employee compensation. (Technical definitions are sourced from Corporate Finance Institute.)

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