

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	3.801 (-4.4 bps)	Bond Buyer 40 Yield:	4.52 (2 bps)
6 Mo. T-Bill:	3.803 (4.7 bps)	Crude Oil Futures:	60.98 (-0.52)
1 Yr. T-Bill:	3.677 (9.4 bps)	Gold Spot:	4,002.92 (-110.13)
2 Yr. T-Note:	3.574 (9.4 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.578 (9.0 bps)	U.S. High Yield:	7.17 (16 bps)
5 Yr. T-Note:	3.687 (8.2 bps)	BB:	5.98 (8 bps)
10 Yr. T-Note:	4.077 (7.7 bps)	B:	7.42 (22 bps)
30 Yr. T-Bond:	4.651 (5.8 bps)		

Treasury yields rose moderately over the course of the week on improved optimism over trade negotiations between the United States and China, along with results of the Federal Reserve Bank's meeting on Wednesday. President Trump met with Chinese Leader Xi Jinping and said that he felt "really good" about the meeting, and officials unveiled many agreements between the two economic powers meant to ease tensions. On Wednesday, the Fed announced a single 25-basis-point cut to the upper bound of the Federal Funds Rate from 4.25 to 4.00. However, Fed Chairman Jerome Powell cautioned against another rate hike during the December meeting, saying that there are "strongly differing views about how to proceed." This led yields to rise moderately on Wednesday as investors speculated that rates would not be cut as quickly as previously expected. Investors also weighed the implications of a continued government shutdown, which has now entered its 4th week, and no tangible progress was made on an end to the stalemate. The market implied probability of a rate cut at the December meeting dropped from 100% to 68% and the implied end of 2026 rate rose from 2.93 to 3.03. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: October Final S&P Global US Manufacturing PMI (52.2, 52.2), October ISM Manufacturing (49.4, 49.1), September Construction Spending MoM (n/a, n/a); Tuesday: September Trade Balance (n/a, n/a), September Factory Orders (n/a, n/a), September Final Durable Goods Orders (n/a, n/a); Wednesday: October 31 MBA Mortgage Applications (n/a, 7.1%), October ADP Employment Change (-20k, -32k); October ISM Services Index (50.9, 50.0); Thursday: November 1 Initial Jobless Claims (n/a, n/a), September Final Wholesale Inventories MoM (n/a, n/a); Friday: October Change In Nonfarm Payrolls (n/a, n/a), October Unemployment Rate (n/a, n/a), November Prelim. U. of Michigan Sentiment (53.0, 53.6).

US Equities			
Weekly Index Performance:		Market Indicators:	
The Dow®	47,562.87 (0.75%)	Strong Sectors:	Info Tech, Cons. Discretionary
S&P 500®	6,840.20 (0.72%)		Comm. Services
S&P MidCap 400®	3,246.26 (-1.58%)	Weak Sectors:	Cons. Staples, Materials
S&P SmallCap 600®	1,435.53 (-2.83%)		Real Estate
Nasdaq Composite®	23,724.96 (2.25%)	NYSE Advance/Decline:	910 / 1,923
Russell 2000®	2,479.38 (-1.35%)	NYSE New Highs/New Lows:	293 / 181
		AAll Bulls/Bears:	44% / 36.9%

The S&P 500 finished the week up 72 basis points with volatility edging higher as earnings continue to roll out. The index was led higher by the Information Technology sector which ended the week up 2.99%. While mega caps like **NVIDIA** and **Palantir Technology** had a strong week occupying much of the news flow they were not the top performer in the sector. **Teradyne Inc** led the sector and the S&P 500 higher returning 25.98%. The semiconductor test equipment manufacturer surged after posting 3rd quarter results. Guidance was substantially higher than analysts' estimates driven by custom ASIC programs. The worst performing sector in the S&P 500 was the Real Estate sector which fell 3.89%. The sector experienced pressure last week driven by two events. First, the worst performer in the sector was **Alexandria Real Estate** which plunged 24.79% last week after reporting 3rd quarter results. The health care REIT missed Q3 estimates and provided sobering guidance leading to material downward revisions in 2026 FFO estimates. Secondly, the day following Alexandria's poor earnings release Fed Chair Powell's remarks suggested a rate cut in December is not guaranteed. The delicate Real Estate sector saw broad based weakness following Powell's remarks with only 3 of the 31 constituents ending the week with a positive return. Alexandria wasn't the only stock that had a tough week. The worst performer in the S&P 500 was **Fiserv Inc** which tumbled 46.72% last week. The payment technology company reported Q3 results that fell well short of estimates and cut full year guidance. The firm has faced backlash from customers over fees for its flagship point-of-sale system, Clover. Following last week's plunge, the company's stock closed at levels last seen in 2018. Upcoming this week earnings continue with 134 companies in the S&P 500 expected to report results. Notable releases include: **Uber Technologies**, **Advanced Micro Devices**, **Robinhood Markets**, and **Constellation Energy**.

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