TALKING POINTS

Data through October 2025

Climate

The U.S. government shutdown entered its fifth week at the close of October, marking the second-longest government shutdown in American history. With non-essential workers on hiatus, government reporting has been scarce. Even so, the Labor Department cobbled together the September Consumer Price Index (CPI), which revealed that consumer prices had increased by 3.0% year-over-year (y-o-y), up from its most recent low of 2.3% in April 2025. In a welcome development, the U.S. brokered a peace deal between Israel and Hamas, ending the war that began with Hamas' invasion of Israel on 10/7/23. The accord has been tenuous, however, and geopolitical risk remains heightened as a result. Perhaps unsurprisingly, resurgent consumer prices, elevated geopolitical risk, and a recalcitrant federal government sent many investors in search of haven assets in October. Gold and silver benefited, rising to all-time highs of $4,356.30 and $54.24 per troy ounce on 10/20/25 and 10/16/25, respectively. The sharp spike in silver prices, which surged by 68.46% year-to-date (YTD) through October, is particularly noteworthy. Prior to October, silver had not set an all-time high since January 1980, when the Hunt brothers tried (and failed) to corner the market for the metal. Monetary policy eased further in October, with the Federal Reserve ("Fed") reducing its federal funds target rate (upper bound) by 25 basis points (bps) to 4.00% on 10/31. The move marked the second easing in as many months by the Fed.

Stock Market

The S&P 500 Index ("Index") closed at 6,840.20 on 10/31/25, representing a price-only increase of 37.28% from its most recent low of 4,982.77 on 4/8/25, according to data from Bloomberg. The S&P MidCap 400 and S&P SmallCap 600 Indices remain 9.09% and 11.14%, respectively, below their all-time highs, which were set on 11/25/24. The Index posted a total return of 2.34% in October 2025. Six of the 11 major sectors that comprise the Index registered positive total returns for the month. The top-performer was Information Technology, up 6.23%, while Materials had the worst showing, declining by 5.04%. As revealed in the table to the right, estimates for the Index's 2025 earnings per share (EPS) increased from 267.65 in September to 268.60 in October. A similar trend occurred with the Index's 2026 estimated EPS, which increased from 303.77 in September to 305.40 in October. The Index's price-to-earnings (P/E) ratio has been a topic of discussion, with many pundits thinking that current observations suggest an equity market correction. The Index's P/E stood at 26.13 on 10/31/25, significantly above its 25-year average of 18.51. That said, higher valuations may be supported by increased net profit margins, in our opinion. FactSet reported that the Index's blended Q3'25 net profit margin was 12.8% on 10/27/25, marking six consecutive quarters where the metric exceeded its five-year average of 12.1%. Notably, analyst estimates call for continued margin expansion in 2026. As of 10/27/25, the Index's Q2'26 net profit margin was forecast to surge to 13.7%. Index constituent earnings remain resilient as well. The Index's blended y-o-y earnings growth rate came in at 10.7% on 10/31/25 (64% of companies reporting). If unchanged, this will mark the Index's 4th consecutive quarter of double-digit earnings growth.

Bond Market

The yield on the benchmark 10-year Treasury note (T-note) stood at 4.08% at the close of trading on 10/31/25, down 21 bps from its 4.29% close on 9/30/24, according to data from Bloomberg. The 4.08% yield stood 141 bps above its 2.67% average for the 10-year period ended October 2025 and 91 bps below its most recent high of 4.99% set on 10/19/23. The yield on the 2-year T-note stood at 3.58% on 10/31/25, down 59 bps from when it stood at 4.17% on 9/30/24. Across the globe, fixed income prices continue to benefit from declining policy rates. As revealed in the "Bloomberg Fixed Income Indices" section to the right, each of the fixed income assets we track produced positive total returns YTD through October and over the trailing 12-months. In the U.S., expectations (and the realization) of cuts to the federal funds target rate sent the Bloomberg U.S. Aggregate Bond Index surging by 6.80% YTD through October. Mortgage rates have eased, with the weekly average of residential 30-year fixed-rate mortgages falling to 6.17% on 10/30/25, down from a 52-week high of 7.04%, according to data from Freddie Mac. Delinquencies among commercial mortgage-backed securities (CMBS) continued their upward trend in October. Trepp, a leading provider of real estate data, reported that the overall delinquency rate for U.S. CMBS stood at 7.46% during the month, an increase of 148 bps from 5.98% in October 2024. For comparison, the all-time high was 10.34%, which was reached in July 2012. The office sector saw the largest increase in delinquency rates, climbing 63 bps to a record 11.76%.

Takeaway

Recent equity and fixed income returns have led to increased investor participation in global markets. In the U.S., for example, 54% of Americans with annual incomes between $30,000 and $80,000 owned a taxable investment account in October 2025, a record high. The impact on overall wealth has been staggering. In its Global Wealth Report, UBS Group AG disclosed that there were nearly 60 million individuals with a net worth of $1 million or more worldwide in 2024. The U.S. is home to the lion's share of that total, boasting 23.8 million millionaires. Corporate valuations have surged alongside public wealth. Data from Pitchbook revealed that there were 1,539 active so-called "Unicorn" companies (startups with a valuation of at least $1 billion) as of 10/1/25, up from just 39 when the term was coined in 2013. The U.S. houses the largest share of these companies. As of December 2024 (most recent data), 729 of all active unicorn companies were U.S.-based, followed by China (313 companies) and India (61 companies). Assets invested in ETFs have increased rapidly as investors clamor to take part in global markets. ETFGI reported that total assets invested in ETFs/ETPs listed globally stood at a record $18.81 trillion at the end of Q3'25, an increase of 26.7% from $14.85 trillion in Q4'24. Net inflows into ETFs/ETPs listed globally totaled a record $1.54 trillion over the same period.

Open-End Net Fund Flows ($)	9/25	8/25	YTD (Sep)
Equity	-99.2B	-74.0B	-894.6B
Taxable Bond	22.1B	15.9B	52.1B
Municipal Bond	4.9B	0.5B	13.4B
Hybrid	-5.7B	-6.5B	-73.7B
Taxable Money Market	86.0B	108.6B	315.4B

Key Interest Rates/Yields	10/31/25	9/30/25	10/31/24
Federal Funds Target Rate	4.00%	4.25%	5.00%
2-Year T-Note	3.57%	3.61%	4.17%
5-Year T-Note	3.69%	3.74%	4.16%
10-Year T-Note	4.08%	4.15%	4.28%
Bond Buyer 40	4.52%	4.65%	4.42%

Commodities/U.S. Dollar	10/25	YTD	12 Mo.
U.S. Dollar Index (DXY)	2.08%	-8.00%	-4.01%
FTSE/CC CRB Excess Ret.	0.65%	1.96%	8.10%
Crude Oil/WTI (per Barrel)	-2.23%	-14.97%	-11.95%
Natural Gas (per million BTUs)	24.86%	13.52%	52.35%
Gold Bullion (Ounce)	3.73%	52.52%	45.88%

S&P 500 Full-Year Earnings Estimates	2025	2026
10/31/25	268.60	305.40
9/30/25	267.65	303.77
12/31/24	274.13	311.07

Total Return Performance

U.S. Stock Indices	10/25	YTD	12 Mo.
S&P 500	2.34%	17.50%	21.42%
DJIA	2.59%	13.34%	15.84%
Nasdaq 100	4.81%	23.78%	30.95%
S&P MidCap 400	-0.47%	5.26%	6.35%
Russell 2000	1.81%	12.38%	14.40%
Russell 3000	2.14%	16.83%	20.79%

U.S. Styles/Market Caps	10/25	YTD	12 Mo.
S&P 500 Growth	3.35%	23.50%	31.95%
S&P 500 Value	1.13%	10.92%	9.34%
S&P MidCap 400 Growth	0.29%	6.40%	6.98%
S&P MidCap 400 Value	-1.31%	4.01%	5.64%
Russell 2000 Growth	3.24%	15.25%	18.79%
Russell 2000 Value	0.25%	9.31%	9.86%

Foreign Stock Indices (USD)	10/25	YTD	12 Mo.
MSCI World NET (Ex-U.S.)	1.08%	26.69%	23.59%
MSCI Emerging Markets NET	4.18%	32.86%	27.91%
MSCI Europe NET	0.74%	28.44%	23.19%
MSCI BRIC NET	-0.97%	23.63%	19.16%
MSCI EM Latin America NET	0.92%	44.40%	28.12%
Nikkei 225	11.83%	36.42%	35.00%

Bloomberg Fixed Income Indices	10/25	YTD	12 Mo.
U.S. Treasury: Intermediate	0.44%	5.76%	5.70%
GNMA 30 Year	0.83%	7.28%	7.03%
Municipal Bond (22+)	1.83%	2.15%	2.46%
U.S. Aggregate	0.62%	6.80%	6.16%
Intermediate Corporate	0.38%	6.98%	7.12%
U.S. Corporate High Yield	0.16%	7.39%	8.16%
Global Aggregate	-0.25%	7.64%	5.69%
EM Hard Currency Aggregate	1.38%	11.25%	10.63%

Sources: Bloomberg, FactSet, and Investment Company Institute

HIGH/LOW SNAPSHOT

Data through October 2025

Index	10-Yr. High Value	Date	10-Yr. Low Value	Date	Month-End Value	% Off High Value	YTD Return (USD)	Month-End Yield
S&P 500	6890.89	10/28/2025	1829.08	2/11/2016	6840.20	-0.74%	17.50%	1.14%
S&P 500 Growth	5090.93	10/29/2025	1035.44	2/11/2016	5032.25	-1.15%	23.50%	0.53%
S&P 500 Value	2084.96	10/27/2025	788.67	2/11/2016	2058.59	-1.27%	10.92%	2.12%
S&P MidCap 400	3390.26	11/25/2024	1218.55	3/23/2020	3246.26	-4.25%	5.26%	1.46%
S&P MidCap 400 Growth	1610.10	11/25/2024	574.06	2/11/2016	1559.67	-3.13%	6.40%	0.85%
S&P MidCap 400 Value	1083.78	11/25/2024	373.28	3/23/2020	1024.48	-5.47%	4.01%	2.14%
S&P 100	3481.00	10/29/2025	820.61	2/11/2016	3450.79	-0.87%	20.55%	1.00%
DJIA	47706.37	10/28/2025	15660.18	2/11/2016	47562.87	-0.30%	13.34%	1.56%
Nasdaq 100	26119.85	10/29/2025	3947.80	2/9/2016	25858.13	-1.00%	23.78%	0.62%
Russell 2000	2520.44	10/27/2025	953.72	2/11/2016	2479.38	-1.63%	12.38%	1.32%
Russell 2000 Growth	1709.62	2/9/2021	573.10	2/11/2016	1686.56	-1.35%	15.25%	0.55%
Russell 2000 Value	2716.46	10/24/2025	1067.63	3/23/2020	2650.12	-2.44%	9.31%	2.19%
Russell 3000	3911.83	10/28/2025	1067.34	2/11/2016	3881.93	-0.76%	16.83%	1.15%
MSCI World Net (ex U.S.) (USD)	10556.72	10/28/2025	4189.62	2/11/2016	10438.53	-1.12%	26.69%	2.81%
MSCI Emerging Markets Net (USD)	770.52	10/29/2025	296.25	1/21/2016	762.49	-1.04%	32.86%	2.27%
Bovespa/Brazil (USD)	29488.46	1/2/2020	9077.09	1/21/2016	27774.97	-5.81%	42.98%	5.72%
RTS/Russia (USD)	1919.58	10/25/2021	628.41	1/20/2016	N/A	N/A	N/A	N/A
S&P BSE 500/India (USD)	461.76	9/26/2024	129.66	3/23/2020	419.14	-9.23%	3.07%	1.13%
Shanghai Composite/China (USD)	578.15	12/13/2021	358.39	10/18/2018	555.42	-3.93%	23.91%	2.31%
KOSPI/South Korea (USD)	2.93	6/16/2021	1.16	3/19/2020	2.87	-2.00%	79.28%	1.45%
Hang Seng (USD)	4241.01	1/26/2018	1871.10	10/31/2022	3333.29	-21.40%	33.32%	3.06%
MSCI Euro (USD)	2153.82	10/28/2025	865.50	3/18/2020	2109.89	-2.04%	33.63%	2.88%
S&P 500 Consumer Discretionary	1963.14	10/31/2025	543.54	2/11/2016	1963.14	0.00%	7.80%	0.60%
S&P 500 Consumer Staples	923.91	3/3/2025	490.63	11/13/2015	848.70	-8.14%	1.48%	2.59%
S&P 500 Energy	749.39	4/5/2024	179.94	3/18/2020	674.74	-9.96%	5.83%	3.43%
S&P 500 Utilities	471.56	10/15/2025	210.39	12/11/2015	452.13	-4.12%	20.17%	2.68%
S&P 500 Financials	900.91	9/29/2025	264.89	2/11/2016	870.44	-3.38%	9.51%	1.45%
S&P 500 Banks	585.01	9/26/2025	180.19	2/11/2016	576.57	-1.44%	25.08%	2.25%
FTSE NAREIT All Equity REITs	980.08	12/31/2021	483.48	3/23/2020	758.79	-22.58%	2.20%	4.15%
S&P 500 Health Care	1829.71	8/30/2024	732.99	2/11/2016	1680.03	-8.18%	6.29%	1.76%
S&P 500 Pharmaceuticals	1216.04	8/30/2024	549.29	2/11/2016	1113.56	-8.43%	8.78%	2.47%
NYSE Arca Biotechnology	6696.93	10/31/2025	2642.53	2/11/2016	6696.93	0.00%	16.77%	0.22%
S&P 500 Information Technology	6064.80	10/29/2025	636.18	2/9/2016	5960.13	-1.73%	29.93%	0.48%
Philadelphia Semiconductor	7327.93	10/29/2025	559.18	2/11/2016	7228.66	-1.35%	46.22%	0.61%
S&P 500 Communication Services	440.76	10/29/2025	130.86	12/24/2018	429.97	-2.45%	26.82%	0.72%
S&P 500 Industrials	1318.48	10/27/2025	412.06	3/23/2020	1311.71	-0.51%	18.81%	1.36%
S&P 500 Materials	616.97	10/18/2024	234.97	1/25/2016	541.60	-12.22%	3.80%	2.01%
Philadelphia Gold & Silver	329.32	10/16/2025	38.84	1/19/2016	279.67	-15.08%	106.14%	0.92%
FTSE/CC CRB Excess Return	329.59	6/9/2022	106.29	4/21/2020	302.54	-8.21%	1.96%	N/A
ICE BofA Perpetual Preferred	341.89	9/17/2025	215.28	2/11/2016	339.32	-0.75%	5.56%	6.30%
ICE BofA U.S. High Yield Constrained	612.42	10/28/2025	313.74	2/11/2016	610.27	-0.35%	7.27%	7.17%

Source: Bloomberg

Past performance is no guarantee of future results. Historical performance figures for the indices are for illustrative purposes only and not indicative of any actual investment. Indices are unmanaged and an investor cannot invest directly in an index.

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