

TALKING POINTS

Data through November 2025

Climate

Surging equity volatility, the end of a record-breaking U.S. government shutdown, and persistent economic worries were just a few of the headwinds investors weathered in November. Add inflation and surging health care costs to the list and November's 29% year-over-year (y-o-y) decline in consumer sentiment revealed by the University of Michigan's Consumer Sentiment survey almost seems justified. That said, a myriad of data imply that the U.S. consumer is indeed quite healthy. U.S. household net worth stood at a record \$176.3 trillion in Q2'25, and, given recent equity market returns, likely trended even higher in Q3. Notably, a recent Gallup poll revealed that 62% of American adults owned equities in some form, up from its most recent low of 52% in 2016. In its 2025 Global Wealth Report, UBS Group AG reported that there were nearly 60 million individuals with a net worth of at least \$1 million worldwide in 2024. The U.S. was home to the lion's share of that total, with 23.8 million citizens having achieved the status. Given these statistics, we are not surprised to report that the Holiday shopping season is off to a stunning start. Consumers spent a record \$11.8 billion and \$14.3 billion shopping online on Black Friday and Cyber Monday this year, an increase of 9.1% and 7.1%, respectively, y-o-y. Charitable giving also surged, with GivingTuesday reporting that a record \$4.0 billion was raised for charitable causes in the U.S. on the Tuesday following Thanksgiving, up 13% from last year's total.

Stock Market

The S&P 500 Index ("Index") closed at 6,849.09 on 11/28/25, representing a price-only increase of 37.46% 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 are now just 2.41% and 4.73%, respectively, below their all-time highs which were set on 11/25/24. The Index posted a total return of 0.25% in November 2025. Eight of the 11 major sectors that comprise the Index registered positive total returns for the month. The top-performer was Health Care, up 9.31%, while Information Technology had the worst showing, declining by 4.29%. As revealed in the table to the right, estimates for the Index's 2025 earnings per share (EPS) increased from 268.96 in October to 270.73 in November. A similar trend occurred with the Index's 2026 estimated EPS, which increased from 306.17 in October to 309.16 in November. FactSet reported that 83% of companies that comprise the Index reported actual EPS above estimates in Q3'25, the highest number since Q2'21. The Index's y-o-y earnings growth rate was 13.4% in Q3'25, representing the fourth consecutive quarter of double-digit earnings growth for the Index. The Information Technology sector reported that earnings increased by a staggering 29% y-o-y in Q3'25, the highest of all sectors that comprise the broader Index. Profit margins also soared in the third quarter. FactSet reported that the Index's net profit margin stood at 13.1% in Q3'25, the highest in FactSet data going back to 2009.

Bond Market

The yield on the benchmark 10-year T-note stood at 4.02% at the close of trading on 11/28/25, down 15 bps from its 4.17% close on 11/29/24, according to data from Bloomberg. The 4.02% yield stood 134 bps above its 2.68% average for the 10-year period ended November 2025 and 97 bps below its most recent high of 4.99% set on 10/19/23. The yield on the 2-year T-note stood at 3.49% on 11/28/25, down 66 bps from when it stood at 4.15% on 11/29/24. As many investors are likely aware, bond yields (especially short-term bonds) can be sensitive to changes in the federal funds target rate. In our view, much of the decline in the 2-year T-note's yield can be attributed to the Federal Reserve's ("Fed") five policy rate reductions over the past 12 months, and further cuts expected in the coming months. As of 11/28/25, futures markets implied an 83% chance the Fed will cut its policy rate in December. Declining interest rates would be welcome news for recent home buyers. Data from FRED revealed that the weekly average rate on a 30 year fixed-rate mortgage stood at 6.23% on 11/26/25, down from its most recent high of 7.79% which was set on 10/26/23. Office vacancy rates show signs of improvement, which could benefit commercial mortgage-backed securities, in our opinion. CBRE reported that the overall U.S. office vacancy rate declined to 18.8% in Q3'25, down from 18.9% in Q3'24. While minimal, the change marks the first year-over-year decline in office vacancy since Q1'20, when it was 12.3%.

Takeaway

As mentioned in the "Climate" section above, November was not without its challenges. The U.S. government shutdown halted most official economic reporting, leaving investors with imperfect and opaque data. The resultant uptick in volatility was notable. The CBOE Volatility Index (VIX) surged from 17.44 on 10/31/25 to 26.42 on 11/20/25, it's highest level since April. Investors pared technology stocks in November, making technology the worst performing sector during the month. Even so, technology stocks are still the second-best performers among the Index's constituents year-to-date through November. In our view, earnings growth estimates provide support for investors' persistent exuberance regarding the space. As of 12/5/25, analysts estimates were for the technology sector to increase its earnings by a staggering 26.1% y-o-y for 2026. Stunningly, these estimates follow the already astonishing earnings growth the sector has enjoyed so far in 2025. As always, these are estimates and are subject to change. Wage growth was another bright spot during the month. Disposable personal income (income after taxes) increased by 4.8% y-o-y in Q3'25, lending support to continued spending growth in the months to come.

Sources: Bloomberg, FactSet, and Investment Company Institute

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. There can be no assurance past trends will continue or estimates will be realized.

Open-End Net Fund Flows (\$)	10/25	9/25	YTD (Oct)
Equity	-116.6B	-93.7B	-1,005.7B
Taxable Bond	20.5B	23.5B	74.0B
Municipal Bond	-0.5B	4.9B	13.0B
Hybrid	-7.5B	-5.7B	-81.2B
Taxable Money Market	132.1B	86.0B	447.6B

Key Interest Rates/Yields	11/28/25	10/31/25	11/29/24
Federal Funds Target Rate	4.00%	4.00%	4.75%
2-Year T-Note	3.49%	3.57%	4.15%
5-Year T-Note	3.60%	3.69%	4.05%
10-Year T-Note	4.02%	4.08%	4.17%
Bond Buyer 40	4.74%	4.52%	4.23%

Commodities/U.S. Dollar	11/25	YTD	12 Mo.
U.S. Dollar Index (DXY)	-0.35%	-8.32%	-5.94%
FTSE/CC CRB Excess Ret.	-0.35%	1.61%	5.07%
Crude Oil/WTI (per Barrel)	-3.98%	-18.36%	-13.90%
Natural Gas (per million BTUs)	17.60%	33.50%	44.22%
Gold Bullion (Ounce)	5.91%	61.53%	60.39%

S&P 500 Full-Year Earnings Estimates	2025	2026
11/28/25	270.73	309.16
10/31/25	268.96	306.17
12/31/24	274.13	311.07

Total Return Performance

U.S. Stock Indices	11/25	YTD	12 Mo.
S&P 500	0.25%	17.79%	14.97%
DJIA	0.48%	13.88%	8.03%
Nasdaq 100	-1.57%	21.84%	22.40%
S&P MidCap 400	2.04%	7.40%	-0.25%
Russell 2000	0.96%	13.45%	4.08%
Russell 3000	0.27%	17.15%	13.56%

U.S. Styles/Market Caps	11/25	YTD	12 Mo.
S&P 500 Growth	-0.93%	22.36%	23.39%
S&P 500 Value	1.69%	12.79%	5.11%
S&P MidCap 400 Growth	1.14%	7.62%	-0.52%
S&P MidCap 400 Value	3.06%	7.19%	0.05%
Russell 2000 Growth	-0.68%	14.46%	5.09%
Russell 2000 Value	2.80%	12.38%	3.01%

Foreign Stock Indices (USD)	11/25	YTD	12 Mo.
MSCI World NET (Ex-U.S.)	1.04%	28.01%	24.58%
MSCI Emerging Markets NET	-2.39%	29.69%	29.51%
MSCI Europe NET	1.47%	30.32%	27.14%
MSCI BRIC NET	-0.55%	22.94%	22.40%
MSCI EM Latin America NET	6.06%	53.16%	43.81%
Nikkei 225	-5.41%	29.06%	28.43%

Bloomberg Fixed Income Indices	11/25	YTD	12 Mo.
U.S. Treasury: Intermediate	0.67%	6.47%	5.86%
GNMA 30 Year	0.59%	7.91%	6.30%
Municipal Bond (22+)	0.12%	2.28%	-0.27%
U.S. Aggregate	0.62%	7.46%	5.70%
Intermediate Corporate	0.71%	7.73%	6.94%
U.S. Corporate High Yield	0.58%	8.01%	7.55%
Global Aggregate	0.23%	7.89%	5.57%
EM Hard Currency Aggregate	0.29%	11.57%	10.13%

HIGH/LOW SNAPSHOT

Data through November 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	6849.09	-0.61%	17.79%	1.14%
S&P 500 Growth	5090.93	10/29/2025	1035.44	2/11/2016	4982.87	-2.12%	22.36%	0.56%
S&P 500 Value	2089.97	11/12/2025	788.67	2/11/2016	2089.47	-0.02%	12.79%	1.84%
S&P MidCap 400	3390.26	11/25/2024	1218.55	3/23/2020	3308.49	-2.41%	7.40%	1.43%
S&P MidCap 400 Growth	1610.10	11/25/2024	574.06	2/11/2016	1576.26	-2.10%	7.62%	0.85%
S&P MidCap 400 Value	1083.78	11/25/2024	373.28	3/23/2020	1054.09	-2.74%	7.19%	2.08%
S&P 100	3481.00	10/29/2025	820.61	2/11/2016	3438.87	-1.21%	20.26%	1.01%
DJIA	48254.82	11/12/2025	15660.18	2/11/2016	47716.42	-1.12%	13.88%	1.57%
Nasdaq 100	26119.85	10/29/2025	3947.80	2/9/2016	25434.89	-2.62%	21.84%	0.63%
Russell 2000	2520.44	10/27/2025	953.72	2/11/2016	2500.43	-0.79%	13.45%	1.31%
Russell 2000 Growth	1709.62	2/9/2021	573.10	2/11/2016	1674.16	-2.07%	14.46%	0.55%
Russell 2000 Value	2719.82	11/28/2025	1067.63	3/23/2020	2719.82	0.00%	12.38%	2.14%
Russell 3000	3911.83	10/28/2025	1067.34	2/11/2016	3888.11	-0.61%	17.15%	1.16%
MSCI World Net (ex U.S.) (USD)	10648.67	11/12/2025	4189.62	2/11/2016	10547.55	-0.95%	28.01%	2.80%
MSCI Emerging Markets Net (USD)	770.52	10/29/2025	296.25	1/21/2016	744.25	-3.41%	29.69%	2.31%
Bovespa/Brazil (USD)	29918.56	11/11/2025	9077.09	1/21/2016	29825.09	-0.31%	53.53%	5.61%
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	420.08	-9.03%	3.40%	1.14%
Shanghai Composite/China (USD)	578.15	12/13/2021	358.39	10/18/2018	549.59	-4.94%	22.70%	2.38%
KOSPI/South Korea (USD)	2.95	11/3/2025	1.16	3/19/2020	2.68	-9.33%	67.07%	1.52%
Hang Seng (USD)	4241.01	1/26/2018	1871.10	10/31/2022	3321.33	-21.69%	32.96%	3.04%
MSCI Euro (USD)	2167.32	11/12/2025	865.50	3/18/2020	2127.94	-1.82%	35.01%	2.90%
S&P 500 Consumer Discretionary	1996.58	11/3/2025	543.54	2/11/2016	1915.26	-4.07%	5.22%	0.62%
S&P 500 Consumer Staples	923.91	3/3/2025	494.55	1/20/2016	882.17	-4.52%	5.57%	2.49%
S&P 500 Energy	749.39	4/5/2024	179.94	3/18/2020	686.63	-8.37%	8.46%	3.40%
S&P 500 Utilities	471.56	10/15/2025	210.39	12/11/2015	458.15	-2.84%	22.30%	2.66%
S&P 500 Financials	900.91	9/29/2025	264.89	2/11/2016	885.58	-1.70%	11.55%	1.41%
S&P 500 Banks	588.02	11/12/2025	180.19	2/11/2016	583.30	-0.80%	26.74%	2.24%
FTSE NAREIT All Equity REITs	980.08	12/31/2021	483.48	3/23/2020	774.59	-20.97%	4.50%	4.06%
S&P 500 Health Care	1847.27	11/25/2025	732.99	2/11/2016	1833.52	-0.74%	16.18%	1.62%
S&P 500 Pharmaceuticals	1309.91	11/25/2025	549.29	2/11/2016	1291.07	-1.44%	26.60%	2.15%
NYSE Arca Biotechnology	7449.30	11/28/2025	2642.53	2/11/2016	7449.30	0.00%	29.92%	0.20%
S&P 500 Information Technology	6064.80	10/29/2025	636.18	2/9/2016	5700.38	-6.01%	24.36%	0.50%
Philadelphia Semiconductor	7327.93	10/29/2025	559.18	2/11/2016	7025.15	-4.13%	42.16%	0.63%
S&P 500 Communication Services	457.25	11/28/2025	130.86	12/24/2018	457.25	0.00%	34.88%	0.68%
S&P 500 Industrials	1318.48	10/27/2025	412.06	3/23/2020	1298.52	-1.51%	17.80%	1.38%
S&P 500 Materials	616.97	10/18/2024	234.97	1/25/2016	563.10	-8.73%	8.13%	1.91%
Philadelphia Gold & Silver	329.32	10/16/2025	38.84	1/19/2016	324.59	-1.44%	139.63%	0.85%
FTSE/CC CRB Excess Return	329.59	6/9/2022	106.29	4/21/2020	301.49	-8.53%	1.61%	N/A
ICE BofA Perpetual Preferred	341.89	9/17/2025	215.28	2/11/2016	336.90	-1.46%	4.81%	6.46%
ICE BofA U.S. High Yield Constrained	613.09	11/28/2025	313.74	2/11/2016	613.09	0.00%	7.76%	7.13%

Source: Bloomberg

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