



October 10, 2025

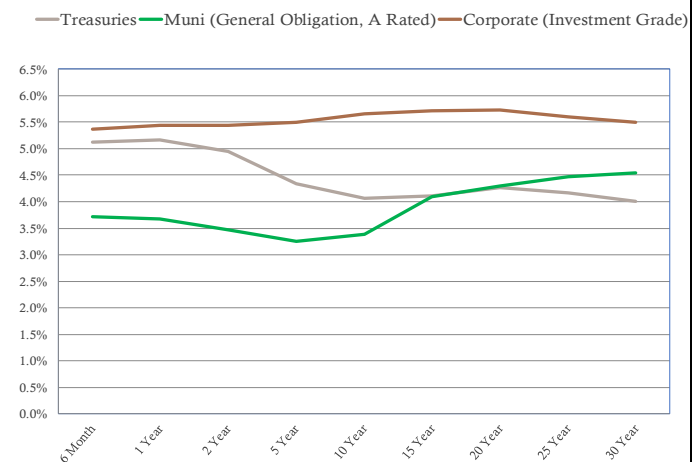
Markets declined broadly this week. The S&P 500 dropped 2.41%, the Nasdaq declined 2.53%, and small caps underperformed with the Russell 2000 down 2.87%. International equities were mixed, with MSCI EM up 0.16% and MSCI Asia Pacific gaining 0.31%. Sector performance was weak overall, led by declines in Energy (–3.98%), Consumer Discretionary (–3.32%), and Real Estate (–3.29%). Commodities were volatile: silver surged 14.6%, gold increased 10.2%, while oil and natural gas fell by more than 4%. Bitcoin decreased nearly 5%. Fixed income returns were flat to slightly negative.

Economic growth remains uneven. National indicators show resilience, with Q3 GDPNow at 3.77%, surpassing economists’ highest estimates. However, regional data reveals ongoing weakness in 22 states and DC, with another 13 states experiencing stagnation. Employment data is fragmented due to the government shutdown: ADP estimates a loss of 32,000 jobs. Hiring at small firms—major contributors to job growth—is challenging to assess, adding uncertainty to labor market trends. Inflation expectations have increased, fueled by nontraditional factors. Gold’s rally—up over 50% year-to-date—reflects investor concerns about the stability of fiat currencies. Despite this, long-term inflation expectations remain near 2%.

Monetary policy remains cautiously accommodative. The Fed cut rates in September amid signs of a softening labor market. The curve steepener trade has stalled, and traders are shifting toward longer-duration bonds. Treasury market volatility is at a four-year low due to the shutdown. Fiscal concerns persist, with net interest on public debt exceeding \$1 trillion, and the Treasury increasing short-term debt issuance.

Investor sentiment remains shaped by AI optimism and market concentration. The top five S&P 500 stocks now account for nearly 30% of the index. Retail investors are driving bullish flows, especially in AI-related names, creating feedback loops reminiscent of past speculative episodes. Have a great weekend!

As of 10/10/25		Total Returns				
Equity Markets	Closing	1 Week	1 Mo	3 Mo	6 Mo	1 Year
Dow Jones	45479.60	-2.7%	0.1%	4.7%	15.1%	10.9%
S&P500	6552.51	-2.4%	0.4%	7.9%	24.2%	17.8%
NASDAQ	22204.43	-2.5%	1.5%	11.9%	34.9%	26.8%
Styles	Closing	1 Week	1 Mo	3 Mo	6 Mo	1 Year
Large Cap (Russell)		-2.5%	0.2%	7.6%	24.3%	17.9%
Small Cap (Russell)		-3.3%	0.8%	10.0%	29.9%	13.7%
Value (Russell)		-2.8%	-0.5%	4.5%	15.5%	9.4%
Growth (Russell)		-2.2%	0.7%	10.7%	32.7%	25.3%
International (MSCI)		-0.7%	1.9%	5.5%	31.3%	19.5%
Emerging Markets (MSCI)		0.2%	5.4%	12.7%	40.9%	23.1%
Currency/Commodities	Closing	1 Week	1 Mo	3 Mo	6 Mo	1 Year
US Dollar Index	98.98	1.3%	1.2%	1.3%	-1.9%	-3.9%
Gold	4000.40	3.0%	9.4%	19.1%	23.7%	46.1%
Bitcoin	116,771	-4.9%	2.8%	2.8%	46.2%	95.5%
Natural Gas	3.106	-5.4%	-4.8%	-19.4%	-24.2%	-13.1%
Oil	58.90	-3.4%	-7.1%	-7.3%	1.1%	-17.1%



		Historical Readings				
Economic Data	Last	Trend	1 Mo	3 Mo	6 Mo	1 Year
Unemployment %	4.3%	-	4.2%	4.2%	4.1%	4.2%
Jobless Claims	218	-	234	237	225	221
GDP Q/Q Annualized	3.8%	+	N/A	-0.6%	1.9%	3.6%
Headline CPI Y/Y	2.9%	+	2.7%	2.4%	2.8%	2.5%
Core CPI Y/Y	3.1%	~	3.1%	2.8%	3.1%	3.2%
FHFA Price Index Y/Y	2.3%	-	2.7%	3.2%	5.2%	4.8%
Existing Home Sales Y/Y	1.8%	+	0.8%	-0.5%	-0.9%	-3.7%
NAHB Homebuilder Index	32	~	32	32	39	41
Retail Sales Y/Y	5.0%	+	4.1%	3.4%	3.9%	1.8%
Consumer Confidence	94.2	-	97.8	95.2	93.9	99.2
ISM Manufacturing Index	49.1	+	48.7	49.0	49.0	47.5

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