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MARKET VIEW WEEKLY

Philip Blancato, Chief Market Strategist, Osaic



ECONOMIC REVIEW¹

- As the U.S government shutdown enters its fourth week, the release of key economic reports remains significantly curtailed, leaving investors to rely on limited alternative data available.
- The Bureau of Labor Statistics temporarily recalled furloughed workers to release the delayed September Consumer Price Index (CPI), needed by the Social Security Administration to calculate next year's cost-of-living adjustment for over 70 million recipients.
- The report showed that headline CPI rose 0.3% month-over-month (MoM) and 3.0% year-over-year (YoY), slightly below expectations.
 - Softer housing costs were a key driver as owners' equivalent rent increased just 0.1%, the smallest monthly gain since early 2021, accompanied by weaker used car prices and subdued goods inflation.
 - Energy prices rose 1.5% in September despite oil prices coming down slightly during the month.
- Core CPI, which excludes volatile food and energy components, also increased 0.2% MoM and 3.0% YoY, marking its slowest pace of increase in three months.
 - The moderation reflected easing services-ex-housing inflation, aided by falling car insurance costs and a slowdown in airfare and shelter categories.
- The University of Michigan Consumer Sentiment Index fell to 53.6 in October, from 55.1 in the prior month, missing expectations of 55.0 and reaching a five-month low.
 - Both current conditions and expectations weakened as households reported greater concern about job stability and persistently high price levels.

How does the most recent economic data impact you?

- The delayed September CPI report, released despite the ongoing government shutdown, provided a crucial snapshot of inflation and confirmed that price pressures continue to ease.
 - The new data allowed the Social Security Administration to finalize a 2.8% cost-of-living adjustment for 2026, offering modest relief to retirees after years of elevated inflation.
- Softer monthly and annual inflation readings suggest prices are moving closer to the Fed's long-term target, as easing shelter and goods costs signal that overall price stability is gradually returning.
- Consumer sentiment's decline showed households remain uneasy about job security and persistent prices, which may temper discretionary spending, even as inflation pressures continue to cool.
- The White House warned that additional economic reports may not be released while the government shut down continues, which could result in the first interruption of key federal data releases in modern history and leave policymakers without official insight into the economy.



A LOOK FORWARD¹

- This week, investors will turn their attention to the Federal Reserve's (Fed) interest rate decision, while most government data releases are subject to delay if the government shutdown continues.

How does this week's slate of economic data impact you?

- Fed officials are expected to follow through with another rate cut as inflation cools and growth steadies. Investors will closely monitor their policy statement and press conference for any guidance on whether additional rate cuts are likely in December or early next year.



MARKET UPDATE²

Market Index Returns as of 10/24/2025	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	1.93%	1.61%	16.68%	18.46%	22.52%	16.12%
NASDAQ	2.31%	2.42%	20.78%	26.14%	28.46%	15.84%
Dow Jones Industrial Average	2.24%	1.82%	12.49%	14.02%	16.26%	12.92%
Russell Mid-Cap	1.99%	0.68%	11.17%	11.68%	15.38%	11.37%
Russell 2000 (Small Cap)	2.51%	3.20%	13.92%	15.39%	13.49%	10.38%
MSCI EAFE (International)	1.25%	1.64%	27.19%	22.12%	20.43%	11.16%
MSCI Emerging Markets	2.05%	3.26%	31.69%	24.95%	20.92%	6.64%
Bloomberg Barclays US Agg Bond	0.17%	1.20%	7.41%	6.59%	5.93%	-0.13%
Bloomberg Barclays High Yield Corp.	0.40%	0.24%	7.48%	8.22%	10.66%	5.27%
Bloomberg Barclays Global Agg	-0.19%	0.20%	8.13%	5.87%	5.86%	-1.62%



OBSERVATIONS

- Major U.S. large-cap indexes extended their gains, with the Nasdaq up +2.31%, the Dow Jones rising +2.24%, and the S&P 500 gaining +1.93%, as investors welcomed softer inflation data and growing confidence in potential Fed rate cuts ahead.
- Small caps lead equity performance, advancing +2.51% followed by mid-caps up +1.99%, a sign of improving market breadth and growing investor confidence in the U.S. economy.
- International equities moved higher as well, with the MSCI EAFE Index up +1.25% and emerging markets up +2.05%, supported by a weaker dollar and renewed global growth optimism.
- Core U.S. bonds posted modest gains, with the Bloomberg U.S. Aggregate Bond Index up +0.17%, as Treasury yields steadied following encouraging inflation data.
 - High-yield corporate bonds rose +0.40%, reflecting healthy risk appetite and continued demand for yield.
 - Global aggregate bonds slipped -0.19%, lagging U.S. benchmarks amid diverging interest-rate paths across major central banks.



BY THE NUMBERS

- **Trick, Treat, and Tap the Wallet; Record Halloween Spending Ahead:** The National Retail Federation projects \$13.1 billion in U.S. consumer spending for Halloween this year, a record high, up from \$11.6 billion last year and surpassing the previous record of \$12.2 billion in 2023. About 79% of consumers expect higher prices due to tariffs, yet 73% still plan to celebrate, slightly above last year's 72%. Candy leads spending at \$3.9 billion, followed by costumes at \$4.3 billion (with 71% planning to buy them) and decorations at \$4.2 billion (with 78% participating). Average spending per person is projected to reach \$114.45, nearly \$11 more than last year and breaking the previous record of \$108.24.³
- **An Apple to Apples Comparison:** AppleRankings.com is a quirky and data-driven website dedicated to rating and ranking dozens of apple varieties from best to worst. The site currently lists 73 different apples, each scored numerically and grouped into categories ranging from "Nearly Perfect" to "Pure S##t Apples." At the top of the list, the Sweetango Apple earns a stellar score of 97, followed by the Honeycrisp Apple at 95, both considered elite picks. Mid-tier "Average Apples" cluster in the 70-point range, while the lowest-rated entries sink into the teens and twenties. Overall, the site offers a humorous yet surprisingly systematic snapshot of how different apple varieties stack up by taste, texture, and popularity.⁴

Economic Definitions

CPI (headline and core): Consumer prices (CPI) are a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.

Federal Reserve (Fed): The Federal Reserve System is the central banking system of the United States of America.

University of Michigan Consumer Sentiment Index: Consumer confidence tracks sentiment among households or consumers. The results are based on surveys conducted among a random sample of households. Target Audience: representative sample of US households (excluding Alaska and Hawaii). Surveys of Consumers collects data on consumer attitudes and expectations summarized in the Consumer Sentiment, in order to determine the changes in consumers' willingness to buy and to predict their subsequent discretionary expenditures. This Index is comprised of measures of attitudes toward personal finances, general business conditions, and market conditions or prices. Components of the Index of Consumer Sentiment are included in the Leading Indicator Composite Index. Unit: Index (Q1 1966=100)

Index Definitions

S&P 500: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

NASDAQ: The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971.

Dow Jones Industrial Average: The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

Russell Mid-Cap: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represents approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell 2000: The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

MSCI EAFE: The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

MSCI EM: The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg Barclays US Agg Bond: The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg Barclays High Yield Corp: The Bloomberg Barclays US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded.

Bloomberg Barclays Global Agg: The Bloomberg Barclays Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Barclays Municipal Bond Index: The Bloomberg Barclays U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

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¹ Data obtained from Bloomberg as of 10/24/2025.

² Data obtained from Morningstar as of 10/24/2025.

³ [Trick, Treat, and Tap the Wallet; Record Halloween Spending Ahead](#)

⁴ [An Apple to Apples Comparison](#)