

# WEEKLY MARKET COMMENTARY

October 13, 2025

## WEEK IN REVIEW

The ongoing government shutdown has created a data vacuum, delaying key economic reports and clouding visibility for the Federal Reserve ahead of its next meeting. Markets now face the unenviable task of interpreting policy direction with limited official data, relying instead on supplemental and tangential indicators to gauge the economy's trajectory.

The latest Federal Open Market Committee (FOMC) minutes offered context for the recent 25-basis point rate cut, citing a shift in the balance of risks. Policymakers noted rising downside risks to employment and fading upside risks to inflation. This suggests that concerns over a softening labor market now outweigh fears of accelerating inflation, signaling a greater willingness to move rates toward neutral if conditions deteriorate.

In the absence of federal data, markets turned to alternative reports. One of the more notable was the Consumer Credit Report, which came in well below consensus, hinting at stronger consumer balance sheets, with consumers paying down debt rather than increasing leverage. However, this data is often revised, so markets will take it with a grain of salt. Inflation signals remain mixed: the University of Michigan survey showed gradually declining expectations for both the one- and five-year periods, while the New York Fed's consumer survey reported a modest increase in short-term expectations. Markets must contend with this ambiguity amid a backdrop of limited data.

Treasury auctions for 3-, 10-, and 30-year bonds cleared at higher yields than last month, signaling a broad upward shift in the curve. This appears driven by rising real rate expectations and a higher term premium, rather than inflation fears. The 10-Year Breakeven Inflation Rate held steady around 2.30% –2.35%, suggesting investors are demanding more compensation for duration risk amid "higher for longer" policy expectations and fiscal concerns.

## ECONOMIC AND CAPITAL MARKETS DASHBOARD

Broad Market Indices	1-week	1-month	3-month	YTD
<b>Stock Market (Total Return)</b>				
S&P 500	-2.41%	0.41%	4.66%	12.54%
Dow Jones 30	-2.70%	0.07%	2.29%	8.34%
NASDAQ	-2.53%	1.50%	7.79%	15.57%
Russell 1000 Growth	-2.23%	0.79%	7.28%	14.95%
Russell 1000 Value	-2.70%	-0.44%	1.55%	9.35%
Russell 2000	-3.28%	0.83%	6.15%	8.52%
Wilshire 5000	-2.49%	0.24%	4.60%	12.18%
MSCI EAFE Index	-0.19%	2.50%	5.74%	15.74%
MSCI Emerging Market Index	-0.14%	5.26%	13.24%	27.23%
VIX	30.09%	41.11%	37.26%	24.84%
FTSE NAREIT All Equity REITs	-3.21%	-2.06%	-1.12%	1.11%
S&P U.S. Aggregate Bond Index	0.34%	0.42%	2.93%	6.54%
<b>Interest Rates</b>	<b>10/10/2025</b>	<b>10/3/2025</b>	<b>9/26/2025</b>	<b>9/19/2025</b>
3-month T-bill Yield (%)	3.94	3.95	3.96	3.98
10-year Treasury Yield (%)	4.06	4.12	4.18	4.13
10Y-2Y Treasury Spread (%)	0.53	0.54	0.54	0.56
30-year Fixed Mortgage Rate (%)	6.39	6.39	--	--
<b>Commodities</b>				
WTI Crude (\$/bl)	58.94	61.65	66.50	63.02
Gold (\$/Troy Oz)	3,974.50	3,885.70	3,769.85	3,663.15
Bitcoin	112,903.79	122,308.33	109,646.07	115,698.55

Weekly Indicators	10/10/2025	10/3/2025	9/26/2025	9/19/2025
<b>Employment</b>				
Initial Unemployment Claims (000's)	-	-	-	218.00

Quarterly Data	9/30/2025	6/30/2025	3/31/2025	12/31/2024
<b>Output</b>				
Real GDP Growth (%q/q, saar)	-	3.80	-0.60	1.90
Private Consumption (%q/q, saar)	-	2.50	0.60	3.90

Monthly Indicators	9/30/2025	8/29/2025	7/31/2025	6/30/2025
<b>Consumption</b>				
Consumer Expenditures (%m/m, sa)	-	0.62	0.55	0.55
Retail Sales (%m/m, sa)	-	0.62	0.72	0.99
Personal Savings Rate (%)	-	4.60	4.80	5.00
<b>Labor</b>				
Civilian Unemployment Rate (%)	-	4.30	4.20	4.10
Nonfarm Employment (Chg, 000's)	-	22	79	-13
Real Average Hourly Earnings (%y/y)	-	0.99	1.15	1.28
JOLTS Job Openings (000's)	-	7227	7208	7357
<b>Inflation</b>				
Consumer Price Index (CPI) (%m/m, sa)	-	0.38	0.20	0.29
Core CPI (%m/m, sa)	-	0.35	0.32	0.23
Producer Price Index (PPI) (%m/m, sa)	-	-0.12	0.70	0.05
Core PPI (%m/m, sa)	-	0.32	0.39	0.21
Personal Consumption Expenditures (PCE) (%m/m, sa)	-	0.26	0.16	0.29
Core PCE (%m/m, sa)	-	0.23	0.24	0.26
<b>Output and Capacity</b>				
Industrial Production (%m/m, sa)	-	0.10	-0.38	0.53
Mfg New Orders (%m/m, sa)	-	-	-1.28	-4.83
Durable New Orders (%m/m, sa)	-	2.92	-2.75	-9.39
Durable Inventories (%m/m, sa)	-	-0.01	0.28	0.24
<b>Survey Data and Composite Indicators</b>				
Consumer Confidence (CB, 1985=100)	94.20	97.80	98.70	95.20
ISM Manufacturing Report (%)	49.10	48.70	48.00	49.00
ISM Non-Manufacturing Report (%)	50.00	52.00	50.10	50.80
Leading Economic Index (%m/m)	-	-0.51	0.10	-0.30
<b>Housing and Construction</b>				
Building Permits (Mil. of Units, saar)	-	1.33	1.36	1.39
Housing Starts (Mil. of Units, saar)	-	1.31	1.43	1.38
New Home Sales (Mil. of Units, saar)	-	0.80	0.66	0.68

## WEEK AHEAD

With the government shutdown still in effect, markets continue to operate in a data-constrained environment. The September jobs report remains delayed, and other key releases, including weekly jobless claims and the retail sales report, are also postponed. Even the Consumer Price Index, originally scheduled for October 15, has been pushed to October 24 to support Social Security Cost-of-Living Adjustment (COLA) calculations.

In the absence of fresh government data, investors will increasingly rely on private-sector releases and Fed communications. This week features a heavy slate of speeches from Federal Reserve officials, including Vice Chair Bowman and Governor Barr. With Chair Powell's expected departure in 2026, markets may begin shifting their attention toward the broader committee for clues on the future policy path, especially as consensus-building becomes more critical in a fragmented data environment.

Additionally, global energy reports may offer indirect insights into economic momentum. The OPEC Monthly Oil Market Report (October 13) and the IEA Monthly Oil Market Report (October 14) will provide detailed views on oil supply, demand, and pricing trends. These reports, unaffected by the shutdown, may help markets assess inflationary pressures and industrial activity through the lens of energy consumption and production.

In this environment, every speech, survey, and tangential indicator may begin to take on outsized importance as markets prepare for the Fed's October 28–29 meeting.

## DISCLOSURES AND DEFINITIONS

### Economic Indicators:

1. CPI: Consumer Price Index measures the average change in prices paid by consumers for goods and services over time. Source: Bureau of Labor Statistics.
2. Core CPI: Core Consumer Price Index excludes food and energy prices to provide a clearer picture of long-term inflation trends. Source: Bureau of Labor Statistics.
3. PPI: Producer Price Index measures the average change in selling prices received by domestic producers for their output. Source: Bureau of Labor Statistics.
4. Core PPI: Core Producer Price Index excludes food and energy prices to provide a clearer picture of long-term inflation trends. Source: Bureau of Labor Statistics.
5. PCE: Personal Consumption Expenditures measure the average change in prices paid by consumers for goods and services. Source: Bureau of Economic Analysis.
6. Core PCE: Core Personal Consumption Expenditures exclude food and energy prices to provide a clearer picture of long-term inflation trends. Source: Bureau of Economic Analysis.
7. Industrial Production: Measures the output of the industrial sector, including manufacturing, mining, and utilities. Source: Federal Reserve.
8. Mfg New Orders: Measures the value of new orders placed with manufacturers for durable and non-durable goods. Source: Census Bureau.
9. Durable New Orders: Measures the value of new orders placed with manufacturers of durable goods. Source: Census Bureau.
10. Durable Inventories: Measures the value of inventories held by manufacturers for durable goods. Source: Census Bureau.
11. Consumer Confidence (CB, 1985=100): Measures the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation. Source: Conference Board.
12. ISM Manufacturing Report: Measures the economic health of the manufacturing sector based on surveys of purchasing managers. Source: Institute for Supply Management.
13. ISM Non-Manufacturing Report: Measures the economic health of the non-manufacturing sector based on surveys of purchasing managers. Source: Institute for Supply Management.
14. Leading Economic Index: Measures overall economic activity and predicts future economic trends. Source: Conference Board.
15. Building Permits (Mil. of Units, saar): Measures the number of new residential building permits issued. Source: Census Bureau.
16. Housing Starts (Mil. of Units, saar): Measures the number of new residential construction projects that have begun. Source: Census Bureau.
17. New Home Sales (Mil. of Units, saar): Measures the number of newly constructed homes sold. Source: Census Bureau.
18. SA: Seasonally adjusted.
19. SAAR: Seasonally adjusted annual rate.

### Market Indices & Indicators:

1. S&P 500: A market-capitalization-weighted index of 500 leading publicly traded companies in the U.S., widely regarded as one of the best gauges of large U.S. stocks and the stock market overall.
2. Dow Jones 30: Also known as the Dow Jones Industrial Average, it tracks the share price performance of 30 large, publicly traded U.S. companies, serving as a barometer of the stock market and economy.
3. NASDAQ: The world's first electronic stock exchange, primarily listing technology giants and operating 29 markets globally.
4. Russell 1000 Growth: Measures the performance of large-cap growth segment of the U.S. equity universe, including companies with higher price-to-book ratios and growth metrics.
5. Russell 1000 Value: Measures the performance of large-cap value segment of the U.S. equity universe, including companies with lower price-to-book ratios and growth metrics.
6. Russell 2000: A market index composed of 2,000 small-cap companies, widely used as a benchmark for small-cap mutual funds.
7. Wilshire 5000: A market-capitalization-weighted index capturing the performance of all American stocks actively traded in the U.S., representing the broadest measure of the U.S. stock market.
8. MSCI EAFE Index: An equity index capturing large and mid-cap representation across developed markets countries around the world, excluding the U.S. and Canada.
9. MSCI Emerging Market Index: Captures large and mid-cap representation across emerging markets countries, covering approximately 85% of the free float-adjusted market capitalization in each country.
10. VIX: The CBOE Volatility Index measures the market's expectations for volatility over the coming 30 days,

often referred to as the «fear gauge.»

11. FTSE NAREIT All Equity REITs: Measures the performance of all publicly traded equity real estate investment trusts (REITs) listed in the U.S., excluding mortgage REITs.
12. S&P U.S. Aggregate Bond Index: Represents the performance of the U.S. investment-grade bond market, including government, corporate, mortgage-backed, and asset-backed securities.
13. 3-Month T-bill Yield (%): The yield on U.S. Treasury bills with a maturity of three months, reflecting short-term interest rates.
14. 10-Year Treasury Yield (%): The yield on U.S. Treasury bonds with a maturity of ten years, reflecting long-term interest rates.
15. 10Y-2Y Treasury Spread (%): The difference between the yields on 10-year and 2-year U.S. Treasury bonds, often used as an indicator of economic expectations.
16. WTI Crude (\$/bbl): The price per barrel of West Texas Intermediate crude oil, a benchmark for U.S. oil prices.
17. Gold (\$/Troy Oz): The price per troy ounce of gold, a standard measure for gold prices.
18. Bitcoin: A decentralized digital currency without a central bank or single administrator, which can be sent from user to user on the peer-to-peer bitcoin network.

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The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange.

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