



Weekly market update: Upbeat earnings news eases Fed blues.

The market and economy

- The U.S. equity market maintained its upward momentum during the week ending October 31. Investors welcomed signs of thawing trade tensions between the U.S. and China, as well as several mega-cap technology companies' lucrative business deals related to artificial intelligence (AI). This offset a pullback in stock prices on Wednesday and Thursday due to concerns regarding Federal Reserve (Fed) monetary policy, as well as Facebook parent company Meta Platform's plans for AI-related spending and Microsoft's weaker-than-expected earnings report.
- In a split 10-2 vote, the Federal Open Market Committee (FOMC) reduced the federal funds rate by 25 basis points (0.25%) to a range of 3.75%-4.00% following its meeting on Tuesday and Wednesday. There were two dissents: FOMC member Stephen Miran voted for a 0.50% rate decrease, while Jeffrey Schmid voted to leave the rate unchanged. In a statement announcing the rate decision, the FOMC cited continued sluggishness in the U.S. labor market. "Job gains have slowed this year, and the unemployment rate has edged up but remained low through August; more recent indicators are consistent with these developments," the FOMC commented. The Committee also noted that inflation "remains somewhat elevated." During a news conference following the FOMC meeting on Wednesday afternoon, Fed Chair Jerome Powell acknowledged the differing views among FOMC members regarding monetary policy and cautioned that a rate cut at the Committee's meeting in December "is not a foregone conclusion—far from it. Policy is not on a pre-set course."
- At a meeting in South Korea on Thursday, President Donald Trump and Chinese President Xi Jinping reached a tentative trade deal in which the U.S. will reduce tariffs on imported goods from China from 57% to 47% in exchange for China's pledge to curb the export of chemicals used to produce fentanyl. Additionally, Xi agreed to a one-year suspension of export controls on rare-earth minerals, which are used in the production of electronics such as smartphones, computer hard drives, and big-screen televisions, and China will end its embargo on soybean imports from the U.S.
- The Conference Board's Consumer Confidence Index® dipped 1.0 point to 94.6 in October. (A reading below 100 signals a decrease in consumer confidence regarding the future economic situation.) The Present Situation Index, which gauges consumers' assessment of current business and labor market conditions, gained 1.8 points to 129.3. The Expectations Index, an indicator of consumers' short-term outlook for income, business, and labor market conditions, declined by 2.9 points to 71.5, remaining below a reading of 80, indicating that consumers anticipate a recession in the U.S. over the next 12 months.
- The government's preliminary estimate of gross domestic product growth for the third quarter, as well as the personal-consumption expenditures (PCE) price index data for September, which were scheduled for release on Thursday and Friday, respectively, have been delayed indefinitely due to the ongoing U.S. government shutdown, which is in its fifth week. The PCE price index excluding food and energy (commonly referred to as the core PCE price index) is widely considered the Fed's preferred measure of inflation as it tracks the prices that consumers pay for goods and services (excluding volatile food and energy costs) to reveal underlying inflation trends.

Stocks

- Global equities posted gains during the week. Emerging markets outperformed developed markets.
- U.S. equities garnered positive returns during the week. Information technology and consumer discretionary were the top-performing sectors, while real estate and materials were the primary market laggards.
- Growth stocks outperformed value stocks, while large caps surpassed small caps.

Bonds

- The 10-year U.S. Treasury note yield rose to 4.08% during the week.
- The U.S. bond market finished in negative territory for the week.
- High-yield bonds led the market, followed by corporate bonds and government bonds.

The Numbers as of October 31, 2025	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI (\$)	0.5%	19.6%	20.9%	1006.2
MSCI EAFE (\$)	-0.5%	23.7%	19.9%	2797.5
MSCI Emerging Mkts (\$)	0.9%	30.3%	25.2%	1401.5
US & Canadian Equities				
Dow Jones Industrials (\$)	0.8%	11.8%	13.9%	47562.9
S&P 500 (\$)	0.7%	16.3%	19.9%	6840.2
NASDAQ (\$)	2.2%	22.9%	31.1%	23725.0
S&P/ TSX Composite (C\$)	-0.3%	22.4%	25.3%	30260.7
UK & European Equities				
FTSE All-Share (£)	0.5%	17.3%	18.2%	5240.2
MSCI Europe ex UK (€)	-0.9%	12.4%	11.8%	1983.8
Asian Equities				
Topix (¥)	1.9%	19.6%	23.6%	3331.8
Hong Kong Hang Seng (\$)	-1.0%	29.1%	27.5%	25906.7
MSCI Asia Pac. Ex-Japan (\$)	0.7%	27.4%	22.8%	725.3
Latin American Equities				
MSCI EMF Latin America (\$)	2.2%	38.9%	21.4%	2574.0
Mexican Bolsa (peso)	2.7%	26.8%	23.9%	62769.2
Brazilian Bovespa (real)	2.3%	24.3%	15.3%	149540.4
Commodities (\$)				
West Texas Intermediate Spot	-2.1%	-15.0%	-12.0%	61.0
Gold Spot Price	-3.2%	52.3%	45.9%	3997.7
Bond Indices (\$)				
Bloomberg U.S. Aggregate	-0.6%	6.8%	6.2%	2337.8
Bloomberg Global Aggregate	-0.5%	7.6%	5.7%	498.8
JPMorgan Emerging Mkt Bond	0.6%	12.5%	12.2%	1009.6
10-Year Yield Change (basis points*)				
US Treasury	8	-49	-21	4.08%
UK Gilt	-2	-16	-4	4.41%
German Bund	1	27	24	2.63%
Japan Govt Bond	1	57	72	1.67%
Canada Govt Bond	3	-11	-10	3.12%
Currency Returns**				
US\$ per euro	-0.8%	11.4%	6.0%	1.154
Yen per US\$	0.7%	-2.0%	1.3%	153.99
US\$ per £	-1.2%	5.1%	2.0%	1.315
C\$ per US\$	0.1%	-2.6%	0.5%	1.401

Source: Bloomberg. Equity-index returns are price only, others are total returns.

*100 basis points = 1 percentage point.

**Increases in U.S. dollars (USD) per euro or pound indicate a decline in the value of the USD; increases in yen or Canadian dollars per USD indicate an increase in the value of the USD.

Important information

Index returns are for illustrative purposes only and do not represent actual investment performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged, and one cannot invest directly in an index. Past performance does not guarantee future results.

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