VIEWS | NOVEMBER 21, 2025

Weekly market update: Tech and Fed's not-so-excellent adventure.

The market and economy

- A rally on Friday in response to a regional Federal Reserve (Fed) Bank president's generally dovish monetary policy comments could not prevent U.S. stocks from finishing in negative territory for the week ending November 21. Despite largely positive corporate earnings and employment data, investors' ongoing concerns over the long-term viability of the artificial intelligence (AI) trade in the technology sector, as well as uncertainty regarding the Fed's interest-rate decision at its December meeting, weighed on the market.
- On Thursday, following a lengthy delay caused by the recent 43-day federal government shutdown, the Department of Labor issued its employment situation report for September, which indicated that U.S. payrolls expanded by a greater-than-expected total of 119,000 jobs during the month, and the unemployment rate ticked up 0.1 percentage point to 4.4%. The total for September was up sharply from the 4,000 positions lost in August, which represented a downward adjustment of 26,000 from the government's initial tally of 22,000 jobs added during the month. The healthcare sector and food services and drinking places registered the largest job gains for the month, while there were downturns in employment in the transportation and warehousing sector and the federal government. The relatively strong labor market data initially led investors to question whether the Fed would implement a rate cut next month. The Department of Labor also announced that it will not produce a full employment report for October as it could not calculate the unemployment rate and other significant data as a result of the government shutdown.
- Minutes from the Federal Open Market Committee's (FOMC) October 28-29 meeting, which were released on Wednesday, revealed that there was disagreement among several members regarding the direction of monetary policy going forward. The FOMC implemented a 0.25% reduction in the federal funds rate at its meeting, but the vote was not unanimous. According to the meeting minutes, "Most participants judged that further downward adjustments to the target range for the federal funds rate would likely be appropriate as the Committee moved to a more neutral policy stance over time, although several of these participants indicated that they did not necessarily view another 25 basis point [sic] reduction as likely to be appropriate at the December meeting."
- During an appearance at the Central Bank of Chile Centennial Conference in Santiago on Friday, Federal Reserve Bank of New York President John Williams reiterated his support for the central bank's rate cuts following its meetings in September and October. "I view monetary policy as being modestly restrictive, although somewhat less so than before our recent actions," he said. "Therefore, I still see room for a further adjustment in the near term to the target range for the federal funds rate to move the stance of policy closer to the range of neutral, thereby maintaining the balance between the achievement of our two goals." (The Fed has a dual mandate of maximum employment and price stability.)
- In a speech at the Federal Reserve Bank of Kansas City on Monday, Fed Vice Chair Philip Jefferson noted that the shutdown delayed key economic data releases, highlighting the importance of alternative data sources. "While I consider federal data to be the gold standard, other sources of information are also available for policymakers to do our jobs," Jefferson noted. He commented that the central bank's rate cut in October was "appropriate because I see the balance of risks as having shifted in recent months as downside risks to employment have increased."

Stocks

- Global equities posted losses for the week. Developed markets outperformed emerging markets.
- U.S. equities declined during the week. Communication services and healthcare were the top-performing sectors, while information technology and consumer discretionary were the primary market laggards.
- Value stocks outperformed growth stocks, while small caps surpassed large caps.

Bonds

- The 10-year U.S. Treasury note yield fell to 4.07% during the week.
- The U.S. bond market gained ground for the week.
- Government bonds led the market, followed by corporate bonds and high-yield bonds.

The Numbers as of November 21, 2025	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI ($)	-2.5%	15.4%	14.0%	970.8
MSCI EAFE ($)	-3.4%	20.4%	19.9%	2723.3
MSCI Emerging Mkts ($)	-3.7%	24.0%	22.9%	1334.0
US & Canadian Equities				
Dow Jones Industrials ($)	-1.9%	8.7%	5.4%	46245.4
S&P 500 ($)	-1.9%	12.3%	11.0%	6603.0
NASDAQ ($)	-2.7%	15.3%	17.4%	22273.1
S&P/ TSX Composite (C$)	-0.5%	22.0%	18.8%	30160.7
UK & European Equities				
FTSE All-Share (£)	-1.7%	14.9%	15.4%	5132.9
MSCI Europe ex UK (€)	-2.4%	10.6%	11.8%	1953.1
Asian Equities				
Topix (¥)	-1.8%	18.4%	22.9%	3297.7
Hong Kong Hang Seng ($)	-5.1%	25.7%	28.7%	25220.0
MSCI Asia Pac. Ex-Japan ($)	-4.0%	20.3%	18.7%	685.0
Latin American Equities				
MSCI EMF Latin America ($)	-2.9%	40.6%	26.5%	2604.9
Mexican Bolsa (peso)	-0.7%	25.0%	23.3%	61877.3
Brazilian Bovespa (real)	-1.9%	28.7%	21.9%	154770.1
Commodities ($)				
West Texas Intermediate Spot	-3.0%	-18.7%	-17.3%	58.3
Gold Spot Price	-0.4%	55.7%	52.9%	4085.6
Bond Indices ($)				
Bloomberg U.S. Aggregate	0.5%	7.1%	6.8%	2343.4
Bloomberg Global Aggregate	-0.3%	7.2%	6.5%	496.6
JPMorgan Emerging Mkt Bond	0.1%	12.3%	11.8%	1007.6
10-Year Yield Change (basis points*)				
US Treasury	-8	-51	-36	4.07%
UK Gilt	-3	-2	10	4.54%
German Bund	-2	34	39	2.70%
Japan Govt Bond	7	68	68	1.78%
Canada Govt Bond	-3	-3	-26	3.20%
Currency Returns**				
US$ per euro	-0.9%	11.2%	9.9%	1.151
Yen per US$	1.2%	-0.5%	1.2%	156.41
US$ per £	-0.5%	4.7%	4.1%	1.310
C$ per US$	0.6%	-2.0%	0.9%	1.410

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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