



## Summary

Equities advanced last week, driven by strong earnings and growth in the tech sector, sending the NASDAQ up 2.2% on the week and up 23% year-to-date. Despite continued growth in the stock market, available reports are pointing to caution on the horizon. The National Association of Realtor's pending home

sales index was flat month-over-month in September, with the housing market slowing, perhaps due to a weakening labor market. The Case-Shiller home price index, however, signaled a reprieve may be coming for housing demand, with lower prices and lower mortgage rates improving affordability.

Consumer confidence slipped in October, driven by a 2.9-point decrease in the expectations index to 71.5, with consumers continuing to be cautious about inflation and future job prospects.

| Last Week: Indicator                                         | Number Reported        | Consensus Expectation* | Comment                         |
|--------------------------------------------------------------|------------------------|------------------------|---------------------------------|
| Durable Orders (Sep – Mon 08:30)                             | --                     | +0.3%                  | N/A due to government shut down |
| Durable Goods ex transportation (Sep – Mon 08:30)            | --                     | +0.2%                  | N/A due to government shut down |
| S&P Case-Shiller Home Price Index (Aug – Tue 09:00)          | 1.6%                   | 1.9%                   |                                 |
| Consumer Confidence (Oct – Tue 10:00)                        | 94.6                   | 94.2                   |                                 |
| MBA Mortgage Applications Index (10/25 – Wed 07:00)          | 7.1%                   | NA                     |                                 |
| Pending Home Sales (Sep – Wed 10:00)                         | 0.0%                   | 1.2%                   |                                 |
| FOMC Rate Decision (Oct – Wed 14:00)                         | 3.75-4.00%             | 3.75-4.00%             |                                 |
| GDP-Adv. (Q3 – Thu 08:30)                                    | --                     | 3.0%                   | N/A due to government shut down |
| GDP Deflator-Adv. (Q3 – Thu 08:30)                           | --                     | 2.7%                   | N/A due to government shut down |
| Initial Claims (10/25 – Thu 08:30)                           | --                     | 257K                   | N/A due to government shut down |
| Continuing Claims (10/18 – Thu 08:30)                        | --                     | NA                     | N/A due to government shut down |
| Employment Cost Index (Q3 – Fri 08:30)                       | --                     | +0.9%                  | N/A due to government shut down |
| Personal Income (Sep – Fri 08:30)                            | --                     | +0.4%                  | N/A due to government shut down |
| Personal Spending (Sep – Fri 08:30)                          | --                     | +0.4%                  | N/A due to government shut down |
| PCE Prices (Sep – Fri 08:30)                                 | --                     | +0.3%                  | N/A due to government shut down |
| PCE Prices - Core (Sep – Fri 08:30)                          | --                     | +0.3%                  | N/A due to government shut down |
| Chicago PMI (Oct – Fri 09:45)                                | 43.8                   | 42.0                   |                                 |
| Next Week: Indicator                                         | Consensus Expectation* | Prior                  | Comment                         |
| S&P Global U.S. Manufacturing PMI - Final (Oct – Mon 09:45)  | NA                     | 52.0                   |                                 |
| Construction Spending (Sep – Mon 10:00)                      | NA                     | NA                     |                                 |
| ISM Manufacturing Index (Oct – Mon 10:00)                    | 49.4%                  | 49.1%                  |                                 |
| Trade Balance (Sep – Tue 08:30)                              | -\$61.7B               | NA                     |                                 |
| Factory Orders (Sep – Tue 10:00)                             | NA                     | NA                     |                                 |
| JOLTs - Job Openings (Sep – Tue 10:00)                       | NA                     | 7.227M                 |                                 |
| ADP Employment Change (Oct – Wed 08:15)                      | 26K                    | -32K                   |                                 |
| S&P Global U.S. Services PMI - Final (Oct – Wed 09:45)       | NA                     | 54.2                   |                                 |
| ISM Services (Oct – Wed 10:00)                               | 50.9%                  | 50.0%                  |                                 |
| Initial Claims (11/01 – Thu 08:30)                           | 229K                   | NA                     |                                 |
| Continuing Claims (11/01 – Thu 08:30)                        | NA                     | NA                     |                                 |
| Wholesale Inventories (Sep – Thu 10:00)                      | -0.2%                  | NA                     |                                 |
| Nonfarm Payrolls (Oct – Fri 08:30)                           | NA                     | NA                     |                                 |
| Nonfarm Private Payrolls (Oct – Fri 08:30)                   | NA                     | NA                     |                                 |
| Unemployment Rate (Oct – Fri 08:30)                          | NA                     | NA                     |                                 |
| Avg. Hourly Earnings (Oct – Fri 08:30)                       | NA                     | NA                     |                                 |
| Average Workweek (Oct – Fri 08:30)                           | NA                     | NA                     |                                 |
| U. of Michigan Consumer Sentiment - Prelim (Nov – Fri 10:00) | 54.0                   | 53.6                   |                                 |
| Consumer Credit (Sep – Fri 15:00)                            | \$8.0B                 | NA                     |                                 |

\*Sources: [www.briefing.com](http://www.briefing.com) and [www.federalreserve.gov](http://www.federalreserve.gov)



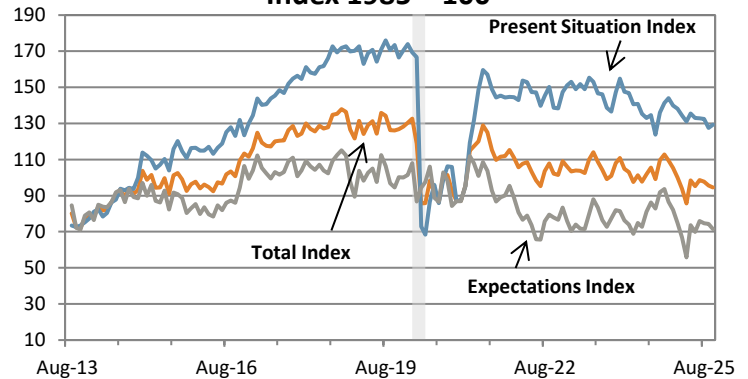
## Economic Review

The Conference Board's CONSUMER CONFIDENCE INDEX edged slightly lower in October, slipping to 94.6 from a revised 95.6 in September. In the same period a year ago, the index measured at 109.6, reflecting consumers' continued unease about the economic outlook. The present situation index rose from 127.5 to 129.3 in October, suggesting that consumers are concerned with current market conditions, but sentiments remain relatively stable about near-term issues. Expectations of future conditions deteriorated further, however, with the expectations index falling to 71.5 from 74.4. This is the ninth consecutive month this index has remained below the 80 threshold typically signaling recession risk. This negative outlook from consumers on future economic activities implies discretionary spending may remain subdued until future expectations improve, despite the more positive outlook on present circumstances. Average 12-month inflation expectations climbed slightly from September, now measuring 5.9% in October, underscoring persistent concern from consumers about prices.

The Federal Open Market Committee (FOMC) lowered the target range for the federal funds rate by 25 basis points to 3.75-4.00%, citing slower job growth, slightly higher unemployment, and persistent inflation. Economic activity is expanding at a moderate pace, though the Fed noted rising downside risks to employment and ongoing uncertainty about the outlook. Inflation has picked back up since earlier in the year and remains elevated above the Fed's 2% target. In addition to the rate cut, the Fed announced it will end its balance sheet reduction program on December 1, marking a formal conclusion to its multi-year quantitative tightening effort. Beginning in December, all principal payments from Treasury and agency securities will be fully reinvested, with agency proceeds directed into Treasury bills.

The rate decision was not unanimous: Stephen Miran preferred a 50-basis-point cut, while Jeffrey Schmid voted to hold rates steady. Most policymakers agreed that the balance of risks warranted a more accommodative stance as weaker labor market data suggests pressures on employment.

Consumer Confidence  
Index 1985 = 100





## Fed Speeches

At the Federal Reserve Bank of Kansas City on October 30th, Vice Chair for Supervision Michelle W. Bowman delivered opening remarks at the Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA) Outreach Meeting, focusing on how streamlining the U.S. bank regulatory framework can strengthen both financial stability and economic growth. Bowman framed regulatory reform as part of the broader effort to support a more efficient financial system capable of transmitting monetary policy effectively while promoting access to credit and innovation. She says,

*"If regulators do not consistently reassess what is already in place, it can prevent us from meeting our statutory obligation to promote a safe and sound banking system that enables banks to serve their customers effectively and efficiently."*

A central theme of her remarks was the need to strike

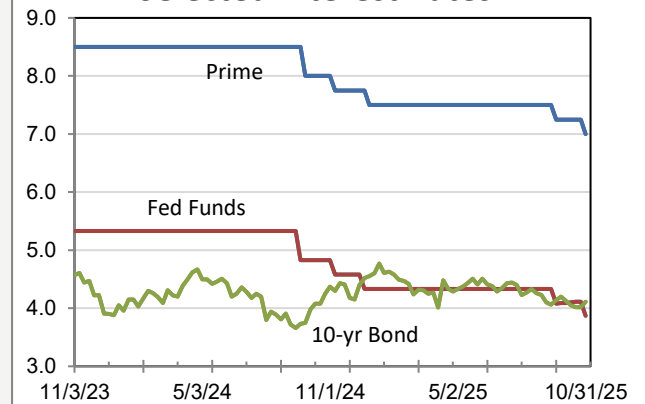
the right balance between stability and dynamism in the banking system. Bowman linked regulatory efficiency to the Fed's dual mandate, suggesting that a banking system constrained by excessive compliance burden can inhibit lending and weaken the transmission of monetary policy to households and businesses. She noted that fostering an adaptable financial infrastructure that encourages responsible risk-taking and innovation supports the long-term health of the broader economy.

Bowman also highlighted several ongoing initiatives at the Board aimed at updating capital requirements, refining supervisory frameworks, and modernizing processes for mergers, acquisitions, and new bank formations. These reforms are designed to promote a regulatory environment that supports economic growth and efficient credit allocation, both of which are essential for sustaining momentum during the current monetary easing cycle.

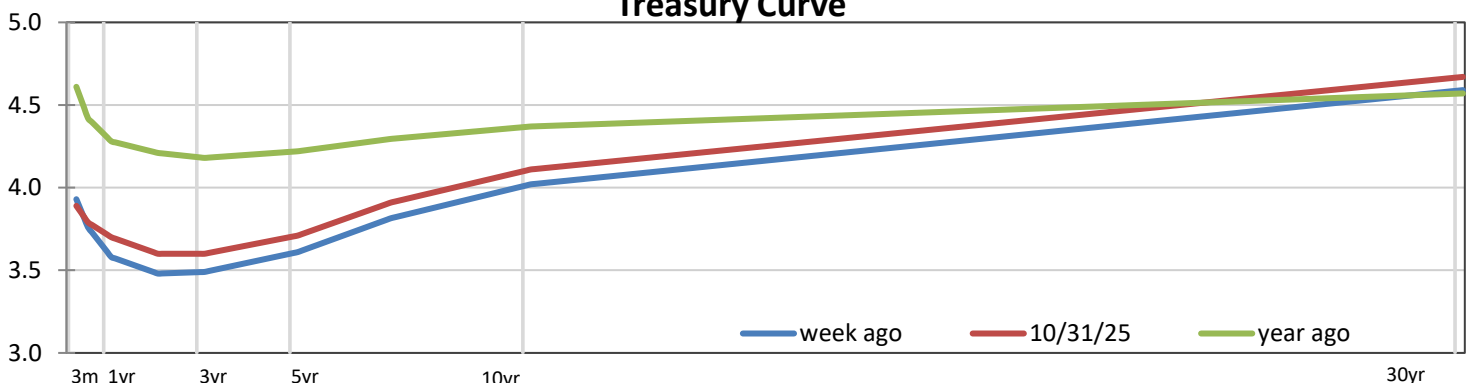
## Financial Markets

Equities rebounded on Friday after a volatile week, in part due to the FOMC meeting, with the S&P 500 ending the week up 0.7%, the DJIA up 0.8%, and the NASDAQ up 2.2%. Strong third quarter earnings, especially in the tech sector, increased investor optimism despite ongoing risks posed by geopolitical uncertainty and the government shutdown. In particular, earnings reports suggesting strong demand for cloud services imply the AI optimism that has driven the stock market is unlikely to subside in the near term. Treasury yields rose last week with one-year and two-year yields each increasing 12 basis points as investors scaled back bets of another rate cut in December after Chair Powell's hawkish post-meeting conference. The CME Group's market probability of an additional rate cut in December dropped to 68.8% from 96.4% in the prior week. Oil prices dropped 0.9%, despite the additional sanctions on Russia, as abundant supply continued to put downward pressure on prices. Gold prices fell 2.4% as prices continue to normalize after their record-breaking surge.

### Selected Interest Rates



### Treasury Curve





## Interest Rate Forecast\*

During the Fed's October policy meeting, the Federal Open Market Committee (FOMC) lowered the federal funds target rate to 3.75% to 4.00%. In the statement released following the meeting, the FOMC stated, "In support of its goals and in light of the shift in the balance of risks, the Committee decided to lower the target range for the federal funds rate by 1/4 percentage point to 3-3/4 to 4

percent. In considering additional adjustments to the target range for the federal funds rate, the Committee will carefully

assess incoming data, the evolving outlook, and the balance of risks. The Committee decided to conclude the

reduction of its aggregate securities holdings on December 1."

| Avg. for:               | Prime | Fed Funds | SOFR | 6-Mo. T-Bill | 2-Yr. Note | 10-Yr. Treasury | 30-Yr Bond | 30-Yr Mortgage |
|-------------------------|-------|-----------|------|--------------|------------|-----------------|------------|----------------|
| 4 <sup>th</sup> Qtr '25 | 7.06  | 3.93      | 3.96 | 3.73         | 3.46       | 4.00            | 4.55       | 6.18           |
| 1 <sup>st</sup> Qtr     | 6.75  | 3.63      | 3.64 | 3.57         | 3.42       | 3.89            | 4.33       | 6.02           |
| 2 <sup>nd</sup> Qtr     | 6.59  | 3.46      | 3.47 | 3.48         | 3.41       | 3.82            | 4.25       | 5.93           |
| 3 <sup>rd</sup> Qtr     | 6.42  | 3.29      | 3.30 | 3.35         | 3.36       | 3.75            | 4.19       | 5.84           |
| 4 <sup>th</sup> Qtr '26 | 6.25  | 3.13      | 3.14 | 3.19         | 3.28       | 3.68            | 4.13       | 5.74           |

November 2025

## FINANCIAL MARKET SUMMARY

|                                                             | As of<br>10/31/2025 | As of<br>10/24/2025 | Weekly<br>Change | 4-Week<br>Change | 13-Week<br>Change |
|-------------------------------------------------------------|---------------------|---------------------|------------------|------------------|-------------------|
| <b>MONEY MARKETS (Changes in BPs)</b>                       |                     |                     |                  |                  |                   |
| Prime                                                       | 7.00                | 7.25                | (25)             | (25)             | (50)              |
| Secured Overnight Financing Rate (SOFR)                     | 4.04                | 4.24                | (20)             | (16)             | (35)              |
| Fed Funds (Wed close)                                       | 3.87                | 4.11                | (24)             | (22)             | (46)              |
| <b>TREASURIES (BE) (Changes in BPs)</b>                     |                     |                     |                  |                  |                   |
| 3 Months                                                    | 3.89                | 3.93                | (4)              | (14)             | (46)              |
| 6 Months                                                    | 3.79                | 3.76                | 3                | (3)              | (37)              |
| 1 Year                                                      | 3.70                | 3.58                | 12               | 6                | (17)              |
| 2 Years                                                     | 3.60                | 3.48                | 12               | 2                | (9)               |
| 5 Years                                                     | 3.71                | 3.61                | 10               | (1)              | (6)               |
| 10 Years                                                    | 4.11                | 4.02                | 9                | (2)              | (12)              |
| 30 Years                                                    | 4.67                | 4.59                | 8                | (4)              | (14)              |
| <b>MUNICIPALS- AAA G.O. &amp; Mortgage (Changes in BPs)</b> |                     |                     |                  |                  |                   |
| 2-Year Muni                                                 | 2.49                | 2.45                | 4                | 22               | 16                |
| 5-Year Muni                                                 | 2.40                | 2.36                | 4                | 10               | (7)               |
| 10-Year Muni                                                | 2.73                | 2.71                | 2                | 43               | (47)              |
| 30-Year Muni                                                | 4.12                | 4.09                | 3                | (15)             | (51)              |
| 30-Year Conventional Mortgage                               | 6.17                | 6.27                | (10)             | (17)             | (55)              |
| <b>MARKET INDICATORS (Changes in %)</b>                     |                     |                     |                  |                  |                   |
| DJIA                                                        | 47,562.87           | 47,207.12           | 0.8              | 1.7              | 9.1               |
| S&P 500                                                     | 6,840.20            | 6,791.69            | 0.7              | 1.9              | 9.7               |
| NASDAQ                                                      | 23,724.96           | 23,204.87           | 2.2              | 4.1              | 14.9              |
| CRB Futures                                                 | 376.84              | 377.11              | (0.1)            | 1.4              | 3.5               |
| Oil (WTI Crude)                                             | 60.88               | 61.43               | (0.9)            | (7.4)            | (6.4)             |
| Gold                                                        | 4,004.38            | 4,103.42            | (2.4)            | 3.0              | 19.1              |
| Yen / Dollar                                                | 154.07              | 152.85              | 0.8              | 3.1              | 4.3               |
| Dollar / Euro                                               | 1.15                | 1.16                | (0.8)            | (1.8)            | (0.5)             |



The information in this newsletter is obtained from sources we believe to be reliable. We cannot, however, guarantee its accuracy and completeness. Furthermore, the opinions in this report constitute our present judgment, which is subject to change without notice.