

Weekly Market Update



Market Data as of Week Ending: 10/3/2025 unless noted otherwise

Stock prices increased and the S&P 500 reached a new all-time high last week, despite the U.S. government shutdown after lawmakers failed to reach a deal to fund nonessential government operations. Investor sentiment was supported by higher expectations that the Federal Reserve will cut rates at its October meeting, following softer economic data, especially in the labor market. Small companies outperformed their larger-sized peers and growth stocks generally outperformed value for the week. Sector performance within the S&P 500 was mixed, with 6 of 11 sectors trading higher. Healthcare was the best-performing sector, with gains of nearly 7%, as investors appeared to have rotated into the only sector that was formerly down on a year-to-date basis. Foreign equities surged higher, outperforming their domestic counterparts, as the weaker U.S. dollar and U.S. government shutdown provided ample opportunities for investors to consider prospects abroad.

Bond prices increased across the curve as weaker-than-expected economic data helped drive treasury yields lower. The two-year Treasury yield fell to 3.58% and the ten-year yield dropped to 4.13%, narrowly lowering the 2-10yr slope to 0.55%. Longer-duration bonds outperformed lower across sectors, with notable strength in investment-grade corporate and government bonds. Yields on investment-grade and high-yield corporate bonds declined to 4.79% and 7.05%, respectively.

There were fewer economic data reports as the government shutdown means we did not have several key readings including the non-farm monthly payrolls report. That meant more focus was on the ADP private payrolls and JOLTS reports. ADP reported a much weaker-than-expected decline of 32,000 jobs in September and a downward revision in August from a gain of 54,000 to a decline of 3,000. Job openings in the JOLTS report were unchanged at 7.2 million and there was little change in hires and total separations offsetting each other at 5.1 million each. ISM Manufacturing PMI came in slightly higher at 49.1% due to strong production. However, declines in new orders and inventories outweighed the production gain, leaving overall improvement minimal and in contraction territory for the seventh consecutive month. ISM Services PMI declined from 52.0% to the breakeven level of 50.0% with weakness in business activity and employment offset by higher new orders and supplier deliveries. The August surge in new orders likely boosted September production but appears unsustainable given the renewed drop in orders. The JPM Global Composite PMI index came in lower at 52.4 in September, down from a 14-month high of 52.9 in August, with notable strength in services over manufacturing. Despite no change in employment levels, optimism about the year ahead improved to a seven-month high, with sentiment strengthening in both the manufacturing and service sectors.

U.S. Equity Returns (Size & Style - Russell)												
	<u>Week</u>			<u>MTD</u>			<u>QTD</u>			<u>YTD</u>		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	0.99%	1.06%	1.14%	0.65%	0.45%	0.28%	0.65%	0.45%	0.28%	12.38%	15.12%	17.58%
Mid	1.46%	1.15%	0.21%	0.87%	0.73%	0.29%	0.87%	0.73%	0.29%	10.45%	11.23%	13.17%
Small	1.53%	1.78%	2.01%	1.59%	1.64%	1.68%	1.59%	1.64%	1.68%	10.78%	12.20%	13.54%

U.S. Fixed Income Returns (Quality & Duration - Bloomberg)												
		<u>Week</u>			<u>MTD</u>			<u>QTD</u>			<u>YTD</u>	
	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long
Govt	0.23%	0.28%	0.80%	0.11%	0.13%	0.28%	0.11%	0.13%	0.28%	4.74%	5.42%	5.95%
Corp	0.27%	0.39%	0.94%	0.14%	0.20%	0.48%	0.14%	0.20%	0.48%	5.62%	6.79%	8.07%
HY	0.18%	0.22%	0.62%	0.08%	0.11%	0.52%	0.08%	0.11%	0.52%	6.64%	7.21%	14.37%

Index Returns					S&P 500 Sector Returns				
	Week	MTD	QTD	YTD		Week	MTD	QTD	YTD
Equities (Stocks)					Consumer Disc	-0.81%	-0.81%	-0.81%	4.45%
S&P 500	1.11%	0.43%	0.43%	15.32%	Consumer Staples	-0.31%	-0.71%	-0.71%	3.15%
S&P MidCap 400	0.71%	0.79%	0.79%	6.60%	Energy	-3.35%	-0.40%	-0.40%	6.61%
Russell 2000	1.78%	1.64%	1.64%	12.20%	Financials	-0.23%	-0.27%	-0.27%	12.45%
MSCI EAFE	2.70%	1.59%	1.59%	27.13%	Health Care	6.86%	4.00%	4.00%	6.72%
MSCI Emerging Markets	3.67%	2.07%	2.07%	30.18%	Industrials	1.20%	0.06%	0.06%	18.45%
MSCI EAFE Small Cap	1.96%	0.64%	0.64%	29.21%	Info Technology	2.26%	0.89%	0.89%	23.40%
Fixed Income (Bonds)					Materials	1.13%	0.12%	0.12%	9.44%
Bloomberg Int Gov/Credit	0.31%	0.15%	0.15%	5.86%	Real Estate	0.42%	-0.19%	-0.19%	5.98%
Bloomberg US Agg	0.46%	0.24%	0.24%	6.39%	Communication Svcs	-2.08%	-1.17%	-1.17%	23.06%
Bloomberg US High Yield	0.23%	0.11%	0.11%	7.34%	Utilities	2.43%	1.91%	1.91%	19.94%
Other									
Bloomberg Commodity	0.31%	0.73%	0.73%	10.17%					
S&P Dev Property	1.02%	-0.04%	-0.04%	11.78%					
Commodities and Currency					Bond Yields				
	10/3/25	9/30/25	9/30/25	12/31/24		10/3/25	9/30/25	9/30/25	12/31/24
Oil (\$/barrel)	60.88	62.37	62.37	71.72	SOFR 3Mo Swap	3.95%	3.97%	3.97%	4.30%
Gold (\$/oz.)	3886.54	3858.96	3858.96	2624.5	2Yr Treasury	3.58%	3.60%	3.60%	4.25%
					10Yr Treasury	4.13%	4.16%	4.16%	4.58%
					2-10 Slope	0.55%	0.56%	0.56%	0.33%

Past performance is not a guarantee of future results. We believe the information presented is reliable, but we do not guarantee its accuracy.