

MARKET VIEW WEEKLY

Ladenburg Asset Management



ECONOMIC REVIEW¹

- The number of job openings grew to 7.22 million in August, leaving roughly one open job for every unemployed person in the U.S. – a sign that the labor market remains healthy.
 - The total number of job quits fell slightly, signaling employee confidence may be dampening.
- The ADP Report, a measure of private hiring, declined by 32,000, which was much lower than the gain of +52,000 anticipated by economists.
 - The decline came predominantly from the information and technology sectors.
- The ISM Manufacturing PMI, a broad measure of how the manufacturing sector is doing, rose in September to 49.1, but remained below 50, which implies that manufacturing remains in contraction.
 - Weak employment and new orders point towards sluggish manufacturing growth, but lower prices were noted in the report, which is a good sign for the path of inflation.
- The ISM Services report was also released and showed a decline that outpaced expectations, as the index fell to 50.0 in the month of September.
 - That level implies that the sector is neither growing nor contracting.
 - Prices rose slightly in spite of the weaker reading, while both employment and business activity declined.
- The much-anticipated nonfarm payrolls report was not released on Friday because the government was shut down, which curtails any publicly conducted economic research releases.

How does the most recent economic data impact you?

- The ISM data pointed to slowing growth in services, but a potential acceleration from the manufacturing sector.
 - This would be a reversal of the previous several years of economic growth, which was driven by strong service spending.
- The labor market data was incomplete with the furlough of the nonfarm payrolls report, but the data that was released suggested a potential shift in the labor force.
 - With more people retiring and fewer migrants in the workforce, the U.S. economy may see a downward shift in net hiring, while job openings remain elevated.



A LOOK FORWARD¹

- This week, a number of Federal Reserve Board members will speak, giving market participants key insights into the expected future path of interest rates.
- A new round of consumer sentiment data is also slated to be released on Friday, with expectations that confidence in the economy will moderate slightly.

How does this week's slate of economic data impact you?

- The path of interest rates will largely depend on how sticky inflation remains and how much further the labor market weakens. Current estimates indicate two more 0.25% interest rate cuts over the remainder of the year.



MARKET UPDATE²

Market Index Returns as of 10/03/2025	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	1.11%	0.43%	15.32%	18.30%	22.80%	16.67%
NASDAQ	1.33%	0.54%	18.57%	26.44%	27.76%	16.39%
Dow Jones Industrial Average	1.11%	0.78%	11.34%	12.27%	17.80%	13.24%
Russell Mid-Cap	1.15%	0.73%	11.23%	12.16%	15.42%	12.54%
Russell 2000 (Small Cap)	1.78%	1.64%	12.20%	13.43%	13.37%	11.46%
MSCI EAFE (International)	2.70%	1.59%	27.13%	19.50%	20.39%	11.50%
MSCI Emerging Markets	3.67%	2.07%	30.18%	18.89%	18.22%	7.46%
Bloomberg Barclays US Agg Bond	0.46%	0.24%	6.39%	4.18%	4.62%	-0.39%
Bloomberg Barclays High Yield Corp.	0.23%	0.11%	7.34%	7.71%	10.45%	5.54%
Bloomberg Barclays Global Agg	0.63%	0.13%	8.05%	4.18%	4.97%	-1.54%



OBSERVATIONS

- U.S. market rallied on the week, driven higher by large-cap technology, but with support from most equity sectors and industries.
 - The Nasdaq led the week with a 1.33% gain, but both the S&P 500 and Dow Jones trailed close behind, improving by 1.11% for the week.
- Small-cap stocks beat out their large-cap counterparts, rising +1.78% for the week as investors continued to view economic growth favorably.
- International markets showed broad strength, with developed markets rising +2.70%, and emerging markets rising +3.67% as the dollar weakened slightly amid concerns over the government shutdown.
- Domestic and international fixed income indices were positive for the week as interest rates moved lower.
 - The U.S. Aggregate Bond Index rose +0.46%, and the High Yield Index rose +0.23%.
 - International bonds also rose on the week, gaining +0.63%, in part due to a weaker dollar, which strengthens international returns.



BY THE NUMBERS

- **The Government Shutdown Continues:** Republican and Democratic lawmakers at an impasse on reopening the federal government provided few public signs Sunday of meaningful negotiations taking place to end what is about to be a six-day shutdown — with President Donald Trump saying that layoffs are occurring. The possibility of layoffs would escalate an already tense situation in which Washington lawmakers have struggled to find common ground and build mutual trust. Leaders in both parties are betting that public sentiment has swung their way, putting pressure on the other side to cave. Democrats are insisting on renewing subsidies to cover health insurance costs for millions of households, while Trump wants to preserve existing spending levels as he believes that Democrats will have to cave because of the jobs and federal projects being put at risk.³
- **The French Prime Minister Waves the White Flag:** French Prime Minister Sebastien Lecornu quit just 26 days after he was appointed to replace his predecessor, whose administration fell apart amid a deepening political crisis over budget cuts. Lecornu's resignation, which was announced by President Emmanuel Macron, came a day after he named his new cabinet, prompting opposition parties to threaten to bring down the government. France's fifth prime minister since the fall of 2023 and the shortest-ever-serving leader was undone by the seemingly intractable problem of trying to pass a budget containing deep, but very unpopular, spending cuts aimed at stemming a ballooning deficit. Speaking after his resignation, Lecornu said he had been willing to compromise but that the absence of "conditions to remain prime minister" left him no choice. He placed responsibility for the debacle at the feet of parties "who continue to posture as if they had a majority" and "partisan appetites" of factions within his minority four-way coalition administration eyeing the 2027 presidential election.⁴

Economic Definitions

Federal Reserve (Fed): The Federal Reserve System is the central banking system of the United States of America.

GDP: Gross domestic product (GDP) measures the final market value of all goods and services produced within a country. It is the most frequently used indicator of economic activity. The GDP by expenditure approach measures total final expenditures (at purchasers' prices), including exports less imports. This concept is adjusted for inflation.

ISM Manufacturing Index: The Manufacturing ISM Report On Business is based on data compiled from purchasing and supply executives nationwide. Survey responses reflect the change, if any, in the current month compared to the previous month. For each of the indicators measured (New Orders, Backlog of Orders, New Export Orders, Imports, Production, Supplier Deliveries, Inventories, Customers' Inventories, Employment and Prices), the report shows the percentage reporting each response, the net difference between the number of responses in the positive economic direction and the negative economic direction, and the diffusion index. A PMI reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally declining.

ISM Services Index: The Services ISM Report On Business® is based on data compiled from purchasing and supply executives nationwide. Survey responses reflect the change, if any, in the current month compared to the previous month. For each of the indicators measured (Business Activity, New Orders, Backlog of Orders, New Export Orders, Inventory Change, Inventory Sentiment, Imports, Prices, Employment and Supplier Deliveries) this report shows the percentage reporting each response, and the diffusion index. An index reading above 50 percent indicates that the non-manufacturing economy in that index is generally expanding; below 50 percent indicates that it is generally declining. Orders to the service producers make up about 90 percent of the US economy.

Job Openings and Labor Turnover Survey – JOLTS: This concept tracks the number of specific job openings in an economy. Job vacancies generally include either newly created or unoccupied positions (or those that are about to become vacant) where an employer is taking specific actions to fill these positions.

Nonfarm Payrolls: This indicator measures the number of employees on business payrolls. It is also sometimes referred to as establishment survey employment to distinguish it from the household survey measure of employment.

University of Michigan Consumer Sentiment Index: Consumer confidence tracks sentiment among households or consumers. The results are based on surveys conducted among a random sample of households. Target Audience: representative sample of US households (excluding Alaska and Hawaii). Surveys of Consumers collects data on consumer attitudes and expectations summarized in the Consumer Sentiment, in order to determine the changes in consumers' willingness to buy and to predict their subsequent discretionary expenditures. This Index is comprised of measures of attitudes toward personal finances, general business conditions, and market conditions or prices. Components of the Index of Consumer Sentiment are included in the Leading Indicator Composite Index. Unit: Index (Q1 1966=100)

The ADP Report: The ADP National Employment Report is an independent estimate of the change in U.S. nonfarm, private employment derived from actual, anonymous payroll data of client companies served by ADP

Index Definitions

S&P 500: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

NASDAQ: The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971.

Dow Jones Industrial Average: The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

Russell Mid-Cap: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell 2000: The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

MSCI EAFE: The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

MSCI EM: The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg Barclays US Agg Bond: The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg Barclays High Yield Corp: The Bloomberg Barclays US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded.

Bloomberg Barclays Global Agg: The Bloomberg Barclays Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Barclays Municipal Bond Index: The Bloomberg Barclays U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

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https://adviserinfo.sec.gov/firm/summary/108604_8467282

¹ Data obtained from Bloomberg as of 10/03/2025.

² Data obtained from Morningstar as of 10/03/2025.

³ [Government shutdown entering sixth day as Republicans and Democrats remain at an impasse](#)

⁴ [France's Sebastien Lecornu resigns as prime minister after 26 days - UPI.com](#)