

# MARKET VIEW WEEKLY

Ladenburg Asset Management



## ECONOMIC REVIEW<sup>1</sup>

- The release of government data has been suspended due to the government shutdown. Investors still have access to economic data through private sources that may not be as holistic as government reports but can still offer a glimpse into the economy.
- The University of Michigan Consumer Sentiment Survey was released, showing that consumer sentiment remained roughly flat versus the last reading at 55.0, above the expected decline of 54.2.
  - Importantly, the Current Conditions sub-index, which shows how consumers are doing right now, improved to 61.0.
  - The report also showed inflation expectations moderated to 4.6% signaling that despite the increase in inflation through the year, consumers do not believe this is a trend.
- The Federal Reserve (Fed) released the minutes from its September meeting. The notes signaled that the majority of the committee were open to the idea of more interest rate cuts.
  - The minutes from the meeting focused on the strength of the economy, contrasted with the weakness in the labor market.
  - The labor market weakening was the primary reason for the cut, as opposed to a drop in inflation, which is typically what drives interest rates lower.
- The total amount of credit American consumers owe rose by \$363 million in August, after a revised \$18.1 billion gain in July, representing the slowest pace in six months. The median projection had called for a \$14 billion rise.
  - This means consumers are borrowing at a slower pace than they were at the start of the year and focusing on paying down existing debts.

### How does the most recent economic data impact you?

- Consumer sentiment remaining strong suggests that the economy remains on solid footing as people continue to spend and are not overly concerned with the economy.
  - The drop in consumer credit, however, could mean that consumers are feeling more budget-conscious and are watching their spending habits, or it could point towards saving for the holiday season spending.
- The Fed meeting minutes, which are now nearly a month old, showed how much Fed sentiment has shifted towards keeping the economy strong despite slightly higher inflation throughout the year.
  - The last Fed meeting relied on government data that has since been suspended due to the ongoing shutdown. This could make it more difficult for the Fed to act decisively at its next meeting on October 29<sup>th</sup>.



## A LOOK FORWARD<sup>1</sup>

- This week, Fed Chairman Jerome Powell and other Fed Governors are set to speak, giving insights into the economy and the path of interest rates.
- If the government shutdown is resolved, investors will once again have access to key economic reports, such as inflation and retail sales.

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

- The Fed meets two more times this year and is expected to cut interest rates at both meetings. Their speeches may give more insight into how they view economic data in light of the shutdown and their projections of interest rates.



## MARKET UPDATE<sup>2</sup>

Market Index Returns as of 10/10/2025	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	-2.41%	-1.99%	12.54%	14.16%	24.04%	15.22%
NASDAQ	-2.53%	-2.00%	15.57%	21.86%	29.64%	14.76%
Dow Jones Industrial Average	-2.70%	-1.93%	8.34%	7.93%	18.13%	11.89%
Russell Mid-Cap	-3.36%	-2.65%	7.49%	7.30%	16.19%	10.74%
Russell 2000 (Small Cap)	-3.28%	-1.70%	8.52%	8.63%	13.91%	9.35%
MSCI EAFE (International)	-1.86%	-0.30%	24.77%	16.98%	21.66%	10.44%
MSCI Emerging Markets	-0.58%	1.48%	29.42%	20.19%	19.29%	6.54%
Bloomberg Barclays US Agg Bond	0.33%	0.58%	6.75%	5.01%	5.36%	-0.29%
Bloomberg Barclays High Yield Corp.	-0.73%	-0.62%	6.55%	7.25%	10.66%	5.13%
Bloomberg Barclays Global Agg	-0.51%	-0.38%	7.50%	4.29%	5.76%	-1.70%



## OBSERVATIONS

- U.S. markets sold off at the end of the week as news of potentially increased tariffs on China caused renewed trade war fears.
  - Each large cap U.S. index fell off in lockstep, with the tech-heavy NASDAQ falling the most.
- Small-cap stocks fell further than their larger peers on the news of tariffs, echoing what happened in the first quarter.
- International markets fell as well, but did outperform domestic markets, with international developed stocks falling only -1.86%, and emerging markets falling only -0.58%.
- Domestic fixed income indices were positive for the week as interest rates moved lower amid the concern of lower growth caused by tariffs.
  - High yield bonds were adversely affected by the tariff news on concerns that a slowing economy could lead to rising defaults.
  - International fixed income sold off for the week, falling -0.51%.



## BY THE NUMBERS

- **Ceasefire Deal in Gaza is Reached:** Hamas on Monday released all 20 living hostages still being held since the October 2023 attacks in Israel, marking a major milestone in the first phase of a Middle East peace deal to end the fighting in Gaza. Israeli officials confirmed that Hamas had transferred all 20 remaining hostages to the custody of the Red Cross. The hostages were accompanied by Israeli Defense Forces (IDF) and were set to undergo medical assessments. Hamas, the militant group that rules over Gaza, kidnapped 251 people during its terrorist attacks on Israel on Oct. 7, 2023. Hamas is expected to release the bodies of 26 hostages who have been declared dead as part of the first phase of the peace agreement. “The war is over,” Trump told reporters aboard Air Force One en route to the Middle East, even as experts and some members of his own administration have cautioned that it is merely phase one of a peace deal that requires both Hamas and Israel to hold up their sides of the arrangement.<sup>3</sup>
- **Nobel Peace Prize Goes to Venezuelan Opposition Leader:** María Corina Machado, a Venezuelan opposition leader driven into hiding since a disputed election last year, has been awarded the 2025 Nobel Peace Prize for keeping “the flame of democracy burning amid a growing darkness.” Machado received the accolade for tirelessly promoting democratic rights in Venezuela and “for her struggle to achieve a just and peaceful transition from dictatorship to democracy,” the Norwegian Nobel Committee said Friday, announcing the award at a ceremony in Oslo. Born in Caracas, Venezuela’s capital, in 1967, Machado trained as an industrial engineer before entering politics. In 2002, she founded Súmate, a volunteer group that promotes political rights and monitors elections. Machado has described her life’s work as promoting “ballots over bullets.” The Nobel committee lauded her as “one of the most extraordinary examples of civilian courage in Latin America in recent times.”<sup>4</sup>

## *Economic Definitions*

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

**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)

**CPI (headline and core):** Consumer prices (CPI) are a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.

**Retail Sales:** Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

## *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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<sup>1</sup> Data obtained from Bloomberg as of 10/10/2025.

<sup>2</sup> Data obtained from Morningstar as of 10/10/2025.

<sup>3</sup>  [Hamas releases remaining 20 living Israeli hostages](#)

<sup>4</sup>  [Nobel Peace Prize awarded to Venezuela’s María Corina Machado for keeping ‘the flame of democracy burning’](#)