

# MARKET VIEW WEEKLY

Ladenburg Asset Management



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

- On Sunday, progress toward ending the longest government shutdown on record gained momentum, as eight Democratic lawmakers joined Republicans in advancing a funding measure. While the shutdown remains in effect for now, it is expected to conclude this week, paving the way for broader market certainty as the Thanksgiving holiday approaches.
- The ISM Manufacturing PMI fell slightly to 48.7 in October, down from 49.1 in September and below the consensus expectation of 49.5. Readings above 50 indicate expansion, while those below 50 signal contraction.
  - This report marked the eighth consecutive month that the manufacturing sector has been in contraction territory and showed little momentum toward a sustained recovery.
  - However, the prices paid index fell to a nine-month low, indicating that inflationary pressures from tariffs may be less than feared.
- ISM Services PMI increased to 52.4 in October, above the September reading of 50 and the expectation of 50.8.
  - New orders, business activity, and employment indices all saw improvements, indicating that the services sector of the economy continues to be resilient.
- The ADP national employment report showed that 42k private sector jobs were created in October, above the expectations of 30k jobs in a rebound from September's 32k decline.
  - Hiring was strongest in education and healthcare, transportation, and utilities.
  - Jobs in professional business services, information, and leisure and hospitality saw the biggest declines.
- The outplacement firm Challenger, Gray, & Christmas hiring report showed that employers announced 153,000 job cuts in October, citing cost-cutting measures, A.I. adoption, and broader economic conditions as the primary drivers.

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

- The latest manufacturing report still suggests sluggish sector performance, but the prices paid index indicates that raw material costs are stabilizing, which may help ease inflationary pressures in the coming months.
- Despite the government shutdown through October, the services sector of the economy remained resilient, indicating a strong base for Q4 GDP.
- While the ADP jobs report showed modest jobs growth, led by essential services like healthcare, education, and utilities, some alternate forms of jobs data show a more challenging jobs market, indicating a labor market that continues to cool gradually.



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

- This week's calendar includes the release of the October Small Business Optimism report and several Federal Reserve (Fed) members giving public remarks. The ongoing government shutdown continues to delay key economic data, but the Consumer Price Index, Producer Price Index, and Retail Sales reports would normally be slated for release.

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

- Small businesses have faced higher input costs from tariffs, which pushed confidence lower earlier in the year. While sentiment has partially recovered, it remains uneven as firms look for clearer signs of improvement.
- The Fed meets one more time this year, in December, and markets will be watching closely for any hints from policymakers about a potential rate cut.



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

Market Index Returns as of 11/7/2025	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	-1.61%	0.69%	15.63%	13.68%	22.46%	15.61%
NASDAQ	-3.03%	1.55%	19.75%	20.05%	30.38%	14.95%
Dow Jones Industrial Average	-1.21%	1.35%	11.97%	8.65%	14.51%	12.82%
Russell Mid-Cap	-0.35%	-1.17%	9.13%	4.52%	14.14%	10.76%
Russell 2000 (Small Cap)	-1.86%	-0.09%	10.29%	2.75%	12.00%	9.61%
MSCI EAFE (International)	-0.76%	0.40%	25.64%	21.83%	18.14%	10.42%
MSCI Emerging Markets	-1.39%	2.73%	31.01%	24.31%	18.17%	5.79%
Bloomberg Barclays US Agg Bond	0.03%	0.65%	6.82%	5.84%	5.69%	-0.33%
Bloomberg Barclays High Yield Corp.	-0.29%	-0.14%	7.07%	6.99%	10.33%	4.97%
Bloomberg Barclays Global Agg	-0.06%	-0.31%	7.57%	5.68%	5.40%	-1.89%



## OBSERVATIONS

- Major U.S. large-cap indices finished the week lower as skepticism around A.I. weighed on sentiment.
  - The Nasdaq led the decline with a -3.03% loss, followed by the S&P 500 at -1.61% and the Dow, which fell -1.21%.
- Small-cap stocks also fell but outperformed the Nasdaq with a -1.86% loss. Mid-cap stocks fell slightly and fared the best, posting a -0.35% return for the week.
- International markets also posted negative returns in the risk-off environment. Developed markets fell -0.76% while emerging markets posted a decline of -1.39%.
- Domestic and international fixed income indices were mixed for the week as interest rates remained largely unchanged. The U.S. Aggregate Bond Index advanced +0.03% but high yield corporate bonds declined -0.29%.
  - International bonds also experienced muted returns for the week and finished down -0.06%.



## BY THE NUMBERS

- **Senate Takes First Step Toward Ending Government Shutdown:** The Senate took the first step to end the government shutdown on Sunday after a group of moderate Democrats agreed to proceed without a guaranteed extension of health care subsidies, angering many in their caucus who say Americans want them to continue the fight. In a test vote that is the first in a series of required procedural maneuvers, the Senate voted 60-40 to move toward passing compromise legislation to fund the government and hold a later vote on extending Affordable Care Act tax credits that expire Jan. 1. Final passage could be several days away if Democrats object and delay the process. The agreement does not guarantee the health care subsidies will be extended, as Democrats have demanded for almost six weeks. However, the agreement includes a reversal of the mass firings of federal workers by the Trump administration since the shutdown began on Oct. 1 and would also ensure that federal workers receive back pay.<sup>3</sup>
- **China Rolls Out Its Version of the H-1B Visa to Attract Foreign Tech Workers:** The K-visa rolled out by Beijing last month is part of China's widening effort to catch up with the U.S. in the race for global talent and cutting-edge technology. It coincides with uncertainties over the U.S.'s H-1B program under tightened immigration policies implemented by President Donald Trump. The K-visa supplements China's existing visa schemes, including the R-visa for foreign professionals, but with loosened requirements, such as not requiring an applicant to have a job offer before applying. Stricter U.S. policies toward foreign students and scholars under Trump, including the raising of fees for the H-1B visa for foreign skilled workers to \$100,000 for new applicants, are leading some non-American professionals and students to consider going elsewhere. However, with the jobless rate for Chinese aged 16-24, excluding students, at nearly 18%, the campaign to attract more foreign professionals is raising questions.<sup>4</sup>

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## Economic Definitions

**Challenger Job-Cut Report:** This monthly report counts and categorizes announcements of corporate layoffs based on mass layoff data from state departments of labor.

**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.

**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:** PMI Surveys track sentiment among purchasing managers at manufacturing, construction and/or services firms. An overall sentiment index is generally calculated from the results of queries on production, orders, inventories, employment, prices, etc.

**ISM Services Index:** PMI Surveys track sentiment among purchasing managers at manufacturing, construction and/or services firms. An overall sentiment index is generally calculated from the results of queries on production, orders, inventories, employment, prices, etc. Target Audience: supply management professionals Sample Size: 300 individuals Date of Survey: through the month The Services Index is a composite index of four indicators with equal weights: Business Activity, New Orders, Employment and Supplier Deliveries. An index reading above 50% indicates an expansion and below 50% indicates a decline in the non-manufacturing economy. Whereas per Supplier Deliveries Index, above 50% indicates slower deliveries and below 50% indicates faster deliveries.

**Producer Prices - PPI (headline and core):** Producer prices (output) are a measure of the change in the price of goods as they leave their place of production (i.e. prices received by domestic producers for their outputs either on the domestic or foreign market).

**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.

**The ADP Employment 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.

**The NFIB Small Business Report:** survey is a monthly assessment of the U.S. small business economy and its near-term prospects. Its data are collected through mail surveys to random samples of the National Federal of Independent Business (NFIB) membership database of approximately 300,000 firms each month. NFIB is the largest small business trade association in the country with members in every state and every industry grouping.

## 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 pre-refunded bonds.

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<sup>1</sup> Data obtained from Bloomberg as of 11/7/2025.

<sup>2</sup> Data obtained from Morningstar as of 11/7/2025.

<sup>3</sup> [Senate takes first step toward ending the government shutdown | AP News](#)

<sup>4</sup> [China rolls out its version of the H-1B visa to attract foreign tech workers](#)