

## MONDAY MORNING RECAP - October 27, 2025

### Last Week

Dow Jones Industrial Average (DJIA)	47,207.12	+1,016.51	+2.20%
S&P 500 Index	6,791.69	+127.68	+1.92%
NASDAQ Composite Index	23,204.87	+524.89	+2.31%
U.S. 10 yr. Treasury Note Yield	4.02%	No Change	
Gold (\$ per troy oz.)	\$4,118.40	-\$71.50	-1.71%
WTI Oil (\$ per barrel)	\$61.50	+\$4.35	+7.61%

### Market Summary

**Global Equities:** US equities rose last week on the back of strong earnings from tech companies, muted inflation, and news that President Trump will meet President Xi Jinping of China this week, easing concerns about US-China trade tensions. The S&P 500 gained 1.93% over the week and hit its 34th all-time high of the year. In Europe, the STOXX 600 and FTSE 100 rose by 1.69% and 3.13%, respectively, with both boosted by strong performance from energy stocks after fresh US imposed sanctions on Russian oil.

**Fixed Income:** US Treasury yields initially rose last week as the improved US-China relationship resulted in a move out of safe-haven assets, but they fell on Friday after lower-than-expected inflation figures made Fed rate cuts look even more likely. The 2-Year US Treasury yield ended the week slightly higher at 3.48%, while the 10-Year remained at 4.02%. Elsewhere, the 10-Year German Bund yield rose on the back of a better-than-expected flash PMI reading in Germany, ending at 2.63%.

**Commodities:** Oil prices rose sharply last week after President Trump announced sanctions targeting Russia's two largest oil companies due to the slow progress of talks to end the Russia-Ukraine war. With reports that Chinese and Indian companies are also reviewing their Russian oil purchases, WTI and Brent Crude ended the week up at \$61.50 and \$65.94, respectively. Gold started the week strongly but then suffered a – 6.3% intraday drop on Tuesday, with signs of easing US-China trade tensions sparking a bout of profit-taking after gold's strong performance this year. It ended the week down at \$4,118.40/troy oz, still 55% higher than where it began the year.

**FX:** The US dollar appreciated last week on the back of trade optimism and hopes that the ongoing government shutdown was coming to an end. The US dollar index was up 0.53% over the week. More specifically, the dollar rose against the euro and yen, ending the week at \$1.1627 and ¥152.86, respectively.

## **Economic Summary**

**Inflation:** The US consumer price index rose by 0.3% MoM in September, resulting in a 3.0% annual rate – up from 2.9% in August. Consensus expectations had been for bigger increases of 0.4% and 3.1%, respectively. Core CPI was also lower than expected at 0.2% MoM and 3.0% YoY. There are no concerns about the quality of the data used as it was collected before the shutdown began. In Japan, core inflation rose for the first time since May, edging up to 2.9%. UK CPI inflation came in at 3.8% YoY in September, well below analyst expectations and the BoE's own projection, increasing the odds of a BoE rate cut by year-end.

**Government Shutdown:** The US government shutdown continued last week to become the second-longest ever at 25 days, behind only the 35-day shutdown in 2018-2019 during President Trump's first term. Despite federal agencies being closed and a continued economic data blackout, September CPI figures were released on Friday in order to calculate 2026 social security payments.

**Tariffs:** President Trump's statement about his planned meeting this week with President Xi that "I think we are going to come out very well and everyone's going to be very happy" likely buoyed market sentiment after the countries' relationship had seemed to come under pressure in recent weeks. Meanwhile, a report out of India suggested that the US and India are close to agreeing a trade deal that could see tariffs on Indian exports slashed from 50% to around 15%. However, President Trump stated that trade discussions with Canada were "terminated" after the Canadian province of Ontario published an ad criticizing US tariffs.

**Activity:** The Euro area composite PMI rose by 1.0pt to 52.2 in October, above consensus expectations and the highest level in more than two years. The increase largely reflects an improvement in services activity. In China, the latest GDP report showed that the Chinese economy grew by 4.8% YoY in Q3, slightly above consensus, mostly thanks to resilient industrial production.



## **Key Economic Releases**

**Monday, October 27:**

No economic releases

**Tuesday, October 28:**

US CB Cons. Confidence (Cons: 93.9, Prior: 94.2)

**Wednesday, October 29:**

FOMC Rate Decision (Cons: 4%, Prior: 4.25%)

BoJ Rate Decision (Cons: 0.5%, Prior: 0.5%)

**Thursday, October 30:**

US GDP Q3 QoQ (Cons: 3.0%, Prior: 3.8%)

ECB Rate Decision (Cons: 2.15%, Prior: 2.15%)

**Friday, October 31:**

US Core PCE MoM (Cons: 0.2%, Prior: 0.2%)

Euro Area CPI YoY (Cons: 2.1%, Prior: 2.2%)

Source: Goldman Sachs Asset Management: "Market Monitor", 10/24/2025

"PMI" refers to Purchasing Managers' Index. "WTI" refers to West Texas Intermediate crude oil, a common US benchmark for oil prices. "Brent" refers to a global benchmark for oil prices worldwide. "Bbl" refers to barrel. "Oz" refers to ounce. "FX" refers to foreign exchange. "Core CPI" refers to Consumer Price Index, less food and energy. "CPI" refers to Consumer Price Index. "YoY" refers to year-over-year. "BoE" refers to Bank of England. "MoM" refers to month-over-month. "YoY" refers to year-over-year. "GDP" refers to Gross Domestic Product.

### **Disclosure Statement**

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