# Capital Markets Snapshot

Courtesy of Summit Pointe Advisors

Week ending November 7, 2025

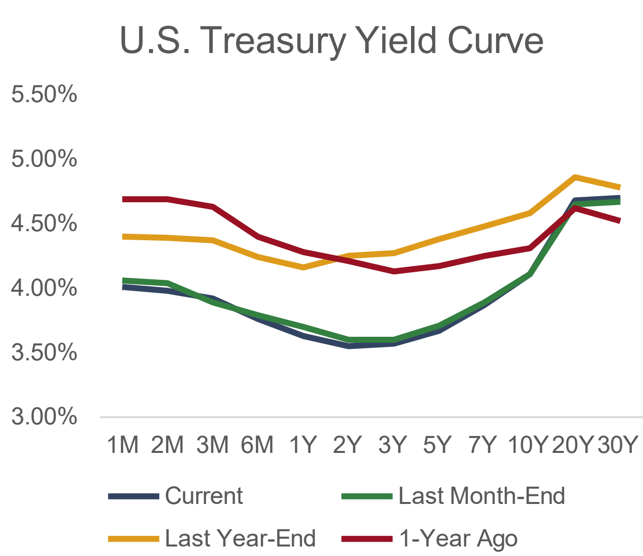
Last week, equity markets experienced a modest pullback, focused more in large cap and tech stocks, as concerns around potential artificial intelligence (AI) over valuations prompted profit-taking and sector rotation. Despite the cooling of AI-related hype, corporate earnings remain robust, as over 80% of S&P 500 companies beat earnings expectations and the is index on track for 12% Q3 earnings growth. Market volatility increased, with the VIX rising 25% and the S&P 500 testing its 50-day moving average for the first time since April. The labor market showed signs of cooling, highlighted by a sharp rise in job-cut announcements. Fixed income markets saw a steepening yield curve, driven by falling short-term yields amid softer economic data and increased expectations for Fed rate cuts. Alternative assets, including cryptocurrencies, also faced volatility, with Bitcoin dropping below $100,000 for the first time in months. Market breadth continued to deteriorate, reflecting weaker participation in the recent uptrend.

## Fixed Income Markets Overview

- Treasury yield curve steepened as short-term yields fell more than long-term yields. Two-year Treasury yields fell 5 basis points, while 10-year yields were flat, and the 20- and 30-year yields edged 3 bps higher.
- Softer economic data, including weak consumer sentiment and higher job cuts, drove demand for safer assets.
- Probability of a December Fed rate cut rose to 72%, up from 68% the prior week. The total expected number of 25-basis-point Fed cuts through 2026 remained at three.
- The government shutdown limited official economic data releases, increasing uncertainty. The Atlanta Fed's GDPNow forecast for Q3 GDP was revised up from 3.9% to 4.0%, supporting a cautious but constructive outlook.

| Asset Class | Name | 1W | YTD | 3Y(Ann.) | 5Y(Ann.) |
|---|---|---|---|---|---|
| Short | 1-3 Year Govt/Credit | 0.1% | 4.7% | 5.0% | 1.9% |
| Core Plus | Intermediate Govt/Credit | 0.1% | 6.3% | 5.7% | 0.9% |
| | International Aggregate | -0.1% | 7.6% | 5.6% | -1.9% |
| | US Aggregate | 0.0% | 6.8% | 5.8% | -0.3% |
| | US Treasury | 0.1% | 6.1% | 4.6% | -1.1% |
| | US TIPS | -0.1% | 7.1% | 4.8% | 1.6% |
| | US Corporate | -0.2% | 7.1% | 7.7% | 0.2% |
| | US Corporate High Yield | -0.3% | 7.1% | 10.3% | 5.0% |
| Other | Emerging Markets Aggregate | -0.2% | 10.1% | 11.1% | 1.9% |
| Muni | US Municipals | 0.1% | 4.0% | 5.3% | 1.1% |
| | US Municipals High Yield | 0.2% | 2.5% | 7.9% | 2.9% |

Source: Bloomberg as of November 7, 2025




Source: Bloomberg and U.S Treasury as of November 7, 2025

**Interest Rates (%)**

| Date | 11/7/2025 | 10/31/2025 | 12/31/2024 | 11/7/2024 |
|---|---|---|---|---|
| Federal Funds Rate | 4.01% | 4.06% | 4.40% | 4.69% |
| 3 Month Treasury | 3.92% | 3.89% | 4.37% | 4.63% |
| 6 Month Treasury | 3.76% | 3.79% | 4.24% | 4.40% |
| 2 Year Treasury | 3.55% | 3.60% | 4.25% | 4.21% |
| 5 Year Treasury | 3.67% | 3.71% | 4.38% | 4.17% |
| 10 Year Treasury | 4.11% | 4.11% | 4.58% | 4.31% |
| 30 Year Treasury | 4.70% | 4.67% | 4.78% | 4.52% |
| US Aggregate | 4.33% | 4.33% | 4.91% | 4.72% |
| US Corporate | 4.85% | 4.82% | 5.33% | 5.11% |
| US Corporate High Yield | 6.90% | 6.78% | 7.49% | 7.20% |
| US Municipal | 3.57% | 3.57% | 3.74% | 3.71% |
| US Municipal High Yield | 5.63% | 5.63% | 5.52% | 5.48% |

**Spreads Over 10-Year US Treasuries**

| Date | 11/7/2025 | 10/31/2025 | 12/31/2024 | 11/7/2024 |
|---|---|---|---|---|
| 30 Year Treasury | 0.59% | 0.56% | 0.20% | 0.21% |
| US Aggregate | 0.22% | 0.22% | 0.33% | 0.41% |
| US Corporate | 0.74% | 0.71% | 0.75% | 0.80% |
| US Corporate High Yield | 2.79% | 2.67% | 2.91% | 2.89% |
| US Municipal | -0.54% | -0.54% | -0.84% | -0.60% |
| US Municipal High Yield | 1.52% | 1.52% | 0.94% | 1.17% |

Source: Bloomberg and U.S. Treasury as of November 7, 2025

## Equity Markets Overview

- All three major US indices posted losses to begin November, as the S&P 500 fell 1.6%. The tech-oriented Nasdaq declined the most posting a 3% loss while the Dow Jones held up best with a loss of 1.2%.
- Market volatility (VIX) increased again last week, as concerns around valuations, the continued government shutdown, and thinning market participation suggest potential signs of fatigue in the current bull market.
- Despite the increased volatility, US small- and mid-cap stocks were relatively flat for the week as most of the downward price action seemed confined to large cap and tech stocks.
- Market breadth weakened, with fewer stocks trading above their 200-day moving averages. AI-related profit-taking and valuation concerns triggered sector rotation out of mega-cap tech. Despite the pullback, Q3 earnings results continue to come in strong and the Fed's GDP forecast ticked upwards, which suggest continuation of the current bull market has reasonable footing heading into 2026.

| Asset Class | Name | 1W | YTD | 3Y(Ann.) | 5Y(Ann.) |
|---|---|---|---|---|---|
| All-Cap | S&P 1500 | -1.5% | 14.8% | 21.7% | 15.3% |
| Large-Cap | S&P 500 | -1.6% | 15.6% | 22.7% | 15.6% |
| | S&P 500 Growth | -2.6% | 20.3% | 29.0% | 15.8% |
| | S&P 500 Value | -0.4% | 10.5% | 15.5% | 14.8% |
| Mid-Cap | S&P Midcap 400 | -0.1% | 5.2% | 11.9% | 11.5% |
| | S&P Midcap 400 Growth | -0.3% | 6.1% | 13.1% | 9.1% |
| | S&P Midcap 400 Value | 0.2% | 4.2% | 10.6% | 14.1% |
| Small-Cap | S&P Smallcap 600 | 0.2% | 3.5% | 8.6% | 11.0% |
| | S&P Smallcap 600 Growth | 0.1% | 4.0% | 9.7% | 9.1% |
| | S&P Smallcap 600 Value | 0.2% | 3.1% | 7.5% | 12.7% |
| Int'l. | MSCI ACWI ex-USA | -1.0% | 27.3% | 18.6% | 9.3% |
| | MSCI EM | -1.4% | 31.0% | 18.3% | 5.8% |

Source: Bloomberg as of November 7, 2025

## Alternative Markets Overview

- Bitcoin fell below $100,000 for the first time in over six months, later rebounding but remaining well off recent highs.
- Gold prices rose last week as safe haven assets experienced a boost stemming from softening of the US dollar, falling equity markets, and increasing market volatility.

| Name | 1W | YTD | 3Y (Ann.) | 5Y (Ann.) |
|---|---|---|---|---|
| S&P GSCI | -0.5% | 6.9% | 1.3% | 18.1% |
| Gold | 0.5% | 52.1% | 33.6% | 15.5% |
| FTSE All Equity NAREIT | 1.4% | 3.6% | 7.4% | 6.6% |
| Bitcoin | -5.5% | 11.1% | 70.8% | 47.5% |
| Ethereum | -10.9% | 3.7% | 29.3% | 50.8% |

Source: Bloomberg as of November 7, 2025

## Upcoming Week

- Q3 earnings season continues to push forward and deliver strong results. Two notable releases this week include Cisco Systems and Walt Disney.
- The government shutdown continues and is now the longest on record. Most data scheduled to be reported this week (weekly job claims, CPI, Retail Sales, PPI) is expected to be interrupted, leaving market participants to increasingly rely on private data providers such as ADP and Challenger job reports.

# Glossary and Disclosures

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Neither MML Investors Services, LLC, nor its representatives, can assist with digital asset purchases or sales or otherwise provide investment advice concerning digital assets, such as cryptocurrencies. Any information provided is educational in nature and should not be relied upon to make digital asset related decisions.

S&P 1500 Index combines three leading indices, the S&P 500, the S&P Midcap 400, and the S&P Smallcap 600, to cover approximately 90% of U.S. equity market capitalization.

S&P 500 Index includes approximately 500 leading companies that covers approximately 80% of available U.S. equity market capitalization.

S&P 500 Growth Index is a stock index that represents the fastest-growing companies in the S&P 500 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P 500 Value Index is a stock index that represents the companies in the S&P 500 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

S&P Midcap 400 Index is distinct from the large-cap S&P 500 and designed to measure the performance of 400 U.S. mid-sized companies, which have differing liquidity and growth potential than large and small cap companies.

S&P Midcap 400 Growth Index is a stock index that represents the fastest-growing companies in the S&P Midcap 400 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P Midcap 400 Value Index is a stock index that represents the companies in the S&P Midcap 400 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

S&P Smallcap 600 Index measures the performance of 600 small-sized U.S. companies to reflect the small-cap segment of the U.S. equity market, which is typically known for less liquidity than large cap stocks.

S&P Smallcap 600 Growth Index is a stock index that represents the fastest-growing companies in the S&P Smallcap 600 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P Smallcap 600 Value Index is a stock index that represents the companies in the S&P Smallcap 600 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

MSCI ACWI ex-US Index captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 24 Emerging Markets (EM) countries.

MSCI Emerging Markets Index captures large and mid-cap representation across 24 Emerging Markets (EM) countries.

S&P GSCI is broad-based and production weighted to represent the global commodity market beta. The index is designed to be investable by including the most liquid commodity futures.

S&P GSCI Gold a sub-index of the S&P GSCI, provides investors with a reliable and publicly available benchmark tracking the COMEX gold future.

FTSE All Equity NAREIT Index contains all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property that also meet minimum size and liquidity criteria.

Bitcoin USD Spot Exchange Rate measures the last price of 1 Bitcoin in USD.

Bloomberg Galaxy Bitcoin Index is designed to measure the performance of a single bitcoin traded in USD.

Ethereum USD Spot Exchange Rate measure the last price of 1 Ethereum in USD.

Bloomberg Galaxy Ethereum Index is designed to measure the performance of a single Ethereum traded in USD.

Bloomberg Barclays 1-3 Year Govt/Credit Index is the 1-3 Yr. component of the U.S. Government/Credit index, which includes securities in the Government, which includes treasuries and agencies debt securities, and Credit Indices, which includes publicly issued U.S. corporate and foreign debt that meet specified maturity, liquidity, and quality requirements.

Bloomberg Intermediate US Government/Credit Bond Index is a broad-based flagship benchmark that measures the non-securitized component of the US Aggregate Index with less than 10 years to maturity; this includes investment grade, US dollar-denominated, fixed-rate treasuries, government-related and corporate securities

Bloomberg Barclays Global Aggregate Bond Index provides a broad-based measure of the global investment-grade fixed income markets, with three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices.

Bloomberg Barclays U.S. Aggregate Bond Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

Bloomberg Barclays U.S. Treasury Aggregate Bond Index is the U.S. Treasury component of the U.S. Government index and represents public obligations of the U.S. Treasury with a remaining maturity of one year or more.

Bloomberg US TIPS Index consists of Inflation-Protection securities issued by the U.S. Treasury.

Bloomberg Barclays US Corporate Bond Index is the Corporate component of the U.S. Credit index and represents publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements.

Bloomberg Barclays U.S. Corporate High Yield Index covers the universe of fixed rate, non-investment grade debt.

Bloomberg Barclays Emerging Markets Bond Index is broad-based with country eligibility and classification as an Emerging Market being rules-based and reviewed on an annual basis using World Bank income group and International Monetary Fund (IMF) country classifications.

Bloomberg Barclays U.S. Municipal Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market.

Bloomberg Barclays US High Yield Municipal Index is an unmanaged index of noninvestment-grade municipal debt securities, which provides a representation of the performance of US high-yield tax-exempt bonds.

Federal Funds Rate is the interest rate at which depository institutions trade federal funds (balances held at Federal Reserve Banks) with each other overnight.

U.S. Treasury Securities are issued by the federal government and are considered to be among the safest investments you can make, because all Treasury securities are backed by the "full faith and credit" of the U.S. government.



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