

10/13/2025

The Week Ahead



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THINGS TO WATCH

US-China Trade Tensions

The three major U.S. equity averages fell between 1.9% and 3.6% last Friday in response to President Trump's threat of a 100% increase in tariffs on imports from China due to Beijing's new export controls on rare earth minerals. Remarks from Trump and Vice President Vance over the weekend were cautiously optimistic. They seemed to suggest a desire to keep the pressure on China but look for ways to avoid further escalation, including a potential meeting between Trump and Chinese leader Xi Jinping.

Bank Earnings

Third quarter earnings season kicks into gear tomorrow, with JPMorgan Chase (JPM), Wells Fargo (WFC), and Citigroup (C) set to report results. Bank of America (BAC), Goldman Sachs (GS), and Morgan Stanley (MS) will follow on Wednesday. Investors will closely watch how bank management teams plan to deploy excess capital amid expectations of looser Federal Reserve capital requirements. The outsized exposure of Goldman Sachs (GS) and Morgan Stanley (MS) to equity trading and initial public offering fees should boost their quarterly results. Meanwhile, Bank of America (BAC) and Wells Fargo (WFC) could be best positioned to benefit from net interest margin expansion in the period.

Soft Data Releases

With the government shutdown delaying the latest Consumer Price Index, Producer Price Index, and Retail Sales reports, another official U.S. data vacuum is expected this week. In the absence of hard data, attention will shift to key survey-based releases such as the Federal Reserve's Beige Book and the NFIB Small Business Sentiment Index. With trade tensions resurfacing, investors will watch for signs that tariff-exposed industries face margin pressure or consumer resistance to price increases. Hiring plans among small and mid-sized firms will also be closely monitored.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
Consumer Credit (\$ billion)	0.36	7.84	▼
U. of Mich. Consumer Sentiment	55.0	61.7	▼
U. of Mich. 1-year Inflation Expectations	4.6%	4.5%	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	45479.60	-2.70%	8.34%	7.93%
NASDAQ	22204.43	-2.53%	15.60%	21.91%
S&P 500	6552.51	-2.41%	12.53%	14.13%
MSCI EAFE	2757.98	-1.85%	24.10%	15.57%
BB U.S. Aggregate	2336.69	0.33%	6.73%	4.94%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	3.94%	4.03%	4.64%
10-Year Treasury	4.03%	4.05%	4.06%

REPORTS DUE THIS WEEK	LATEST
NFIB Small Business Optimism	100.8
Retail Sales (M/M)	0.6%
Producer Price Index (Y/Y)	2.6%
Housing Starts (Millions Annualized)	1.31
Building Permits (Millions Annualized)	1.33

Total returns are as of 10/10/25. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

\$1 billion

Over the weekend, The Financial Times reported the Pentagon's Defense Logistics Agency (DLA) is looking to purchase up to \$1 billion of critical rare earth minerals to stockpile. The DLA could buy as much as \$500 million of cobalt, \$245 million of antimony, and \$100 million of tantalum. Last Friday, President Trump threatened China with an additional 100% tariff on exports to the U.S. beginning November 1 in response to Beijing's new export controls of rare earth minerals.

74.06 million

The People's Bank of China increased its gold holdings for an eleventh consecutive month in September, raising its total to 74.06 million troy ounces—roughly half the U.S. government's Fort Knox stockpile. Spot gold prices have surged nearly 50% this year to about \$4,000 per ounce, doubling in two years. The rally likely reflects central banks diversifying reserves, concerns over U.S. fiscal and trade policy, and uncertainty surrounding Federal Reserve independence.

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