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The Week Ahead



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THINGS TO WATCH

Fed Meeting

On Wednesday, the Federal Open Market Committee (FOMC) is expected to cut its policy rate by another 25 basis points to a new range of 3.75%-4.00%, the lowest level since October 2022. Policymakers could also announce a timetable for ending the Fed's balance sheet runoff program known as quantitative tightening. The lack of official data in recent weeks due to the shutdown has likely clouded the picture for most FOMC voters.

Trump in Asia

President Trump began his Asia trip yesterday by offering tariff exemptions to Thailand, Cambodia, Vietnam, and Malaysia in exchange for lower barriers to American exports. Trump will travel to Japan to meet the country's likely new prime minister before heading to South Korea for the APEC summit. The centerpiece of APEC could be an unscheduled meeting with Chinese President Xi Jinping, where the US-China trade truce could be extended past November. At APEC, details could also emerge on major investment commitments in the US pledged by Japan and South Korea as part of tariff negotiations.

Big Tech Earnings

Five of the "Magnificent Seven" — Microsoft (MSFT), Amazon (AMZN), Alphabet (GOOGL), Meta Platforms (META), and Apple (AAPL) — will report quarterly results next week. Investors will focus on cloud growth at Microsoft's Azure, Amazon Web Services, and Google Cloud, along with AI-driven data center capital spending across these companies and META. Momentum in usage of GOOGL's Gemini AI assistant along with demand indicators for the iPhone 17 heading into the holiday season could also garner attention.

Other Notable Earnings

About 35% of S&P 500 Index companies report quarterly results this week. Outside of the Magnificent 7, this group includes Caterpillar (CAT), Chevron (CVX), Eli Lilly (LLY), Merck (MRK), Mastercard (MA), Starbucks (SBUX), UnitedHealth Group (UNH), and Visa (V).

LAST WEEK'S ECONOMIC DATA

	LATEST	3MO PRIOR	CHANGE
Existing Home Sales (Millions Annualized)	4.06	3.93	▲
Consumer Price Index (Y/Y)	3.0%	2.7%	▲
Core Consumer Price Index (Y/Y)	3.0%	2.9%	▲
U. of Mich. Consumer Sentiment	53.6	61.7	▼
U. of Mich. 1-year Inflation Expectations	4.6%	4.5%	▲

INDEX

	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	47207.12	2.24%	12.49%	13.32%
NASDAQ	23204.87	2.31%	20.81%	26.90%
S&P 500	6791.69	1.93%	16.66%	18.40%
MSCI EAFE	2803.37	0.56%	27.87%	22.27%
BB U.S. Aggregate	2349.11	0.18%	7.48%	6.44%

KEY BOND RATES

	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	3.84%	3.95%	4.61%
10-Year Treasury	4.00%	4.15%	4.21%

REPORTS DUE THIS WEEK

	LATEST
S&P CoreLogic CS 20-City U.S. HPI (Y/Y)	1.8%
Conf. Board Consumer Confidence	94.2

Total returns are as of 10/24/25. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

14%

According to Bloomberg Intelligence, the Magnificent 7 stocks are anticipated to post a 14% increase in profits in 3Q25, a slowdown from the 27% growth in the previous quarter. While this is nearly double the broader S&P 500's expected 8% earnings growth, it marks the group's weakest performance since early 2023. This week, Alphabet (GOOGL), Apple (AAPL), Amazon (AMZN), Meta Platforms (META), and Microsoft (MSFT) are forecast to report year-over-year profit growth of 7%-12%.

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The S&P 500 recorded its 24th closing high of the year on Friday, finishing the week at 6,791.69. The index has recorded a year-to-date total return of nearly 17% despite suffering a 19% drawdown from February 19 through April 8 driven by acute trade policy uncertainty. From the S&P 500's post-Liberation Day closing low of 4,982.77 on April 8, the index has surged 36% through the end of last week.

DISCLOSURES



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