

Last Week at a Glance

Global equities posted minor gains last week, with central bank announcements taking center stage amid a light schedule of economic and earnings releases. The US Federal Reserve Bank eased as expected; however, modest upgrades to growth and inflation forecasts limited gains for fixed income indexes.

- The Fed's expected 25-basis point cut elicited a muted market reaction. Investors may have hoped for more than the two additional cuts projected for 2025 and the single cut next year. The Fed's relatively conservative stance reflects its projections that inflation will remain above target next year while economic growth is reasonable.
- Several other central banks, including the Bank of Canada, followed suit. In contrast, the Bank of England and Bank of Japan remained on hold, given persistent price pressures.
- Most equity markets posted modest gains, with US large-cap stocks returning 1.3% and the MSCI ACWI global index rising 1.0%. US small caps, represented by the Russell 2000®, outperformed amid expectations of greater benefits from the rate cut. Despite the Fed move, most bond yields rose, as concerns about persistent inflation may limit further easing.
- US economic releases were limited. August retail sales numbers beat expectations and a decline in unemployment claims eased concern about a recent slowdown in job creation.
- Several large IPOs, including those of StubHub and Klarna, debuted last week. 2025 is on track to be the busiest year for new listings since 2021. An uptick in M&A activity—boosted by rate cuts—is also starting to ease some of the concerns over reduced distributions from private funds.

MARKET PERFORMANCE

As of September 21, 2025 • Local Currency • Percent (%)

Equities	Last Week	This Month	This Year
Global	1.0	3.2	15.0
Developed Markets	1.0	2.8	14.1
United States	1.3	3.3	14.3
Euro Area	0.6	1.5	16.3
United Kingdom	-0.9	0.2	15.8
Japan	-0.3	2.5	12.8
Emerging Markets	1.1	6.2	23.3
Fixed Income			
US Aggregate	-0.2	1.2	6.2
US Treasuries	-0.2	0.8	5.4
US Corporate IG	-0.1	1.6	7.0
US Corporate HY	0.3	0.9	7.3
Real Assets			
Global Equity REITs	-1.3	-1.0	3.9
Global Natural Resources	0.2	0.9	15.2
Gold Bullion	0.8	6.7	39.9
Currencies			
EUR/USD	0.3	0.5	13.5
GBP/USD	-0.6	-0.2	7.7
USD/JPY	0.1	0.7	-5.9