Last Week at a Glance

Equity markets advanced, driven by the US on strong 3Q earnings and dovish commentary from Federal Reserve officials. Global equity gains were uneven as China and Japan declined. Downward pressure on bond yields supported global fixed income performance.

— US equities were boosted by solid 3Q earnings, especially from large banks, driven largely by a recovery in M&A activity and indications of resilient consumer spending. While elevated US-China tensions persisted, the US shifted to a more conciliatory tone, which also helped lift US stock markets.

— Still, US equities largely shrugged off concerns over the health of regional banks after two prominent institutions disclosed loan write-offs. The reports added to mounting concerns over credit quality, coming just weeks after major bankruptcies in the auto industry. Although US regional banks declined, and measures of volatility briefly spiked, US credit spreads ultimately tightened on the week, suggesting that markets viewed the issues as isolated.

— Commentary from Fed Chair Jerome Powell struck a dovish tone, noting downside risks to the employment outlook. This raised the odds of further rate cuts this year. Ten-year US Treasury yields fell to their lowest level since last October, closing at 4.02%.

— Asian equities lagged. Chinese stocks were buffeted by ongoing tensions with the US, which had flared the week prior. Economic data pointed to persistent deflation, weighing on sentiment. Japanese shares also underperformed following the collapse of a long-standing coalition, adding to political uncertainty after a leadership change for the ruling Liberal Democratic Party.

Market performance

As of October 19, 2025 • Local currency • Percent (%)

Equities	Last Week	This Month	This Year
Global	1.0	0.2	15.8
Developed Markets	1.2	0.0	14.6
United States	1.7	-0.4	14.2
Euro Area	1.0	1.2	19.2
United Kingdom	-0.7	0.3	17.8
Japan	-0.9	1.8	15.5
Emerging Markets	-0.4	1.4	26.0
Fixed Income			
US Aggregate	0.5	1.0	7.2
US Treasuries	0.4	1.0	6.4
US Corporate IG	0.5	0.9	7.9
US Corporate HY	0.5	-0.2	7.1
Real Assets			
Global Equity REITs	3.1	0.4	5.8
Global Natural Resources	1.1	-0.1	17.9
Gold Bullion	5.9	10.7	61.6
Currencies			
EUR/USD	0.8	-0.7	12.7
GBP/USD	0.7	-0.5	6.9
USD/JPY	-1.3	1.9	-4.3

Sources: Bloomberg Index Services Limited, MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: This edition was prepared on October 19, 2025, and it reviews developments of the prior week. The equity data are total returns net of dividend taxes of MSCI indexes in local currency. Global natural resources equities are represented by the MSCI All Country World Commodity Producers Index. The fixed income data are total returns for Bloomberg indexes. Gold Bullion uses near-month gold futures contracts, as traded on the COMEX, to determine performance. Currency performance is based on Reuters data.