CAPITAL MARKETS REPORT - OCTOBER 14, 2025

FNBB Capital Markets

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SERVICE BEYOND COMPARISON

- **Shutdown Drags On as Senate Deadlocked**
- **Markets Tumble on Tariff News, Dollar Jitters**
- **Trump Visits Israel After Hamas Truce**

Washington remained in a stalemate as the federal government shutdown entered its second week, with Senate Republicans and Democrats locked in a standoff over health-care subsidies and spending levels. Senate Republicans sought to peel off moderate Democrats by offering hybrid funding packages, while House Democrats, led by Hakeem Jeffries, accused the GOP of refusing bipartisan talks. Despite intermittent back-channel discussions, neither side appeared close to a resolution, raising fears of prolonged disruption.

Financial markets faced mounting pressure amid political and trade turmoil. The S&P 500 logged its worst weekly loss in six months after Trump warned of major tariff hikes on China, reigniting fears of a trade war. Investors rushed into safe havens such as gold, echoing Citadel's Ken Griffin's warning that fading confidence in the dollar reflected deeper concerns about US fiscal stability. The combination of policy uncertainty, geopolitical risk, and a looming economic slowdown weighed on equities and boosted volatility, while consumer sentiment surveys showed households increasingly anxious about jobs, income, and inflation.

On the global stage, President Trump visited Israel following a US-brokered ceasefire between Israel and Hamas. The deal calls for Hamas to release 48 hostages in exchange for Israel freeing 2,000 Palestinian prisoners and easing humanitarian restrictions in Gaza. While skepticism persisted about the durability of the agreement, both sides began limited implementation as Israeli troops prepared for a phased withdrawal.

Market Last Week

	10/3/2025	10/10/2025	Weekly Change In Bps
2 yr. Note	**3.58%**	**3.50%**	**-8**
5 yr. Note	**3.72%**	**3.63%**	**-9**
10 yr. Note	**4.12%**	**4.03%**	**-9**
30 yr. Bond	**4.71%**	**4.62%**	**-9**
SOFR Rate	**4.10159%**	**4.03217%**	**-6.942**

Data This Week

Date/Time (ET)	Economic Data	Market Estimate	Prior Report
10/15/2025 2:00 PM	Fed Releases Beige Book		
10/15/2025 8:30 AM	Empire Manufacturing (Oct)	-1.70	-8.70
10/16/2025 10:00 AM	NAHB Housing Market Index (Oct)	33.00	32.00
10/16/2025 8:30 AM	Initial Jobless Claims (Oct 11)	229k	--
10/16/2025 8:30 AM	Retail Sales Advance MoM (Sep)	0.40%	0.60%
10/16/2025 8:30 AM	Philadelphia Fed Business Outlook (Oct)	10.00	23.20
10/16/2025 8:30 AM	PPI Final Demand YoY (Sep)	2.60%	2.60%
10/16/2025 8:30 AM	PPI Ex Food and Energy YoY (Sep)	2.70%	2.80%
10/16/2025 8:30 AM	Retail Sales Ex Auto and Gas (Sep)	0.30%	0.70%
10/16/2025 8:30 AM	New York Fed Services Business Activity (Oct)	--	-19.40
10/17/2025 8:30 AM	Housing Starts (Sep)	1320k	1307k
10/17/2025 8:30 AM	Building Permits (Sep P)	1341k	1330k