

CAPITAL MARKETS REPORT - OCTOBER 27, 2025



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SERVICE BEYOND COMPARISON

•Cooling Inflation Boosts Fed Rate Cut Odds

•Markets Juggle Trade Uncertainty and Global Policy Shifts

•Energy Sanctions Lift Prices, Test Central Bank Balancing Act

US inflation data showed progress toward price stability, reinforcing expectations that the Federal Reserve will continue easing monetary policy. The September core consumer price index rose 0.2% from August and 3% from a year earlier—up, but slightly below forecasts—signaling a gradual cooling in inflation without significant weakness in overall economic activity. Equity markets responded positively, with the S&P 500 reaching new record highs above 6,800 as investors grew more confident in a controlled “soft landing” scenario. Analysts now widely anticipate a 25-basis-point rate cut at the Fed’s upcoming meeting (Currently 96.7%).

Trade and central bank developments shaped global market sentiment throughout the week. Ongoing uncertainty around US-China relations, including possible delays in a meeting between Presidents Trump and Xi Jinping and potential new restrictions on technology exports, contributed to market volatility. Meanwhile, central banks in other major economies continued adjusting policy amid easing inflation trends. The Bank of Russia lowered its benchmark rate by 50 basis points to 16.5%, while UK inflation remained at 3.8%, below expectations and prompting speculation that the Bank of England could pivot toward rate cuts sooner than anticipated.

Geopolitical and energy developments added to the week’s complexity. A new round of coordinated US and EU sanctions on Russian oil firms lifted global energy prices and reignited discussions about supply constraints and inflation risks. Analysts cautioned that sustained energy price pressures could complicate central banks’ efforts to maintain growth while achieving long-term inflation targets. Despite these crosscurrents, markets generally ended the week higher, supported by optimism that disinflation trends and measured policy responses could help stabilize the global economic outlook.

Market Last Week

	10/17/2025	10/24/2025	Weekly Change In Bps
2 yr. Note	3.45%	3.48%	3
5 yr. Note	3.59%	3.61%	2
10 yr. Note	4.00%	4.00%	0
30 yr. Bond	4.61%	4.59%	-2
SOFR Rate	4.02374%	3.98631%	-3.743

Data This Week

Date/Time (ET)	Economic Data	Market Estimate	Prior Report
10/28/2025 10:00 AM	Richmond Fed Manufact. Index (Oct)	-10	-17
10/28/2025 10:00 AM	Conf. Board Consumer Confidence (Oct)	93.40	94.20
10/29/2025 8:30 AM	Wholesale Inventories MoM (Sep P)	-0.20%	--
10/29/2025 10:00 AM	Pending Home Sales MoM (Sep)	2.00%	4.00%
10/29/2025 2:00 PM	FOMC Meeting Announcement	4.00%	4.25%
10/30/2025 8:30 AM	Initial Jobless Claims (Oct 25)	229k	--
10/30/2025 8:30 AM	GDP Annualized QoQ (3Q25)	3.00%	3.80%
10/31/2025 8:30 AM	Personal Income (Sep)	0.40%	0.40%
10/31/2025 8:30 AM	Personal Spending (Sep)	0.40%	0.60%
10/31/2025 8:30 AM	Core PCE Price Index YoY (Sep)	2.90%	2.90%
10/31/2025 8:30 AM	PCE Price Index YoY (Sep)	2.80%	2.70%
10/31/2025 9:45 AM	MNI Chicago PMI (Oct)	42.50	40.60

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