Michael Gibbs, Managing Director, Lead Portfolio Manager | (901) 579-4346 | michael.gibbs@raymondjames.com
Joey Madere, CFA | (901) 529-5331 | joey.madere@raymondjames.com
Richard Sewell, CFA | (901) 524-4194 | richard.sewell@raymondjames.com
Mitch Clayton, CMT, Senior Technical Analyst | (901) 579-4812 | mitch.clayton@raymondjames.com

OCTOBER 15, 2025 | 3:02 PM EDT

Weekly Market Guide

Uncertainty surrounding the tariff situation and the ongoing government shutdown has introduced additional volatility into equity markets, leading to a pullback in the S&P 500 toward its 50-day moving average (50-DMA)—a level it has held for 115 consecutive days.

Risk Landscape: Evolving but Contained

- **Trade Policy Uncertainty:** Trade policy uncertainty had generally been declining since the aftermath of "Liberation Day," as various trade agreements helped ease initial concerns. However, renewed tensions with China have reignited near-term uncertainty, contributing to increased equity market volatility. While we believe neither side is likely to escalate the situation to a level that significantly impacts the broader macro environment, elevated headline risks may continue to drive short-term market fluctuations.
- **Credit Spreads:** Credit spreads have widened slightly alongside rising trade uncertainty. While we do not view this as a major concern at present, we acknowledge the increased risk. A similar rise in spreads over the summer led to only a modest consolidation before markets resumed their upward trend. Should spreads continue to climb, our concern level would likely increase.

Maintaining a Bullish Bias Toward Equities: We believe the current softness in macroeconomic data is likely to fade as we move into 2026, supported by: stimulus from the OBBB, a Federal Reserve positioned to continue rate cuts, and robust A.I.-related spending. In the near term, any continued volatility or weakness would be viewed as a buying opportunity as the market continues to exhibit an intermediate-term risk-on posture, and lower inflation expectations should support elevated valuations. With breakeven inflation rates in the 2.3–2.4% range, historical precedent suggests equity multiples can remain elevated.

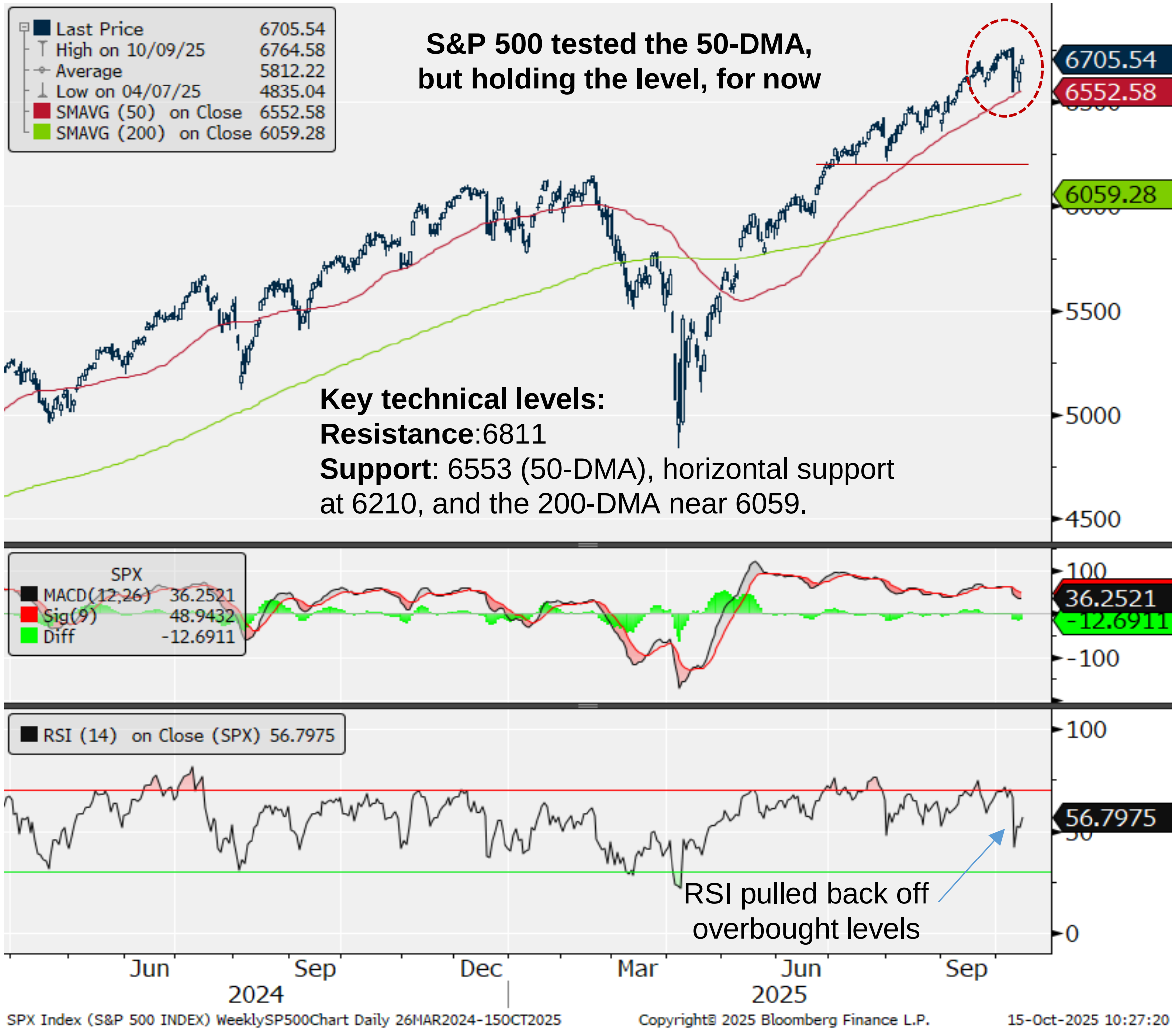
Technical Outlook: Healthy Consolidation: Recent price action appears to be a healthy consolidation. The RSI has pulled back from overbought levels, allowing the market to reset. Importantly, while the S&P 500 did test its 50-DMA, it has thus far held that support. Looking ahead, we see initial resistance at 6811. On the downside, the first area of support is the 50-DMA around 6553, followed by horizontal support at 6210, and then the 200-DMA at 6059.

Equity Market Indices	Price Return Year to Date	Price Return 12 Months
Dow Jones Industrial Avg	8.8%	7.4%
S&P 500	13.0%	13.4%
S&P 500 (Equal-Weighted)	7.6%	4.0%
NASDAQ Composite	16.6%	21.7%
Russell 2000	11.9%	11.0%
MSCI All-Cap World	16.3%	14.1%
MSCI Developed Markets	21.4%	13.4%
MSCI Emerging Markets	24.5%	15.4%
NYSE Alerian MLP	-3.4%	-1.8%
MSCI U.S. REIT	-0.2%	-5.3%

S&P 500 Sectors	Price Return Year to Date	Sector Weighting
Communication Svcs.	22.0%	10.1%
Utilities	20.9%	2.5%
Information Technology	20.7%	34.7%
Industrials	16.3%	8.3%
S&P 500	***13.0%***	-
Financials	10.1%	13.5%
Materials	7.1%	1.8%
Health Care	3.4%	9.1%
Consumer Staples	3.2%	5.0%
Consumer Discretionary	2.5%	10.4%
Energy	1.1%	2.8%
Real Estate	0.6%	1.8%

Source: FactSet

Technical: S&P 500



Uncertainty surrounding the tariff situation and the ongoing government shutdown has introduced additional volatility into equity markets, leading to a pullback in the S&P 500 toward its 50-day moving average (50-DMA), which it has held for 115 days. While headline risks remain elevated, we continue to maintain a bullish bias on equities. We believe that some of the current softness in macroeconomic data is likely to fade as we go into 2026, supported by stimulus from the OBBB, a Federal Reserve positioned to continue rate cuts, and sustained strength in A.I.-related spending.

In the near-term, should volatility or weakness persist, we would view it as a buying opportunity. Overall, we interpret the recent price action as a healthy consolidation. RSI has retreated from overbought levels, allowing the market to take a breather. Importantly, while the S&P 500 did pull back to its 50-DMA, it has thus far held that level.

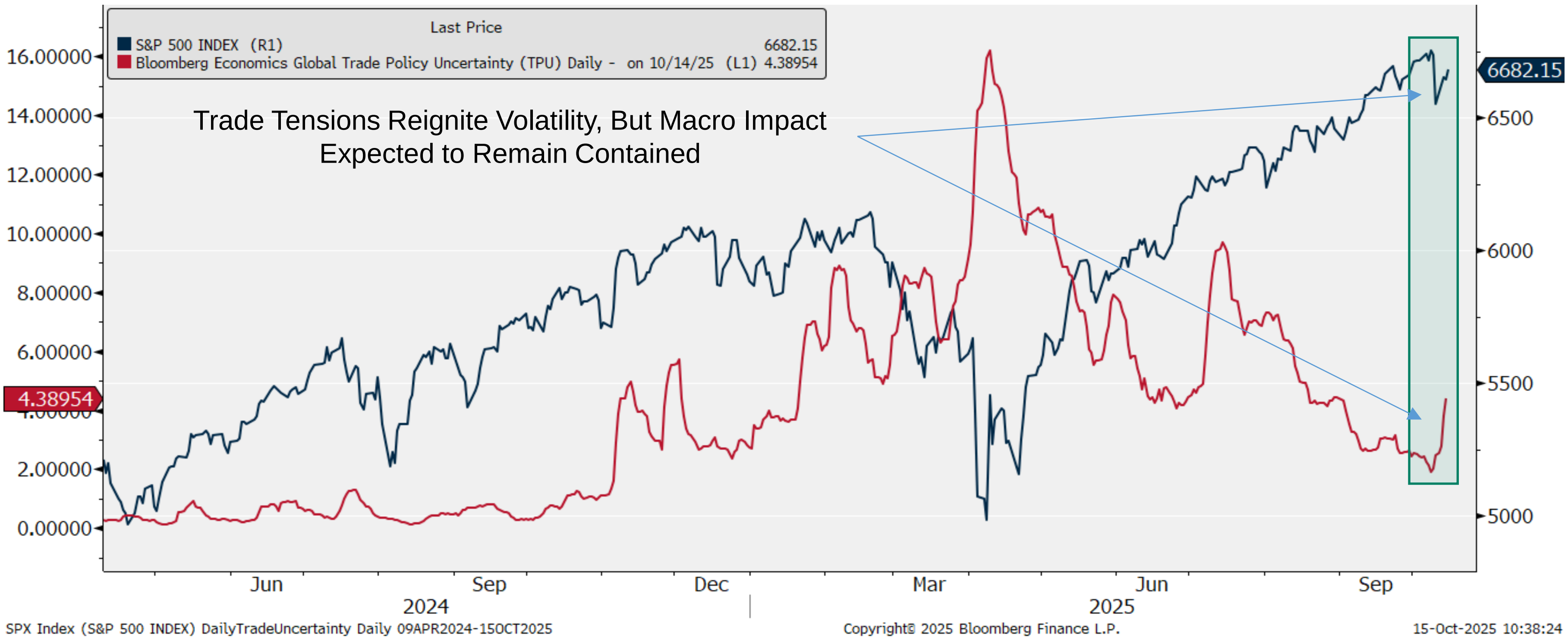
Looking ahead, we see initial resistance at 6811. On the downside, the first area of support is the 50-DMA around 6553, followed by horizontal support at 6210, and then the 200-DMA at 6059.

Source: Bloomberg, FactSet

Trade Policy Uncertainty

Trade policy uncertainty had generally been declining since the aftermath of "Liberation Day," as various trade agreements helped alleviate initial concerns. However, recent tensions with China have reignited some near-term uncertainty, contributing to increased volatility in equity markets. While we continue to believe that neither side is likely to escalate the situation to a degree that significantly impacts the broader macroeconomic environment, headline risks may still drive short-term market fluctuations if uncertainty remains elevated.

That said, should trade-related tensions ease, equities could resume their recent upward trajectory, following the path of least resistance.

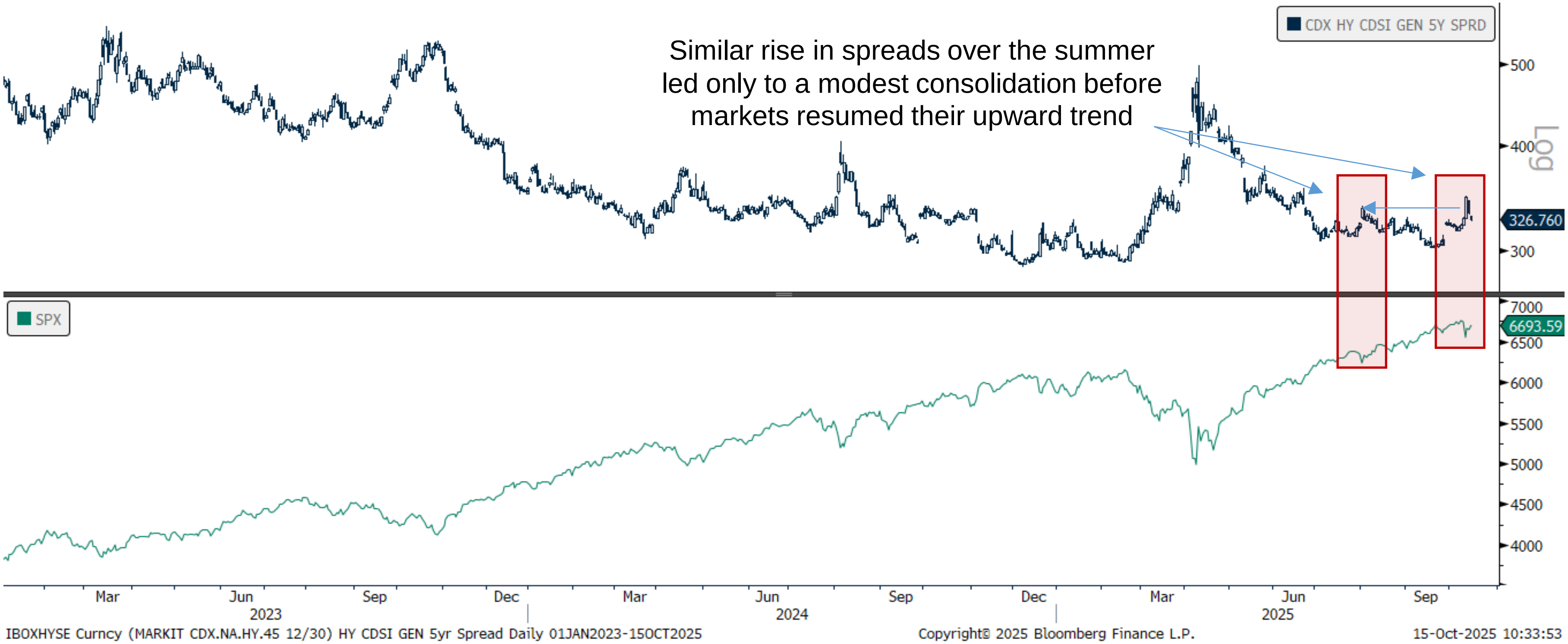


Source: Bloomberg, FactSet

Credit Spreads

Is the recent uptick in high yield credit spreads a cause for concern? While it's worth monitoring—especially given the many risks that could shift market sentiment—we are not overly concerned at this stage. Spreads remain relatively contained, though modestly off their lows, suggesting limited economic stress is currently priced into the market.

That said, a continued move higher in spreads would likely raise our level of concern. For now, we maintain a bullish bias toward equities, noting that a similar rise in spreads over the summer led only to a modest consolidation before markets resumed their upward trend.

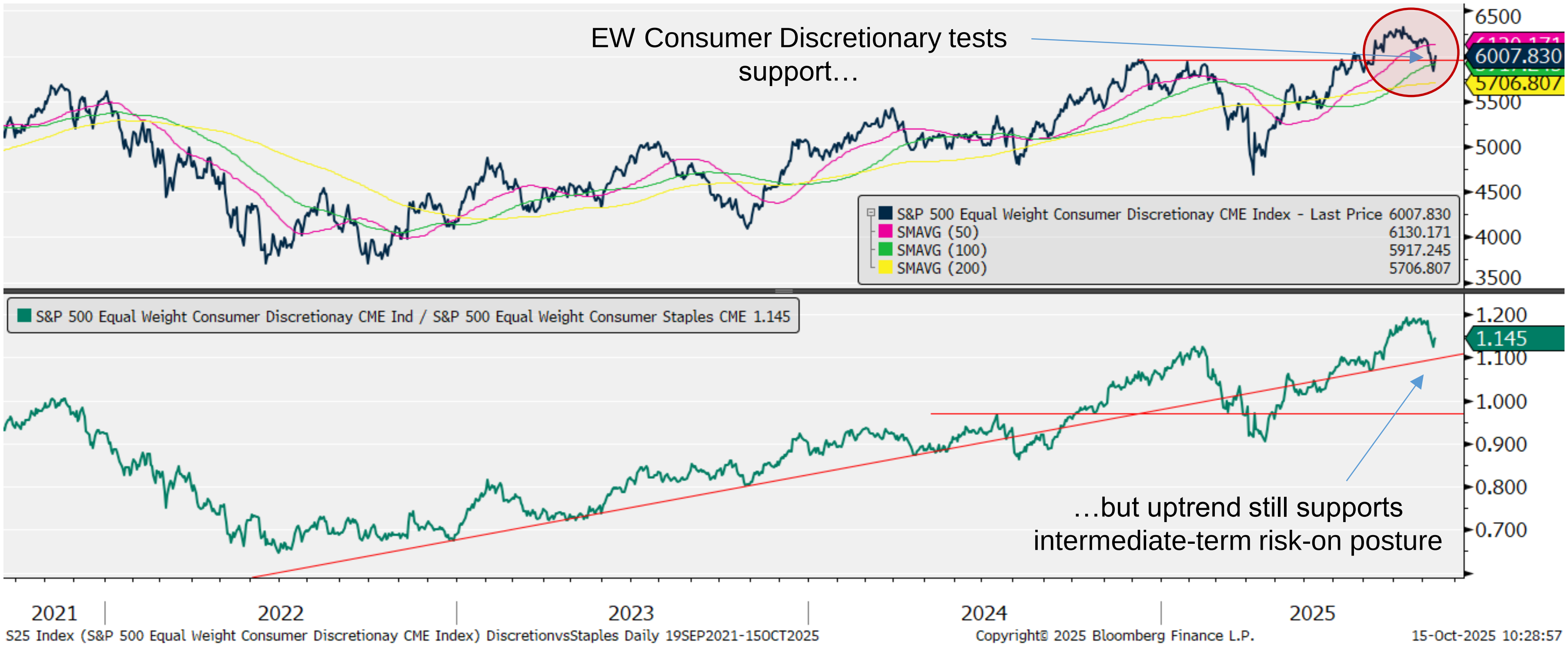


Source: Bloomberg, FactSet

Risk-On Posture

The recent uptick in market volatility has extended to the **equal-weighted (EW) Consumer Discretionary sector**, which saw its price break below both the 50-day and 100-day moving averages, returning to horizontal support. This pullback resulted in the the worst single-day performance for the EW Consumer Discretionary vs. Staples ratio since the April lows.

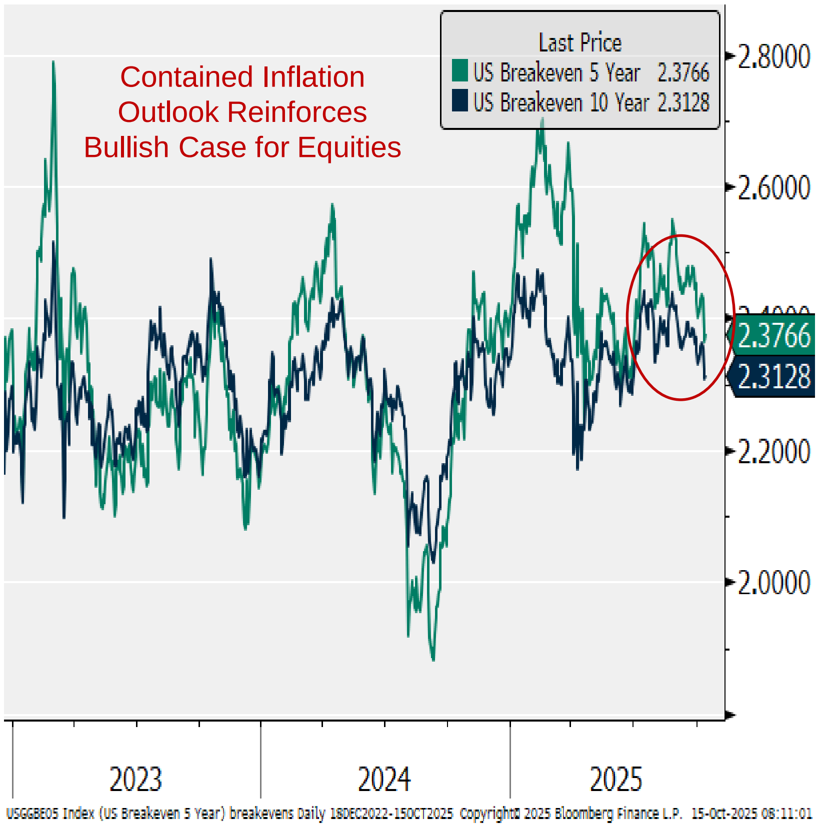
Despite this setback, **we continue to view the intermediate-term risk appetite as constructive**, with the ratio still trending upward. We will closely monitor price action, but as long as the uptrend remains intact, we maintain a risk-on stance. However, any downside follow-through could begin to shift investor sentiment more defensively.

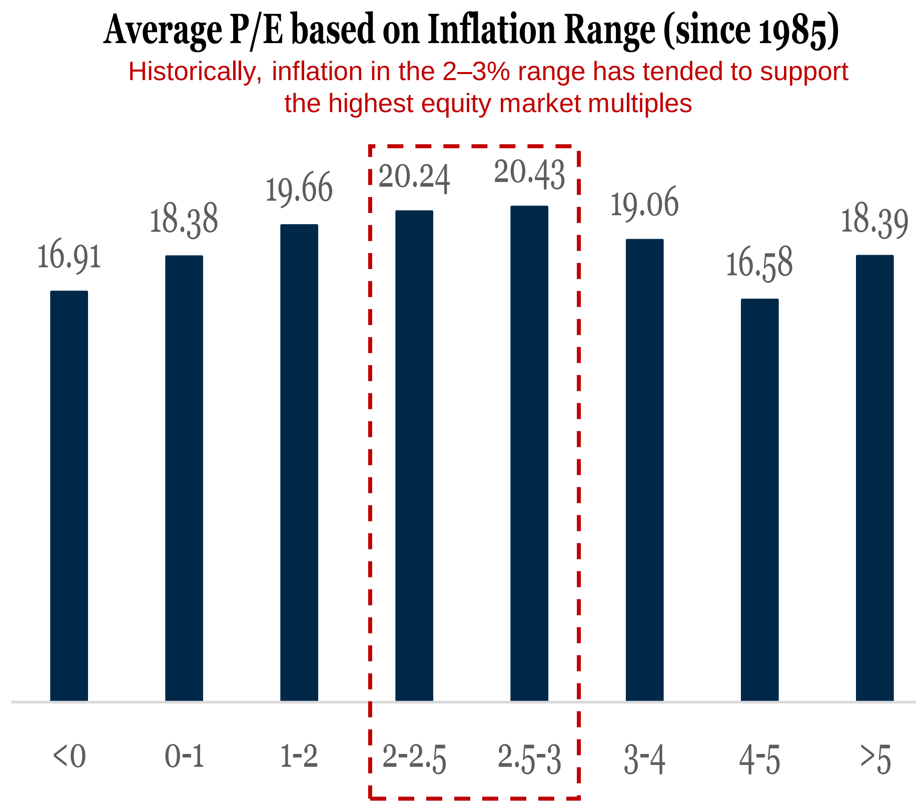


Source: Bloomberg, FactSet

Inflation Expectations

The market does not appear overly concerned about long-term inflation, which should help keep equity valuations elevated. Recently, breakeven inflation expectations have been trending lower. Historically, inflation in the 2–3% range has supported higher equity multiples, and with both the 5-year and 10-year breakeven rates currently in the 2.3–2.4% range, we believe valuations can remain elevated—providing continued support for equities.



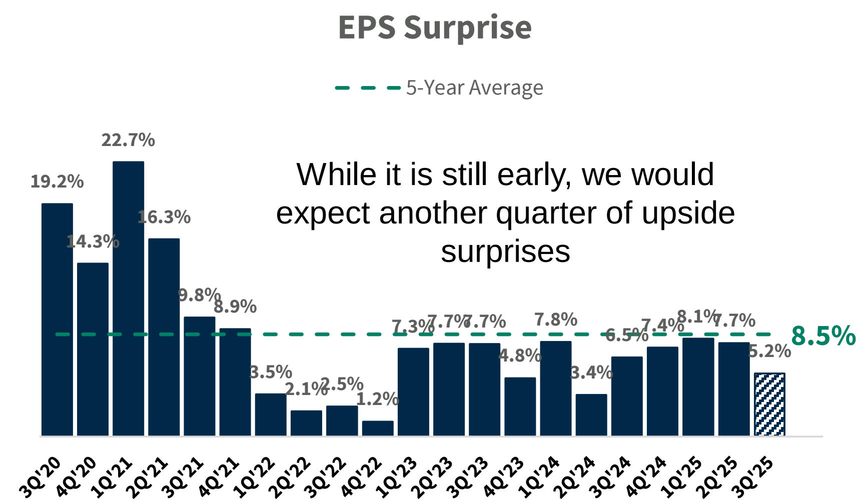


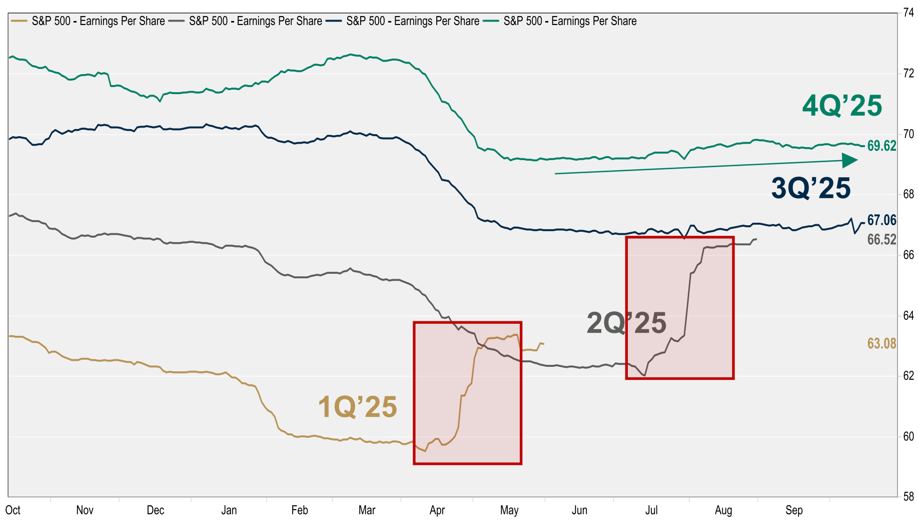
Source: Bloomberg, FactSet

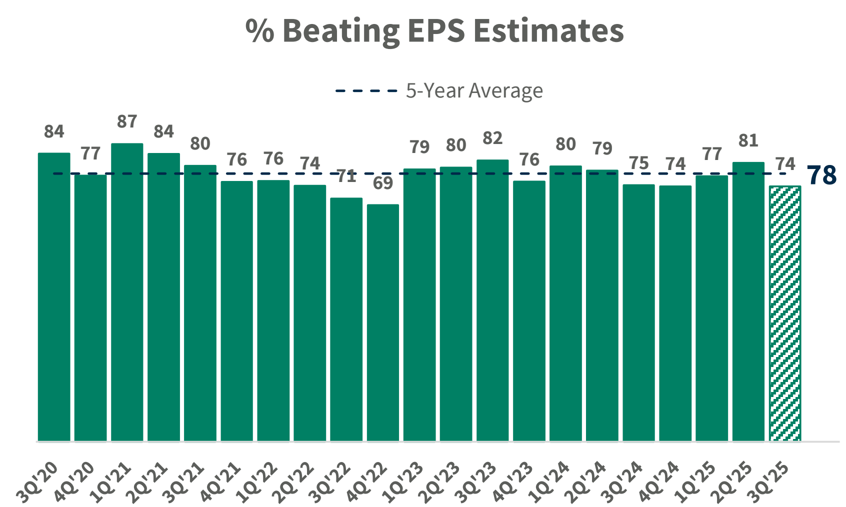
Earnings Season

Earnings season has just begun, with major banks kicking things off yesterday. Early results have been solid: 74% of reporting companies (albeit a small sample size) have exceeded expectations, with an average beat of 5.2%. However, post-earnings performance has been mixed.

Heading into earnings season, estimates remained relatively stable. As seen in the first and second quarters, strong upside surprises during earnings season often reset expectations higher. We'll be watching closely to see if this pattern holds for Q3 2025. Additionally, we're monitoring trends in Q4 2025 estimates, which have been on a modest upward trajectory over the past few months.







Source: Bloomberg, FactSet

IMPORTANT INVESTOR DISCLOSURES

Gibbs Capital Management, a division of Eagle Asset Management (Eagle) a wholly-owned subsidiary of Raymond James Investment management.

All expressions of opinion in the foregoing reflect the judgment of Gibbs Capital Management and are subject to change without notice. Information in this report has been obtained from sources considered reliable, but we do not guarantee its accuracy, completeness, or timeliness. Content provided herein is for informational purposes only and should not be used or construed as investment advice or a recommendation regarding the purchase or sale of any security outside of a managed account. This should not be considered forward looking and does not guarantee the future performance of any investment.

It is important to review the investment objectives, risk tolerance, tax objectives and liquidity needs before choosing an investment style or manager. All investments carry a certain degree of risk, including loss. There is no assurance that any strategy will be successful, and no one particular investment style or manager is suitable for all types of investors. Indices are not available for direct investment. Any investor who attempts to mimic the performance of an index would incur fees and expenses which would reduce returns. Asset allocation and diversification does not ensure a profit or protect against a loss.

Sector investments are companies engaged in business related to a specific sector. They are subject to fierce competition and their products and services may be subject to rapid obsolescence. There are additional risks associated with investing in an individual sector, including limited diversification.

Commodities and currencies investing are generally considered speculative because of the significant potential for investment loss. Their markets are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.

Links to third-party websites are being provided for informational purposes only. Gibbs Capital Management is not affiliated with and does not endorse, authorize, or sponsor any of the listed websites or their respective sponsors. Gibbs Capital Management is not responsible for the content of any third-party website or the collection or use of information regarding any websites users and/or members.

Index Definitions

The **S&P 500** is an unmanaged index of 500 widely held stocks that is generally considered representative of the U.S. stock market.

The **Dow Jones Industrial Average (DJIA)** is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange (NYSE) and the NASDAQ.

The **NASDAQ Composite** is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market.

The **MSCI World All Cap Index** captures large, mid, small and micro-cap representation across 23 Developed Markets (DM) countries. With 11,732 constituents, the index is comprehensive, covering approximately 99% of the free float-adjusted market capitalization in each country.

The **MSCI EAFE (Europe, Australasia, and Far East)** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 21 developed nations.

The **MSCI Emerging Markets Index** is designed to measure equity market performance in 23 emerging market countries. The index's three largest industries are materials, energy, and banks.

The **Russell 2000** index is an index measuring the performance of approximately 2,000 smallest-cap American companies in the Russell 3000 Index, which is made up of 3,000 of the largest U.S. stocks.

The **NYSE Alerian MLP** is the leading gauge of energy infrastructure Master Limited Partnerships (MLPs). The capped, float-adjusted, capitalization-weighted index, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis (AMZX).

The **Barclays Intermediate Government/Credit Bond** index measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years.

The **Euro Stoxx 50 Index** is a market capitalization weighted stock index of 50 large, blue-chip European companies operating within Eurozone nations. Components are selected from the Euro STOXX Index which includes large-, mid- and small-cap stocks in the Eurozone.

The **China CSI 300** is a capitalization-weighted stock market index designed to replicate the performance of top 300 stocks traded in the Shanghai and Shenzhen stock exchanges. It had a sub-indexes CSI 100 Index and CSI 200 Index.

The **S&P 500 Futures** is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The **DJIA Futures** is a stock market index futures contract traded on the Chicago Mercantile Exchange`s Globex electronic trading platform. Dow Futures is based off the Dow 30 stock index.

The **Nasdaq 100 Futures** is a modified capitalization-weighted index of the 100 largest and most active non-financial domestic and international companies listed on the NASDAQ.

Europe: DAX (Deutscher Aktienindex (German stock index)) is a blue chip stock market index consisting of the 40 major German companies trading on the Frankfurt Stock Exchange.

Asia: Nikkei is short for Japan's Nikkei 225 Stock Average, the leading and most-respected index of Japanese stocks. It is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Past performance does not guarantee future results. Future investment performance cannot be guaranteed, investment yields will fluctuate with market conditions.