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Morning Brew --- October 23, 2025

The stock market is on track for a modestly lower opening amid another earnings-heavy day with some notable geopolitical headlines.

A mega-cap consumer discretionary company posted earnings yesterday evening, missing EPS estimates as margins were lower due to tariff and supply chain pressures.

On the trade front, the Trump administration sanctioned several of Russia's largest oil companies, sending crude oil prices sharply higher. President Trump will no longer meet with Russian President Putin in Hungary.

U.S. officials are still set to meet with China's Vice Premier He Lifeng over the weekend to discuss trade. The market hit a pocket of volatility yesterday after *Reuters* reported that the Trump administration is weighing sweeping software export curbs on China in retaliation for rare earth restrictions.

President Trump is set to make an announcement at 3:00 ET, though the topic of which has not yet been disclosed.

U.S. equity futures:

- S&P 500 Futures: -5 @ 6,732
- DJIA Futures: -71 @ 46,711
- Nasdaq Futures: -38 @ 25,002

Overseas:

- Europe: DAX -0.2%, FTSE +0.6%, CAC +0.5%
- Asia: Nikkei -1.4%, Hang Seng +0.7%, Shanghai Composite +0.2%

Also In Today's Report: Gold vs S&P 500

Indices	Close	1 Day	3 Mo	YTD	12 Mo
S&P 500	6699.44	-0.53%	6.18%	13.90%	14.50%
Dow Jones	46590.41	-0.71%	4.69%	9.51%	8.54%
NASDAQ Composite	22740.40	-0.93%	8.84%	17.76%	22.44%
Russell 2000	2454.57	-1.33%	9.15%	10.06%	9.99%
NYSE Alerian MLP	293.37	1.39%	-2.92%	-0.36%	3.47%
Barclays Inter. G/C Bond	108.01	0.02%	1.45%	3.63%	2.42%
MSCI The World	4341.53	-0.10%	6.54%	17.09%	16.35%
MSCI EAFE	2805.57	-0.28%	5.86%	24.04%	18.23%
MSCI Emerging Markets	1383.64	0.03%	10.86%	28.65%	21.14%
Euro Stoxx	5639.21	-0.84%	6.59%	15.18%	14.17%
China CSI 300	4592.57	-0.33%	11.50%	16.71%	16.04%

S&P Sectors					
Consumer Discretionary	1898.43	-1.00%	4.39%	3.67%	20.06%
Consumer Staples	888.02	0.64%	-0.40%	4.03%	0.66%
Energy	672.95	1.32%	2.92%	2.76%	-3.19%
Financials	871.84	-0.57%	-0.51%	8.38%	11.17%
Health Care	1700.95	0.61%	9.33%	5.99%	-3.39%
Industrials	1293.44	-1.31%	1.20%	15.94%	11.58%
Information Technology	5643.22	-0.79%	10.63%	22.43%	23.33%
Materials	560.50	-0.31%	-2.94%	5.80%	-7.62%
Real Estate	267.28	0.42%	-0.38%	4.44%	-2.85%
Communication Svcs.	422.30	-0.88%	11.75%	23.60%	33.41%
Utilities	458.91	-0.25%	6.23%	19.21%	11.11%

Commodities					
Commodity Index	105.92	-1.63%	1.17%	7.25%	5.84%
Crude Oil (\$/bbl)	59.49	0.52%	-10.53%	-17.05%	-17.48%
Natural Gas (\$/btu)	3.46	2.27%	5.90%	-4.90%	49.50%
Gold (\$/ozt)	4101.75	-5.30%	19.53%	56.29%	49.21%

Currencies					
US Dollar per Euro	1.16	-0.36%	-1.26%	12.09%	7.47%
USD / China Renminbi	0.14	-0.04%	0.62%	-2.39%	-0.02%

Sovereign Bond Yields		5 Yr Avg	30 Yr Avg
U.S. 10-Year Treasury	3.95	3.22	3.67
U.S. 10Yr - 2Yr Spread	0.50	10Yr - 3Mo Spread	0.09

S&P 500 Metrics		5 Yr Avg	15 Yr Avg
Dividend Yield	1.21	1.50	1.90
P/E Ratio - Next 12 Mo.	23.40	20.44	17.09
P/E Ratio - Last 12 Mo.	27.90	24.21	20.00

Returns are Price Only, in US Dollar terms

Sources: Briefing.com, Bloomberg, Gibbs Capital Management

Yesterday, the Dow fell -0.71%, the S&P 500 slipped -0.53%, and the Nasdaq lost -0.93%. 4 of 11 sectors were higher led by Energy with a gain of 1.32%, followed by Consumer Staples (+0.64%) and Health Care (+0.61%). Industrials lagged with a decline of 1.31% and Consumer Discretionary dropped 1%. There were 105 net decliners on the S&P 500, and decliners led by 1.40x on the NYSE on 66% declining volume. According to Bloomberg, U.S. futures were steady and European stocks headed for a record peak as third-quarter earnings continued to flow in. Crude oil surged after US President Donald Trump imposed sanctions on Russia's biggest producers. Futures on the S&P 500 and Nasdaq 100 were little changed. Earnings so far have been broadly positive, helping to support equities as a mix of macro fears injected a note of nervousness into global markets. The Trump administration said it's considering curbs on software exports to China, risking another escalation of the trade dispute. Traders are also pinning their hopes on another Federal Reserve interest-rate cut later this month, even as they await delayed September inflation data due to be released on Friday. Price action on the S&P 500 has been constructive during the past month as prices have consolidated above the 50DMA, which continues to rise, along with the 200DMA. Continue to watch for the first area of support at the 50DMA, which currently comes in at 6583. Below the 50DMA, watch horizontal support at 6210, and the 200DMA, which currently comes in at 6079. Keep an eye on overhead resistance around 6811.



Today's U.S. Economic Data (Briefing.com)

- 08:30 ET: Initial Claims for Oct 18 (Briefing.com Consensus 223K; Prior NA)
- 08:30 ET: Continuing Claims for Oct 11 (Briefing.com Consensus NA; Prior NA)
- 10:00 ET: Existing Home Sales for Sep (Briefing.com Consensus 4.05M; Prior 4.00M)
- 10:30 ET: EIA Crude Oil Inventories for Oct 18 (Briefing.com Consensus NA; Prior +80 bcf)

Overseas Overnight Summary (Briefing.com)

Equity indices in the Asia-Pacific region ended Thursday on a mostly higher note while Japan's Nikkei (-1.4%) underperformed with Softbank seeing an extension of yesterday's weakness. Japan's Nikkei: -1.4%, Hong Kong's Hang Seng: +0.7%, China's Shanghai Composite: +0.2%, India's Sensex: +0.2%, South Korea's Kospi: -1.0%, Australia's ASX All Ordinaries: +0.1%.

In news:

- Japan Prime Minister's Takaichi's cabinet has an approval rating of 71%, according to a poll conducted by Yomiuri.
- The prime minister has ordered reforms of fiscal spending and revenue.
- China's State Council removed Wang Dongwei from the vice minister of finance post.
- The Bank of Korea left its policy rate at 2.50%, as expected. Governor Rhee said that high home prices and weak won are preventing the central bank from cutting rates.

In economic data:

- Hong Kong's September CPI 0.1% m/m (last 0.1%); 1.1% yr/yr (last 1.1%)

- Singapore's September CPI 0.4% m/m (last 0.5%); 0.7% yr/yr (expected 0.6%; last 0.5%). September Core CPI 0.4% yr/yr (expected 0.2%; last 0.3%)

- Australia's Q3 NAB Quarterly Business Confidence 2 (last 0)

Major European indices trade on a mostly higher note. STOXX Europe 600: +0.3%, Germany's DAX: -0.2%, U.K.'s FTSE 100: +0.6%, France's CAC 40: +0.5%, Italy's FTSE MIB: +0.6%, Spain's IBEX 35: +0.2%.

In news:

- Germany's council of tax experts increased its forecast for tax revenue though 2029.
- Finance Minister Klingbeil said that the increased forecast reflects a more positive outlook.
- The Swiss National Bank released the Minutes from its September meeting, showing no appetite for additional easing.

In economic data:

- U.K.'s October CBI Industrial Trends Orders -38 (expected -28; last -27)
- France's October Business Survey 101 (expected 96; last 97)
- Spain's August trade deficit EUR6.00 bln (last deficit of EUR4.01 bln)

Gold vs S&P 500



Source: Bloomberg Charting Platform, Gibbs Capital Management

IMPORTANT INVESTOR DISCLOSURES

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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.