

# MONTHLY MARKET UPDATE

November 2025



Equities closed November relatively flat with the S&P 500 scratching out a 0.2% gain for the month, a seventh consecutive positive month, taking year-to-date gains to a robust 17.8%. International developed markets were flat but emerging markets declined 2.4% with weak performance from China the primary culprit. U.S. market leadership continued to revolve around AI-linked technology companies, though breadth improved with value stocks (+2.7%) outperforming growth stocks (-1.8%) by a decent margin for the month and the equal-weight S&P 500 outperforming the headline S&P 500. The technology heavy Nasdaq fell 1.4%, while the Russell 2000 gained 1.0%, reflecting similar breadth and style characteristics. Bond markets were also up in November with the taxable Aggregate Bond index up 0.6% and tax-free Municipal index up 0.2%, taking year-to-date returns to 7.5% and 4.2% respectively. Commodity markets posted solid gains across energy, agriculture, industrial and precious metals. Oil prices fell 3.1% in November, but natural gas surged 11.3% and gold rallied 6%, notching another record high.

Economic data was sparse throughout the month due to the government shutdown, keeping investors reliant on non-governmental reports and high-frequency indicators. There were no official labor-market reports, but private sector surveys and job boards continued to point to a slowing yet not sharply deteriorating backdrop. Inflation data was also lacking and while cumulative effects of inflation since 2022 are weighing on lower and middle-class consumers, the yearly rate of change in prices are coming in line with expectations and trending down toward the longer term historical 2%-3% range. Spending indicators, including credit-card data and service-sector surveys, suggested resilient consumption despite labor market softness, reflecting what is referred to as a K-shaped economy where the top 25% of income earners are driving consumption while the bottom 50% are feeling stress. The housing market remains very challenged due to constrained

supply and lack of affordability given elevated home prices and mortgage rates.

On the policy front, monetary policy from the Fed remained a key market driver. Officials continued to debate the appropriate pace of easing amid limited data visibility, with discussions revolving around FOMC dissent and Fed independence becoming more prominent. Markets also digested ongoing trade policy developments, including incremental softening of tariff measures and looming judicial scrutiny of executive branch authority on tariff tax levies under the International Emergency Economic Powers Act. Things were quiet from a fiscal policy standpoint following the end of the shutdown, though the broader conversation around deficits, long-term debt sustainability, and the timing of remaining OBBB fiscal support persisted.

Taken together, November reflected another steady, albeit uneven, month for risk assets characterized by signs of rotation away from technology/AI-oriented leadership, economic resilience, and a generally supportive policy backdrop. With only a month remaining, 2025 has the markings of a resoundingly positive outcome for both bond and equity markets as a whole.

## Quote of the Month

"Inflation is just like alcoholism.  
The good effects come first."

- Milton Friedman



Consumer Metrics			
Levels	11/30/25	8/31/25	11/30/24
Fed Funds	3.89	4.33	4.58
10 Year Treasury	4.02	4.23	4.18
30 Year Mortgage	6.23	6.56	6.81
Gasoline	3.19	3.27	3.17
Used Cars and Trucks*	184.57	185.32	180.08

Economic Trends			
Macro Metrics	11/30/25	8/31/25	11/30/24
US Real GDP	3.80	3.80	3.30
Core PCE	2.83	2.90	2.98
Unemployment Rate	4.40	4.30	4.20
Oil (WTI)	59.04	64.36	68.26
Gold	4,053.3	3,363.0	2,650.7
Dollar Index	99.2	97.9	105.78
Trailing Returns	1 Mo	3 Mo	1 Yr
Oil (WTI)	-5.13	-8.98	-14.18
S&P GSCI Gold Spot	6.47	21.01	58.71
Dollar Index	-0.35	1.73	-5.94

*\*Represents level indexed to 100.*

## CARTOON OF THE MONTH



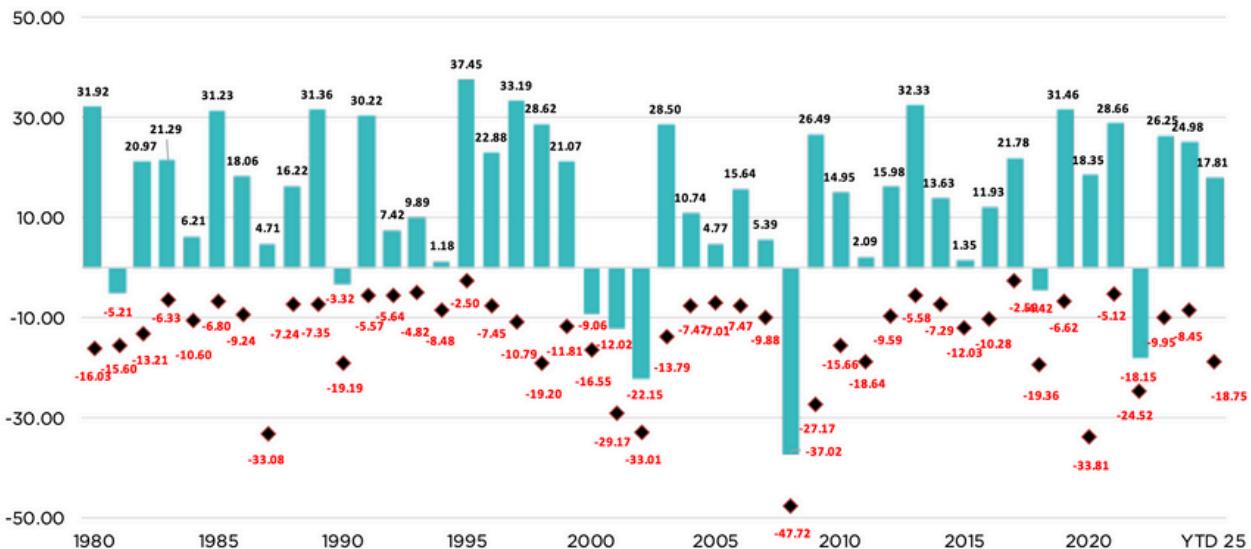
*Source: Hedgeye*

Color Coded Key	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Alerian MLP	31.8	4.2	21.3	37.8	0.3	31.5	20.0	46.2	30.9	26.6	25.0	30.4
Bloomberg US Agg Bond	13.7	1.4	18.3	25.6	0.0	27.3	18.7	40.2	16.1	26.3	24.4	28.0
Bloomberg US Treasury US TIPS	6.0	1.3	17.5	24.6	-0.8	25.8	18.4	28.7	-1.3	22.8	18.0	21.6
Bloomberg Commodity	4.9	0.5	12.0	21.8	-1.3	25.5	16.8	27.1	-11.2	18.9	11.5	17.8
Markit iBoxx USD Levged Loan	4.8	-0.4	11.8	14.6	-1.8	22.7	11.0	19.0	-11.8	16.9	9.1	16.1
FTSE WGBI	4.8	-1.0	11.6	10.3	-2.3	18.9	10.8	14.8	-13.0	16.1	8.8	13.5
FTSE WGBI NonUSD	4.7	-1.4	10.1	8.2	-2.5	14.4	10.1	11.8	-14.0	13.5	8.2	11.6
ICE BofA US High Yield	3.6	-1.8	9.9	7.5	-4.4	13.1	8.3	6.0	-15.3	13.0	8.1	10.6
Bloomberg EM USD Aggregate	2.5	-3.6	8.5	7.5	-4.8	8.7	7.5	5.4	-18.0	10.3	6.6	8.0
MSCI ACWI	1.4	-4.4	7.2	4.2	-8.9	8.4	6.5	5.1	-18.1	9.1	5.4	7.8
MSCI EAFE	-0.5	-4.6	4.7	3.5	-11.0	7.9	6.2	-1.5	-18.3	5.8	4.3	7.5
MSCI EM	-1.8	-5.5	2.6	3.3	-11.2	7.7	2.3	-1.7	-19.7	5.5	1.8	7.4
Russell 2000	-2.7	-14.6	1.8	3.0	-12.4	6.6	-3.1	-2.2	-20.4	5.2	1.3	7.4
S&P 500	-4.5	-24.7	1.6	1.7	-13.4	5.9	-7.9	-7.0	-22.1	3.9	-2.9	5.2
Wilshire US REIT	-17.0	-32.6	1.5	-6.5	-14.2	5.3	-28.7	-9.7	-26.8	-7.9	-5.3	4.4

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
S&P 500 Communication Services	30.2	10.1	27.4	38.8	6.5	50.3	43.9	54.6	65.7	57.8	40.2	34.9
S&P 500 Sec/Consumer Discretionary	29.0	6.9	23.5	23.8	4.1	32.7	33.3	46.2	1.6	55.8	36.6	24.4
S&P 500 Sec/Consumer Staples	25.3	6.6	22.8	23.0	0.8	32.1	23.6	35.0	-0.6	42.4	30.6	22.3
S&P 500 Sec/Energy	20.1	5.9	18.9	22.2	-0.3	31.5	20.7	34.5	-2.0	26.3	30.1	17.9
S&P 500 Sec/Financials	16.0	4.7	16.7	22.1	-2.2	29.4	18.4	28.7	-5.5	18.1	25.0	17.8
S&P 500 Sec/Health Care	15.2	3.4	16.3	21.8	-4.4	29.0	13.4	27.3	-10.5	12.5	23.4	16.2
S&P 500 Sec/Industrials	13.7	1.4	13.8	21.0	-8.4	27.9	11.1	26.1	-12.3	12.4	17.5	11.6
S&P 500 Sec/Information Technology	9.8	-1.5	12.0	13.5	-12.5	27.6	10.7	24.4	-18.1	12.1	14.9	8.5
S&P 500 Sec/Materials	9.7	-2.5	6.0	12.1	-13.0	26.3	0.5	21.6	-26.1	2.1	5.7	8.1
S&P 500 Sec/Real Estate	6.9	-4.8	5.4	10.8	-13.3	24.6	-1.7	21.1	-28.2	0.5	5.2	5.6
S&P 500 Sec/Utilities	3.0	-8.4	3.4	-1.0	-14.7	20.8	-2.2	18.6	-37.0	-1.3	2.6	5.4
S&P 500	-7.8	-21.1	-2.7	-1.3	-18.1	11.8	-33.7	17.7	-39.9	-7.1	0.0	5.2

### Intra-year S&P 500 Drawdowns with Annual Returns

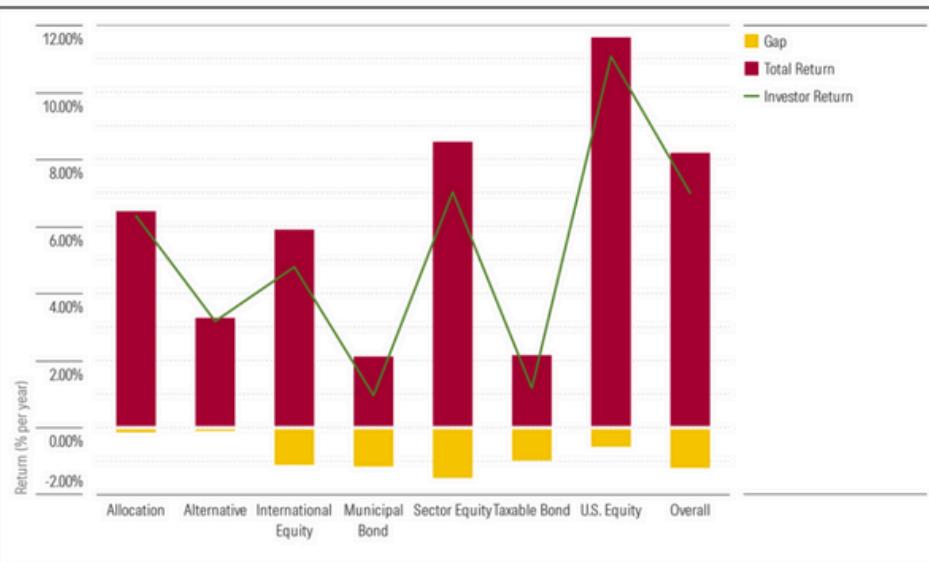
Market volatility is normal and can be difficult to time. History shows that staying the course has been a successful investing strategy.



Source: Morningstar Direct, Standard & Poor's. Uses Total Return with daily closing prices.

■ Return   ♦ Max Drawdown

## MARKET TIMING DOESN'T WORK



Source: Morningstar. Data as of Dec. 31, 2024. Excludes "commodities" category group. The "alternative" category group also includes funds assigned to the "nontraditional equity" category group. The category group figures include funds of funds, but the "overall" figures exclude funds of funds to avoid double-counting. Gap numbers may not match differences in returns because of rounding.

**Exhibit 4** Annual Investor Return Gaps by US Category Group (10 Years Ended Dec. 31, 2024)

US Category Group	Investor Return	Total Return	Gap
Allocation	6.3%	6.5%	-0.1%
Alternative	3.2%	3.3%	-0.1%
International Equity	4.8%	5.9%	-1.1%
Municipal Bond	1.0%	2.1%	-1.2%
Sector Equity	7.0%	8.5%	-1.5%
Taxable Bond	1.2%	2.2%	-1.0%
US Equity	11.1%	11.6%	-0.6%
<b>Overall</b>	<b>7.0%</b>	<b>8.2%</b>	<b>-1.2%</b>

Source: Morningstar

## ABSENT A SHOCK, ECONOMIC EXPANSIONS TEND TO PERSIST

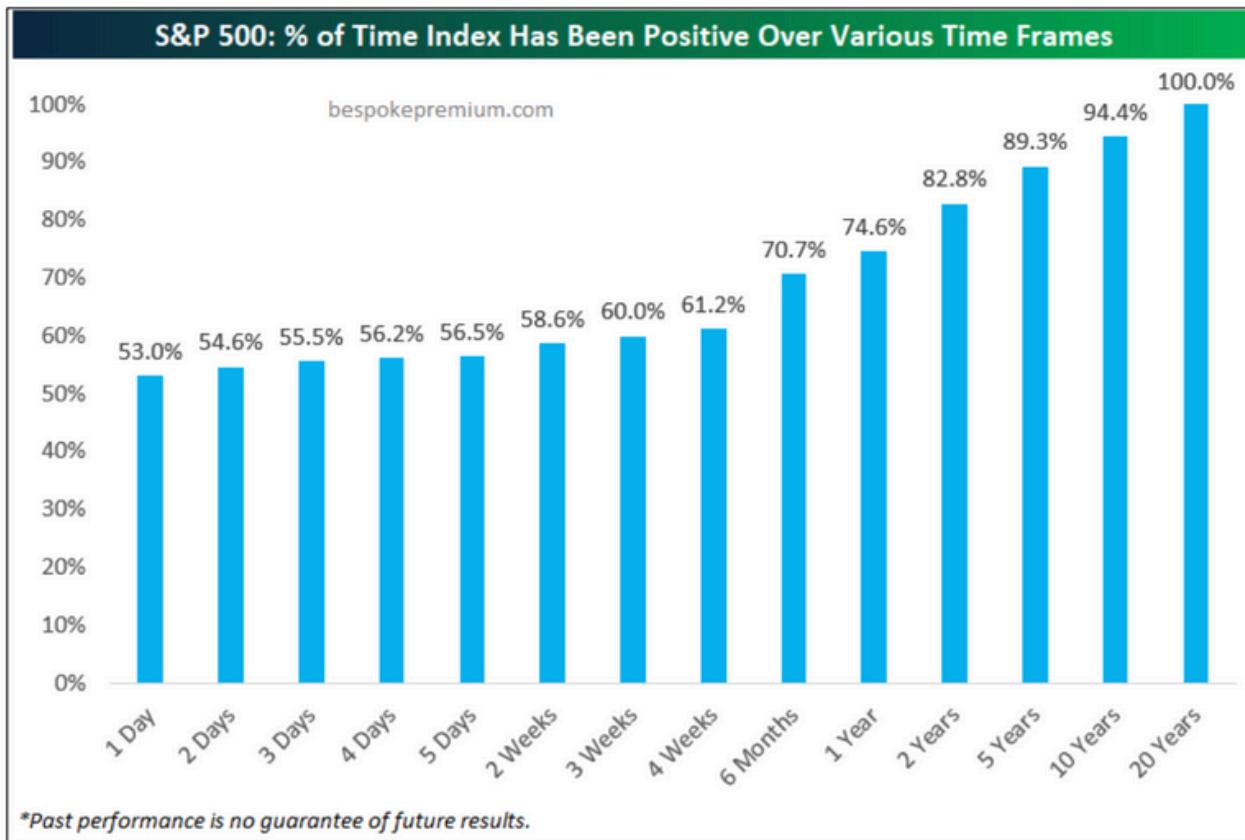
### Economic expansions do not die of old age, they are murdered - Rudi Dornbusch

Post WW2 Recessions and Their Triggers

Stock Market Peak	Recession Start	Stock Peak Before Recession	Recession End	"Murder Weapon"
May 28, 1946	Feb 1945	-454	Oct 1945	Dramatic Drop in Military Spending (End of WW2)
Jun 18, 1948	Nov 1948	165	Oct 1949	Demobilization of the WW2 Economy
Jan 09, 1953	Jul 1953	203	May 1954	Dramatic Drop in Military Spending (End of Korean War)
Apr 06, 1956	Aug 1957	511	Apr 1958	Suez Crisis/Sputnik
Jan 08, 1960	Apr 1960	113	Feb 1961	Tight Monetary Policy
Dec 06, 1968	Dec 1969	390	Nov 1970	Vietnam War
Jan 12, 1973	Nov 1973	322	Mar 1975	Arab Oil Embargo
Sep 15, 1978	Jan 1980	503	Jul 1980	Highest Inflation of the Century
May 01, 1981	Jul 1981	91	Nov 1982	Punishing Interest Rates (15% 10-year)
Jul 20, 1990	Jul 1990	11	Mar 1991	Iraq Invades Kuwait (~200% rise in Crude Oil)
Jan 14, 2000	Mar 2001	442	Nov 2001	Tech Bubble Popping/September 11
Oct 09, 2007	Dec 2007	83	Jun 2009	Housing Crash/\$145 Crude (July 2008)
Feb 12, 2020	Feb 2020	17	Apr 2020	COVID-19
<b>Average</b>		<b>184</b>		

Source: Bianco Research

## MARKET TIMING DOESN'T WORK



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