

Beacon Weekly Investment Insights

The three major equity indices we consistently refer to in this weekly piece all closed at record high levels on Friday. Driven by a perceived ease in trade tensions, a better than expected inflation report, and solid corporate earnings, the Dow closed up 2.2%, the S&P 500 closed up 1.9% while the NASDAQ Composite climbed 2.3%. Sliding down the cap scale, small cap domestic equities as measured by the Russell 2000 index increased by 2.6% on the week. Fixed income markets were fairly stable on the week, but we did see the 10-year US treasury at some points below the 4.0% level but closed the week right on that psychological level of 4.0%. Gold lost a bit of its luster last week declining by 3.5% for the week, but still up an amazing 57% on a year-to-date basis.

The US Government remains in “shutdown” and there seems to be not much progress for resolution. The Bureau of Labor Statistics did come back to work to parse through September data and compile the CPI (consumer price index) report. The Friday release was slightly below expectations. The index on a month-over-month basis rose 0.3% versus expectations for a rise of 0.4%. Year over year inflation remains “sticky” hovering around the 3.0% level. This number was particularly important to release as the figures are used to calculate the annual cost of living adjustment to social security payments which was announced to be 2.8% for 2026.

On the corporate earnings front, we have close to 30% of the S&P constituents reported thus far and the growth has been about 15%. Estimates were pegged in third quarter to grow at 8%, so we are off to a solid start. Thus far we have seen a variety of sector reports. Early on we had financials begin the season with strong results from the money centers with interest spread and capital markets leading the way. Regional banks followed with strong activity from lending and interest spreads. Staple companies such as Proctor and Gamble had strong earnings and interestingly during their earnings conference call, decreased their tariff related expenses that they expected. While we expect different outlooks for different sectors and industries, thus far earnings are supporting the positive market momentum.

This week we have plenty of activity to be mindful of. The Federal Reserve will conduct their open market committee meeting on Tuesday and Wednesday. Market expectations are for a 25-basis point reduction in the overnight lending rate to a range of 3.75% to 4.00%. The seemingly benign inflation environment has shifted their focus to the employment side of their dual mandate. While we have not received the official government statistics due to the current shutdown, enough private and anecdotal data continue to point to weakness in the labor market. Additionally, Chairman Powell’s press conference that will follow will be scrutinized for further direction of interest rate policy. Currently futures markets are looking for another 25-basis point reduction at their December meeting. Earnings will also be in focus this week as 172 S&P constituents are expected to report. Five of the “Magnificent 7” are on tap this week – Alphabet (Google), Amazon, Apple, Microsoft, and Meta (Facebook). Booking Holdings, the global online travel company, will start the week and be watched for consumer travel trends. Large Dow constituents, Visa, United Healthcare, Verizon, Caterpillar, Boeing, and Chevron will also report. As has become the norm these days, we will also be mindful of any trade related headlines that tend to move markets.

Market Scorecard:	10/24/2025	YTD Price Change
Dow Jones Industrial Average	\$47,207.12	10.96%
S&P 500 Index	\$6,791.69	15.47%
NASDAQ Composite	\$23,204.87	20.17%
Russell 1000 Growth Index	\$4,801.98	18.79%
Russell 1000 Value Index	\$2,029.27	11.26%
Russell 2000 Small Cap Index	\$2,513.47	12.70%
MSCI EAFE Index	\$2,810.88	24.28%
US 10 Year Treasury Yield	4.00%	-86 basis points
WTI Crude Oil	\$62.06	-13.47%
Gold \$/Oz.	\$4,077.61	55.37%

 **Beacon Trust** 163 Madison Avenue, Suite 600 | Morristown, NJ 07960 | 973.377.8090 | BeaconTrust.com

Important Information: Beacon Investment Advisory Services, Inc. ("BIAS") is an SEC registered investment adviser, under the name Beacon Trust, and is wholly owned by Beacon Trust Company ("BTC"), which is a subsidiary of Provident Bank. Provident Bank is a subsidiary of Provident Financial Services, Inc., a holding company whose common stock is traded on the New York Stock Exchange. Beacon Trust may only transact business in those states where they are notice filed or qualify for a corresponding exemption from notice filing requirements. BIAS may be engaged to manage a portion of BTC clients' assets either directly or as a manager of a Mutual Fund. Complete Investment Advisory and transaction fees schedules are available upon request. Additional information is contained in the respective Form ADV disclosure documents, the most recent versions of which are available on the SEC's Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov>.

SECURITIES AND INVESTMENT PRODUCTS: Not FDIC Insured | Not Bank Gauranteed | May Lose Value

This publication is limited to the dissemination of general information pertaining to the wealth management products and services offered by Beacon to U.S. residents of those states where not prohibited by applicable law. No portion is to be construed as a solicitation to effect transactions in securities or the provision of personalized investment, tax, or legal advice. Any discussion of tax matters contained within this communication should not be used for the purpose of avoiding U.S. tax related penalties or promoting, marketing, or recommending to another party any transaction or matter addressed herein. Beacon Trust does not provide legal advice. Certain information contained in this report is derived from sources that Beacon Trust believes to be reliable; however there is no guarantee as to the accuracy or completeness of such information. Opinions expressed are as of the date of publication, are subject to change, and should not be considered investment advice.

Investing involves risks which may lead to losses, including loss of principal. Different types of investments involve varying degrees of risk and there can be no assurance that any specific investment will be profitable.

Past performance is not a predictor of future results. It should not be assumed that any information discussed herein will prove to be profitable or that decisions in the future will be profitable or provide specific performance results. Beacon Trust does not make any representation that any of its investments on behalf of clients or any other investments will or are likely to achieve returns similar to those shown in the performance results presented.

Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. Any reference to a market index is included for illustrative purposes only, as it is not possible to directly invest in an index. Indices are unmanaged vehicles that serve as market indicators and do not account for the deduction of management fees or transaction costs generally associated with investable products, which otherwise have the effect of reducing the performance of an actual investment portfolio. Calculation methodologies are available from BIAS upon request. 00270524