November 10, 2025

Beacon Weekly Investment Insights

A flurry of headlines and earnings reports fueled a bustling week for the broader markets and true to recent form AI news dominated the conversation shortly after the opening bell on Monday, with reports quickly surfacing that Amazon just inked a major deal with OpenAI (reportedly valued at close to $40 billion) to supply their cloud services to the AI juggernaut. It was also publicized that Nvidia's highly sought-after chips can soon be shipped to the United Arab Emirates (UAE), via a joint venture with Microsoft – which should be conducive to the region's broader artificial intelligence ambitions. While on the topic of deals, there was an interesting development that took place in the consumer staples sector, with Kimberly-Clark agreeing to purchase Kenvue for approximately $49 billion in a cash-and-stock based deal. To provide a quick refresher, Kenvue was spun-off from Johnson & Johnson back in 2023 and if approved, this deal would position Kimberly-Clark as a global health/wellness leader and expand their existing portfolio to include 10 different products, each bringing in over $1 billion in annual sales. The transaction is expected to close in the second quarter of 2026 for reference.

In other news, the legality of President Trump's recent tariffs have come to the forefront yet again, with opening arguments well underway at the Supreme Court. The court will essentially be tasked with determining whether the specific act that was utilized to carry out these reciprocal tariffs several months ago (the International Emergency Economic Powers Act) is permissible under law or if it exceeds the President's authority – a lower court has already ruled in favor of the latter, stating in its finding that the power to authorize tariffs is a core congressional power. Patience may need to be exercised on this matter though, given a final judgment may be several months away. The healthcare sector capped off the week by garnering substantial media attention, after the White House announced a landmark pharmaceutical agreement that is set to significantly broaden access to GLP-1 medications produced by two major players in the space, Eli Lilly and Novo Nordisk, making these popular weight loss and diabetes treatments more affordable for Americans.

Elsewhere, earnings season continued at an elevated pace, following a flood of highly anticipated reports last week from leading tech companies such as: Meta, Google, Apple, and Amazon. While technology remained in focus this week with corporate updates flowing through from Palantir, Advanced Micro Devices, and Qualcomm – the scope also extended to the likes of McDonalds, Novo Nordisk, Uber, and Pinterest – many of which provided a unique look into the health of the consumer, who we gleaned is becoming more value-driven and the dichotomy between the higher-end and lower-end consumer is expanding/becoming more pronounced. Overall, Q3 earnings season has proven rather resilient, with slightly more than 80% of companies beating expectations and the earnings growth rate continues to accelerate at a healthy pace (four consecutive quarters with double-digit gains).

From a macroeconomic perspective, the market continues to navigate through a period of limited data releases due to the government shutdown, which officially took the crown for the longest on record this week. Despite this, investors were still able to obtain useful insights from the information that was made available to them, primarily through private reports and third-party analyses. The Institute for Supply Management (ISM) Manufacturing Report for October ushered in the week's new releases and suggested further contraction in the manufacturing sector (eight consecutive months) with the index falling from 49.1% to 48.7%. Delving into the report, respondents frequently cited soft demand for new orders, tariffs, and workforce planning challenges as reasons for the decline. We picked up a read on the services side not long thereafter, with the corresponding release of the ISM Services Report. The Services PMI Index struck a slightly different tone, as it rose from 50% to 52.4% (indicative of expansion) with an increase in general business activity and new orders serving as a few key takeaways. Labor market wise, the ADP Private Payroll Report topped estimates and revealed that private employers added jobs for the first time since July (42k jobs added vs. 22k expected) – a welcome reversal. It also uncovered that job creation is being driven by large companies with greater than 250 employees, while smaller businesses experienced job losses during the month. Additional findings from a job report published by an outplacement firm called Challenger, Gray & Christmas, were not as rosy and demonstrated that layoffs picked up considerable steam, reaching their highest level for any October since 2003. Lastly, the University of Michigan Consumer Sentiment preliminary reading for November signaled a notable decrease in sentiment, falling 6% month-over-month and it printed its second lowest reading since 1978. The government shutdown certainly played a factor in this and it was found that the lack of resolution was beginning to weigh more heavily on the public's outlook.

The market's performance was negatively impacted by the aforementioned news/headline-driven volatility, causing the three major indices to finish the week in the red. The Nasdaq 100 led the way on the downside falling 3%, while the S&P 500 and the Dow Jones showed a little more resilience – sinking 1.6% and 1.2% respectively. Looking under the hood from a style viewpoint, value outperformed growth for the week and from a market capitalization standpoint, large-cap stocks which have been in favor all year long took a brief respite – with their mid-cap peers faring the best across the cap scale. Sector wise, a more defensive posture was clearly visible – with energy, healthcare, real estate, and staples near the top of the sector leaderboard. Conversely, more offensive oriented sectors like technology and consumer discretionary were sector underperformers. Surprisingly, yields were rather muted – the 2yr. Treasury fell marginally week-over-week (down about 5 basis points) and the 10yr. Treasury was largely unchanged. Gold, the Dollar Index, and crude oil were relatively tame too, hugging the flatline to round out the trading week.

Looking ahead, the economic calendar has the potential to start settling back into its usual cadence (although likely on a rescheduled basis for anything with underlying government data dependencies this week), due to the events that transpired late Sunday. To expand upon this, a glimmer of hope emerged as the weekend drew to a close, with major news outlets promulgating that the Senate had broken the deadlock and rounded up enough votes to pass a procedural measure, teeing up the path for an eventual end to the government shutdown. It should be noted that further legislative action will take place throughout the upcoming week in connection with this. Going back to the economic calendar – various Fed speakers, inflation (CPI/PPI), and retail sales could be on the docket. Please note that Tuesday is a bond market holiday but equities are open for business (operating under normal trading hours).

Market Scorecard:	**11/7/2025**	**YTD Price Change**
Dow Jones Industrial Average	$46,987.10	10.44%
S&P 500 Index	$6,728.80	14.40%
NASDAQ Composite	$23,004.54	19.13%
Russell 1000 Growth Index	$4,744.28	17.37%
Russell 1000 Value Index	$2,010.51	10.23%
Russell 2000 Small Cap Index	$2,432.82	9.09%
MSCI EAFE Index	$2,774.95	22.69%
US 10 Year Treasury Yield	4.10%	-49 basis points
WTI Crude Oil	$59.75	-16.69%
Gold $/Oz.	$4,009.80	51.83%

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