

## Beacon Weekly Investment Insights

The longest government shutdown on record ended last week, but the market was not celebrating. The S&P 500 (+0.08%) was virtually flat last week, driven in part by a 1.7% drop on Thursday, its largest daily drop since tariff-related tensions between the U.S. and China flared up on October 10<sup>th</sup>. Much of the market angst seems to be focused on the heightened valuations of technology and artificial intelligence (AI) related stocks, as well as comments from some Federal Reserve governors questioning the need to cut interest rates in December. Rates on long-term bonds also drifted upward last week, with the yield on the benchmark 10-Year U.S. Treasury Note increasing from 4.12% to 4.15%.

Last week leading technology related firms, Oracle, Robinhood, and Tesla fell 6.9%, 6.0%, and 5.9%, respectively. In contrast, healthcare firms seemed to garner increased investor attention and confidence. For example, last week pharmaceutical giants Eli Lilly, Merck, and Johnson & Johnson increased 10.9%, 7.7%, and 5.0%, respectively. Merck was in the news due to its plans to acquire Cidara Therapeutics for \$9.2 billion, as it deals with the looming patent expiration of its blockbuster oncology drug, Keytruda.

Earnings season from Q3 is largely in the rearview mirror, with the exception of some prominent firms, such as NVIDIA, Walmart and Target, set to report this week. However, there were a few earnings reports released last week that are worth noting. Disney fell nearly 5% last week amid a slightly disappointing quarterly report which pointed to some signs of consumer weakness. The prospect of a \$2,000 tariff related “dividend” paid to most American families was discussed last week as one way of easing consumer’s pain, although this proposal remains far from certain to be implemented. In contrast to Disney, two technology infrastructure names, Cisco Systems and Applied Materials, exceeded expectations and rose on the day of their earnings announcements.

In other noteworthy company specific news, Warren Buffett’s Berkshire Hathaway purchased roughly \$4.3 billion of Alphabet / Google stock over the third quarter. This stock purchase opened some eyes on Wall Street due to Buffett’s well-known aversion to technology stocks. The Oracle of Omaha continued to trim Berkshire’s positions in Apple and Bank of America in Q3.

Federal Reserve Bank Governors will be on the speaker circuit virtually every day this week. Their remarks, in concert with the minutes that will be released from the Fed’s October meeting on Wednesday, will help market participants further calibrate the odds of a rate cut at the Fed’s last meeting of 2025 on December 10<sup>th</sup>. Although the manufacturing sector of the economy has lagged the services sector in recent years, its renaissance remains a focus of the Trump Administration. Accordingly, analysts will scrutinize reports related to the Empire State Manufacturing Survey on Monday, Industrial Production on Tuesday, and the Philly Fed Manufacturing Survey on Wednesday.

The idea of a 50-year mortgage was floated last week by Bill Pulte, Director of the Federal Housing Finance Agency, and President Trump. However, the logistics and potential wisdom of such a long-dated security were challenged and the idea was largely withdrawn by the end of the week. The housing market remains a focus, due in part to its large influence on inflation. Hence, increased attention may be given to the Housing Starts and Building Permit reports which are both scheduled to be released on Wednesday.

Arguably, the most important economic report of the week is scheduled to be released on Thursday. The Unemployment Report from September is slated to be released on that day, with the October report likely lost forever due to the government shutdown. The Conference Board’s forward-looking Leading Economic Index (LEI) is also slated to be reported on Thursday. LEI relies on government data so its findings may come with appropriate

---

caveats. Lastly, Friday will see the release of the University of Michigan Consumer Sentiment Index as well as S&P's forward-looking Purchasing Managers Indexes (PMI).

Market Scorecard:	11/14/2025	YTD Price Change
Dow Jones Industrial Average	\$47,147.48	10.82%
S&P 500 Index	\$6,734.11	14.49%
NASDAQ Composite	\$22,900.59	18.59%
Russell 1000 Growth Index	\$4,738.72	17.23%
Russell 1000 Value Index	\$2,011.88	10.30%
Russell 2000 Small Cap Index	\$2,388.23	7.09%
MSCI EAFE Index	\$2,819.42	24.65%
US 10 Year Treasury Yield	4.148%	-43 basis points
WTI Crude Oil	\$59.95	-16.59%
Gold \$/Oz.	\$4,084.40	54.75%

 **Beacon Trust** 163 Madison Avenue, Suite 600 | Morristown, NJ 07960 | 973.377.8090 | [BeaconTrust.com](http://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. 00276600