Morning Brief

QUICK SUMMARY OF THE MARKETS LAST SESSION

US equities ended the day firmly in red territory as investors digested mixed signals from the Federal Reserve's cautious guidance and Big Tech earnings disappointment. The S&P 500 fell 1% (6822) while the Nasdaq declined 1.6% (23581) after strong morning momentum fizzled on Fed Chair Powell's dovish pivot concerns and mega-cap tech uncertainties. The broader market retreat accelerated during the afternoon session as profit-taking dominated, with the tech-heavy Nasdaq bearing the brunt of selling pressure. Key semiconductor leaders that had gained earlier reversed course, with the market now pricing in slower December rate cut odds.
In European markets, the STOXX 600 edged down 0.1%, with healthcare and banking stocks notably outperforming as ING surged nearly 5% on strong Q3 results and Airbus, ASML jumped 2%. Asian markets displayed mixed momentum with Japan's Nikkei surging over 1000 points, benefiting from yen weakness following the BoJ's dovish stance, while Chinese markets retreated sharply as manufacturing PMI data showed the seventh consecutive month of contraction.
Fixed income: US Treasury yields spiked higher, with the 10-year yield rising to 4.11% and the 2-year yield climbing to 3.61% as rate cut odds for December compressed from 91% to just 73%. The yield curve flattened slightly with the 10-2 spread at 50 bps as investors reassess the Fed's commitment to further easing.
Commodities: Gold rebounded strongly while crude oil consolidated after the Trump-Xi trade deal announcement, with both leaders pledging to reduce certain tariff measures and resume agricultural trade. The one-year trade deal calmed immediate escalation fears, though underlying trade tensions remain significant.
Volatility: The VIX remained relatively subdued near 16.91, reflecting contained uncertainty despite the day's equity market gyrations.

WHAT TO WATCH IN THE MARKET TODAY

PCE inflation data for September is the headline macro release today at 14:30, offering a critical test of whether Fed rate cuts remain justified or if inflation pressures warrant caution. Markets will scrutinize both headline and core PCE figures given Powell's surprise hawkish pivot.
Tech earnings continue with Apple and Amazon strong report results after close yesterday providing further clarity on AI capex trends and consumer spending resilience.
Oil markets remain sensitive to any fresh trade developments between Washington and Beijing, with traders monitoring for additional announcements regarding the one-year trade framework.

KEY EARNINGS YESTERDAY

Meta shocked the Street by missing profit expectations despite record revenue of $51.2 billion, as a $15.9 billion one-time tax charge crushed earnings to $1.05 per share versus the $6.72 consensus expectation, though excluding the charge, EPS would have reached $7.25; the company also signaled aggressive AI capex acceleration for 2026.
Microsoft beat on cloud revenue growth of 26% year-over-year reaching $49.1 billion but disappointed on overall earnings, with capex expected to surge 74% year-over-year to $34.9 billion.
Alphabet beated on both revenue and earnings, posting quarterly revenue exceeding $100 billion for the first time at $102.35 billion with EPS of $2.87 beating the forecast, while Google Cloud grew 34% year-over-year.
Chipotle Mexican Grill crashed 18% after guiding for low single-digit same-store sales declines for the full year, citing persistent macroeconomic pressures on consumer foot traffic.

MACRO RELEASES TO WATCH TODAY

Personal Consumption Expenditures (PCE) Price Index for September 2025 releases at 13:30, providing the Federal Reserve's preferred inflation gauge with both headline and core measures critical to assessing the December rate decision.
Additional data includes Employment Cost Index for Q3 and various durable goods orders figures, together providing a comprehensive inflation and labor cost picture to confirm whether recent cooling persists.

MOST IMPORTANT NEWS YESTERDAY

The most consequential corporate development outside US came from Samsung Electronics' Thursday announcement of a strong Q3 rebound with operating profit surging 32.5% year-over-year to 12.17 trillion won, driven by record semiconductor sales of HBM3E and server SSDs with net profit jumping 21%, positioning the company well for continued AI-driven demand momentum in the fourth quarter.
Insurance provider Cigna issued cautious guidance on pharmacy benefits margin pressures from government reimbursement headwinds and increased Medicare Advantage utilization, citing structural challenges that could persist through next year.
Shell and other energy majors saw modest pressure despite the trade deal optimism, as oil volatility remained contained.
Technology supply chain concerns emerged as several companies flagged potential tariff impacts on 2025 guidance, though the Trump-Xi accord provided some relief on implementation timelines.

BIG CAPS TO FOLLOW TODAY AND WHY

Apple reported Q4 2025 earnings this evening with particular focus on China iPhone revenue trends, installed base health, and Services segment resilience.
Amazon announced Q3 results with AWS cloud growth critical to watch given Microsoft's capex warning and the cloud sector's AI spending trajectory.
Nvidia remains in focus as the day's keynote plays out, with investors parsing whether semiconductor momentum justifies the recent massive capex guidance upgrades across the industry.
Tesla warrants monitoring for any macroeconomic commentary on consumer demand given high-ticket auto sector stress signals from traditional automakers.
In Europe, monitor any comments from ASML or major financial institutions for supply chain and credit cycle indicators, while Asian focus remains on Chinese economic resilience following the weak manufacturing PMI data that signals potential stimulus requirements ahead. The Trump-Xi trade accord provides a constructive backdrop for most large-caps exposed to China, but tariff risks remain for energy and raw materials producers.

IMPORTANT EARNINGS IN THE LAST FEW DAYS

Samsung Electronics delivered a remarkable turnaround with Q3 operating profit surging 32.5% year-over-year to 12.17 trillion won, driven by record HBM3E semiconductor sales and successful Galaxy Z Fold 7 launches, positioning Asia's tech titans at the forefront of the AI infrastructure buildout. Across the Atlantic, GSK raised its full-year outlook after beating Q3 expectations, signaling confidence in its oncology and specialty pharma pipeline despite broader healthcare uncertainty.
Stryker Corporation reported solid orthopedic and surgical equipment demand, reflecting resilience in the broader medical device sector despite hospital reimbursement pressures similar to those plaguing insurance companies.

MOST IMPORTANT GLOBAL MACRO RELEASES EXPECTED

US employment report for October arrives on Friday, November 7th at 8:30 AM EST with payrolls, unemployment rate and wage growth critical to confirming whether the labor market remains resilient or shows further softening that would justify more aggressive Fed rate cuts in December and beyond.

MARKET DATA

EQUITY

		Futures	Last	% 1D	% WTD	% MTD	%YTD
Europe	CAC 40	-0.08%	8 157.29	-0.5%	-0.8%	3.3%	10.5% ▲
	DAX 30	-0.43%	24 118.89	-0.0%	-0.5%	1.0%	21.1% ▲
	SMI 20	-0.10%	12 309.63	-0.0%	-2.1%	1.7%	6.1% ▲
	SPI	-	17 063.80	0.1%	-1.6%	1.9%	10.3% ▲
	FTSE MIB 40	0.41%	43 202.40	-0.1%	1.7%	1.1%	26.4% ▲
	EUROSTOXX 50	-0.21%	5 699.18	-0.1%	0.4%	3.1%	16.4% ▲
	DJ STOXX 600	-0.24%	574.83	-0.1%	-0.2%	3.0%	13.2% ▲
	FTSE 100	-0.35%	9 760.06	0.0%	1.2%	4.4%	19.4% ▲
America	S&P 500	0.63%	6 822.34	-1.0%	0.5%	2.0%	16.0% ▲
	NASDAQ COMP	1.15%	23 581.14	-1.6%	1.6%	4.1%	22.1% ▲
	S&P 500 EW		7 596.95	-0.4%	-2.0%	-1.3%	7.0% ▲
	S&P 400 MIDCAP	-0.19%	3 226.66	-1.0%	-2.2%	-1.1%	3.4% ▲
	S&P 600 SMALLCAP		1 433.84	-1.1%	-3.0%	-1.1%	1.8% ▲
	RUSSELL 2000	-0.11%	2 465.95	-0.8%	-1.9%	1.2%	10.6% ▲
Asia	NIKKEI 225	1.96%	52 411.34	2.1%	6.3%	16.6%	31.4% ▲
	HANG SENG H	-	25 906.65	-1.4%	-1.0%	-3.5%	29.1% ▲
	SHANGHAI COMP A	-	3 954.79	-0.8%	0.1%	1.9%	18.0% ▲
	SHENZHEN COMP A	-	2 509.59	-0.3%	0.7%	-0.4%	28.2% ▲
EM	BOVESPA	-	148 780.22	0.1%	1.8%	1.7%	23.7% ▲
	SENSEX	-	84 404.46	-0.7%	0.2%	5.2%	8.0% ▲
Indices Total Return	MSCI WORLD 100% H Sfr NTR		2 412.00	-0.7%	0.4%	2.4%	17.7% ▲
	S&P 500 TR		15 133.23	-1.0%	0.5%	2.1%	17.2% ▲
	MSCI USA NTR		19 649.29	-1.0%	0.4%	2.0%	16.9% ▲
	MSCI EUROPE NTR		389.19	-0.1%	-0.1%	3.1%	15.8% ▲
	MSCI EUROPE SMALL NTR		635.49	-0.2%	-1.1%	1.5%	14.2% ▲
	MSCI EM NTR		767.98	-0.3%	1.6%	4.9%	33.8% ▲
	MSCI AC ASIA EX JAPAN NTR		772.20	-0.3%	1.8%	5.3%	33.5% ▲
	MSCI EM LATAM NTR		678.44	-0.8%	2.1%	0.8%	44.2% ▲

		Last	% 1D	% WTD	% MTD	%YTD
MSCI WORLD FACTORS	MSCI WORLD	4 381.34	-1.0%	0.2%	1.7%	18.2% ▲
	GROWTH	7 013.78	-1.1%	1.4%	3.7%	21.6% ▲
	VALUE	4 202.20	-0.9%	-1.2%	-0.5%	14.3% ▲
	MOMENTUM	4 675.98	-1.0%	0.4%	-0.4%	18.8% ▲
	LOW VOL	2 353.85	-0.1%	-1.8%	-2.5%	4.9% ▲
	QUALITY	4 665.77	-0.8%	0.4%	2.3%	13.6% ▲
	SIZE	6 226.09	-0.8%	-0.9%	0.3%	16.3% ▲
	HIGH DIV.	1 660.91	-0.5%	-1.3%	-0.4%	11.4% ▲
	SMALLCAP	646.29	-0.8%	-1.7%	-0.1%	14.9% ▲
MSCI US SECTORS	MSCI USA	6 521.65	-1.0%	0.4%	1.9%	16.1% ▲
	ENERGY	346.35	-0.7%	-0.7%	-2.0%	2.2% ▲
	MATERIALS	398.08	-0.9%	-2.6%	-4.1%	3.9% ▲
	INDUSTRIALS	602.32	-0.3%	-0.2%	0.5%	17.2% ▲
	CONSUMER DISC.	785.61	-2.6%	-1.2%	-1.8%	3.7% ▲
	CONSUMER STAPLES	325.38	-0.0%	-3.2%	-2.1%	-0.1% ▼
	HEALTH CARE	467.78	0.1%	-1.1%	3.5%	5.4% ▲
	FINANCIALS	288.03	0.3%	-1.7%	-3.0%	8.6% ▲
	IT	1 306.32	-1.4%	3.2%	6.5%	29.5% ▲
	COMM. SERVICES	137.88	-2.3%	0.8%	1.9%	26.1% ▲
	UTILITIES	267.45	-0.4%	-1.8%	2.7%	18.3% ▲
MSCI EUROPE SECTORS	MSCI EUROPE	192.16	-0.1%	-0.1%	3.0%	13.1% ▲
	ENERGY	158.01	0.3%	0.8%	6.2%	8.4% ▲
	MATERIALS	334.93	-0.5%	-0.7%	2.4%	4.4% ▲
	INDUSTRIALS	496.81	-0.3%	-0.7%	1.8%	22.9% ▲
	CONSUMER DISC.	209.64	-0.9%	-1.3%	3.3%	-1.7% ▼
	CONSUMER STAPLES	268.31	-0.4%	-2.2%	2.7%	2.8% ▲
	HEALTH CARE	264.81	-0.1%	-1.8%	4.8%	-0.8% ▼
	FINANCIALS	112.36	0.1%	1.9%	1.0%	29.7% ▲
	IT	231.90	1.1%	2.0%	7.8%	13.7% ▲
	COMM. SERVICES	61.27	-0.5%	-1.7%	-2.6%	8.0% ▲
	UTILITIES	173.67	0.6%	1.7%	8.1%	26.6% ▲

FIXED INCOME

Avg ◆ Now ●

		Yield	Duration	% 1D	% WTD	% MTD	%YTD	Range 1Y	Range 5Y	Last	Δ 1D	Δ WTD	Δ MTD	Δ YTD
EUR	AGGREGATE 5-7Y	3.00	5.4	-0.1%	-0.0%	0.8%	2.8% ▲	45 – 69	44 – 113	45 bp	-0 bp	-2 bp	-3 bp	-18 bp
	CORP IG 5-7Y	3.38	5.3	-0.1%	0.0%	0.8%	3.8% ▲	88 – 140	88 – 253	89 bp	+0 bp	-2 bp	-2 bp	-24 bp
	CORP BBB	3.39	4.4	-0.1%	0.1%	0.8%	3.3% ▲	88 – 145	88 – 277	88 bp	+0 bp	-2 bp	-3 bp	-27 bp
	CORP HIGH YIELD	5.36	2.8	-0.0%	0.3%	0.1%	4.8% ▲	257 – 446	257 – 668	270 bp	+1 bp	-10 bp	-2 bp	-38 bp
USD	AGGREGATE 5-7Y	4.25	4.9	-0.1%	-0.5%	0.6%	7.5% ▲	27 – 47	18 – 67	30 bp	+1 bp	+0 bp	-0 bp	-7 bp
	CORP IG 5-7Y	4.46	4.0	-0.1%	-0.4%	0.4%	7.0% ▲	63 – 111	57 – 155	67 bp	+2 bp	+0 bp	+2 bp	-4 bp
	CORP BBB	5.00	6.7	-0.3%	-0.6%	0.6%	7.9% ▲	91 – 146	91 – 198	96 bp	+2 bp	+0 bp	+4 bp	-4 bp
	CORP HIGH YIELD	6.76	2.6	-0.2%	-0.0%	0.2%	7.3% ▲	252 – 453	252 – 588	277 bp	+12 bp	-2 bp	+7 bp	-11 bp
	EM AGG. 5-7Y	5.82	4.7	-0.1%	0.0%	0.6%	10.8% ▲	186 – 321	186 – 463	195 bp	+2 bp	-10 bp	+3 bp	-62 bp

		1Y	5Y	10Y	Δ 10y 1D	Δ 10y YTD
Sovereign	US	3.75	3.73	4.11	+2 bp	-47 bp
	Germany	1.89	2.24	2.66	+2 bp	+29 bp
	Switzerland	-0.13	-0.01	0.18	+1 bp	-14 bp
	Italy	2.03	2.66	3.37	+1 bp	-9 bp

		Last	Δ 1D	Δ WTD	Δ MTD	Δ YTD
CDS	CDX $ IG 3Y SPRD	32 bp	+1 bp	+0 bp	+0 bp	+2 bp
	CDX $ HY 5Y SPRD	326 bp	+4 bp	+1 bp	+4 bp	+14 bp
	ITRAXX € IG 3Y SPRD	30 bp	+1 bp	-1 bp	-2 bp	-5 bp
	ITRAXX € HY 3Y SPRD	187 bp	+3 bp	-3 bp	+1 bp	-74 bp

FOREX, VOLATILITY & PHYSICAL ASSETS

		Last	% 1D	% WTD	% MTD	%YTD
FX	EUR/USD	1.1565	-0.3%	-0.5%	-1.4%	11.7% ▲
	EUR/CHF	0.9275	-0.1%	0.3%	-0.8%	-1.3% ▼
	USD/CHF	0.8020	0.3%	0.8%	0.7%	-11.6% ▼
	USD/JPY	154.13	0.9%	0.8%	4.2%	-2.0% ▼
	USD/GBP	0.7604	0.3%	1.2%	2.2%	-4.8% ▼
	USD/CNY	7.110	0.2%	-0.2%	-0.2%	-2.6% ▼
	USD/RUB	79.74	-0.2%		-3.7%	-29.5% ▼
	BTC/USD	107 508.72	-3.5%	-3.1%	-6.2%	14.7% ▲
Vol	S&P500 VOL (VIX)	16.91	-0.1%	3.3%	3.9%	-2.5% ▼
	ICE BOFAML MOVE INDEX	66.88	1.7%	-3.0%	-14.2%	-32.3% ▼

		Last	% 1D	% WTD	% MTD	%YTD
Physical Assets	GOLD	4 024.54	2.4%	-2.2%	4.3%	53.3% ▲
	SILVER	48.93	2.9%	0.6%	4.9%	69.3% ▲
	COPPER	10 949.00	-1.1%	1.3%	6.3%	25.8% ▲
	ALUMINIUM	2 858.90	-0.9%	-0.1%	6.7%	13.1% ▲
	IRON	100.94		2.4%	2.8%	5.9% ▲
	WHEAT	524.25	-1.5%	2.3%	3.2%	-4.9% ▼
	CORN	430.25	-0.9%	1.7%	3.5%	-6.2% ▼
	CRUDE OIL (WTI)	60.57	0.1%	-1.5%	-2.2%	-11.2% ▼
	BRENT	65.00	0.1%	-1.4%	-1.6%	-9.5% ▼
	US NATURAL GAS	3.96	17.2%	19.7%	19.8%	8.9% ▲
	SWISS RES. REAL ESTATE	3 219.34	0.7%	1.4%	2.8%	10.5% ▲

Closing as of Thursday October 30, 2025, futures as of Friday October 31, 2025 09:52

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