Market Lookback

November 2025

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Macro

- President Trump signed into law a short-term funding agreement to end the longest government shutdown in history.
- The September Employment Situation report was finally released on Nov. 20, showing 119k jobs added and a 4.4% unemployment rate, both higher than consensus expectations.
- The Bureau of Labor Statistics officially announced that the October unemployment and inflation data would be permanently skipped due to the lack of data collection during the shutdown.
- Oil prices finished the month below $60 a barrel, the third such month since early 2021.
- The Japanese Yen depreciated sharply against the U.S. dollar for the second straight month, bringing the currency to its weakest level since January.

Equities

- With 97% of the S&P 500 having reported results, the EPS growth rate stands at 15%, the fastest since the fourth quarter of 2021.
- Health Care outpaced the broader market by 9.0 percentage points, the biggest return differential since 2001.
- Value stocks beat growth stocks by 4.3 percentage points, the most since March.
- AI stocks declined 8.0 percentage points in November, their second worst performance since Dec 2022.
- Though it closed near its lows of the month, stock market volatility, as measured by the VIX Index, peaked at 26.4 on Nov. 20, its highest level since April.

Fixed Income

- Interest rate cut expectations oscillated wildly as Fed officials made public comments on the economic environment, falling as low as 29% on Nov. 19 and as high as fully priced by Nov. 30.
- Corporate bond spreads widened then narrowed as rate cut expectations eased and intensified, respectively.

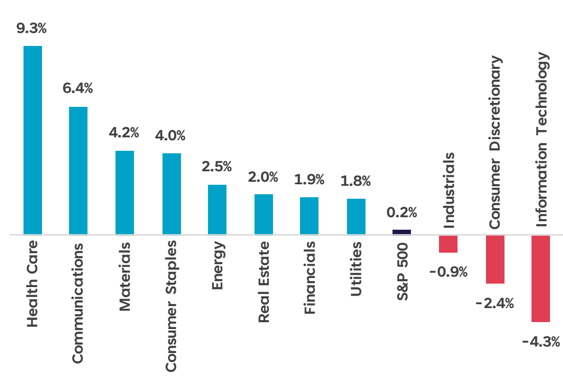
		Level	Month Return	QTD Return	YTD Return	1-Yr Return	3-Yr Return
Equities	S&P 500	6,849	0.2%	2.6%	17.8%	15.0%	75.2%
	Nasdaq	23,366	-1.4%	3.2%	21.7%	22.4%	108.5%
	Dow Jones	47,716	0.5%	3.1%	13.9%	8.0%	45.9%
	Russell 1000 Value	2,062	2.7%	3.1%	15.1%	7.2%	40.7%
	Russell 1000 Growth	4,797	-1.8%	1.8%	19.3%	20.3%	109.6%
	Russell 2000 Value	2,720	2.8%	3.1%	12.4%	3.0%	30.0%
	Russell 2000 Growth	1,674	-0.7%	2.5%	14.5%	5.1%	46.3%
	MSCI EAFE	2,810	0.6%	1.8%	28.2%	25.3%	59.6%
	MSCI EM	1,367	-2.4%	1.7%	30.4%	30.3%	53.1%

		Yield	Month Return	QTD Return	YTD Return	1-Yr Return	3-Yr Return
Fixed Income	US Treasurys	3.83%	0.6%	1.2%	6.7%	5.0%	11.1%
	US IG Corporates	4.76%	0.7%	1.0%	8.0%	5.9%	19.2%
	US HY Corporates	6.57%	0.6%	0.7%	8.0%	7.5%	31.7%

		Level	Month Return	QTD Return	YTD Return	1-Yr Return	3-Yr Return
Commodities	Oil ($/barrel)	$59	-4.0%	-6.1%	-18.4%	-13.9%	-27.3%
	Gold ($/oz)	$4,239	5.9%	9.9%	61.5%	60.4%	139.7%
	Copper ($/mt)	$11,234	3.3%	9.9%	29.8%	26.3%	36.6%

		Level	Prior Month	Prior Quarter	Prior Year	1-Yr Ago	3-Yr Ago
Currencies	EUR ($/€)	$1.16	$1.15	$1.17	$1.04	$1.06	$1.04
	JPY (¥/$)	¥156	¥154	¥148	¥157	¥150	¥138
	GBP ($/£)	$1.32	$1.32	$1.34	$1.25	$1.27	$1.21

November S&P 500 Sector Total Returns



Tug-of-War at the Fed

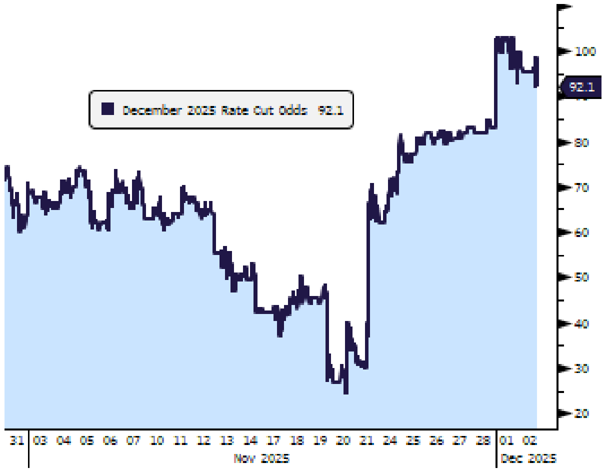
The longest government shutdown in history ended on Nov. 12, but for markets, things were just getting started.

First, we learned we'll never get unemployment or inflation reports for October, but September labor data was finally released — and only added to the uncertainty: 119,000 jobs were added versus expectations for just 52,000, but the unemployment rate rose from 4.3% to 4.4%.

Meanwhile, opposing views among Federal Reserve officials continued to stoke debate over whether they will lower benchmark interest rates again at their December meeting. Although the discord was already evident at their October meeting — when there were not only two dissenting votes, but they favored going in opposite directions — the lack of consensus was reinforced by the Nov. 19 release of the minutes from that meeting.

As the month progressed, Fed officials continued litigating their opposing stances in public, fueling wildly oscillating bets on a December rate cut. And as is typical, the interest rate volatility didn't occur in a vacuum – it sucked in other assets with it.

Futures-implied December 2025 Rate Cut Odds



Source: SoFi, Bloomberg

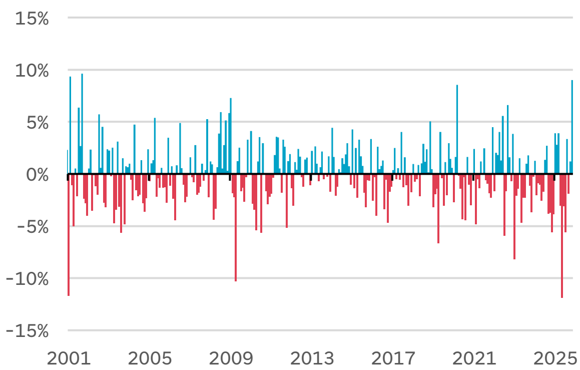
The Great Rotation

If you had to choose one word to describe November markets, "calm" would decidedly not be it.

The month as a whole was deceptively flat for stocks: the S&P 500 was down over 4% as of Nov. 20 but then bounced back to finish the month barely in the green.

And that's not to mention the significant rotation that occurred beneath the surface: the AI trade that powered portfolios all year ended the month down 8%, while capital rotated into the Health Care sector, boosting its November return to 9% (its best month versus the broader market since 2001).

Relative Monthly Returns for Health Care vs. the S&P 500



Source: SoFi, Bloomberg

Other asset classes saw an even starker divergence. Cryptocurrency markets suffered a severe drawdown, decoupling entirely from other "risk-on" assets. Conversely, gold staged a powerful rebound after its October swoon, surging back near all-time highs. Commodities such as copper and natural gas had a good month as well.

If nothing else, the rotation into typically defensive areas of the market suggests underlying skepticism about the resilience of stocks, even as indices remain near their highs.