

MARKET VIEW MONTHLY

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ECONOMIC REVIEW¹

- The federal government reopened on November 12, after a historic 43-day shutdown, though many economic data releases that did not occur during the shutdown remain delayed or unavailable.
- The ISM Manufacturing PMI fell slightly to 48.7 in October, down from 49.1 in September and below the consensus expectation of 49.5. Readings above 50 indicate expansion, while those below 50 signal contraction.
 - This report marked the eighth consecutive month that the manufacturing sector has been in contraction territory and showed little momentum toward a sustained recovery.
 - The prices paid sub-index fell to a nine-month low, suggesting tariff-related inflation pressures may be easing.
- The ISM Services PMI rose to 52.4 from a previous reading of 50, with gains in new orders, business activity, and employment, underscoring continued services-sector resilience.
- The ADP National Employment Report showed that 42,000 private sector jobs were created in October, above the expectations of 30,000 jobs created, and a rebound from September's -32,000 decline.
- The NFIB Small Business Optimism Index edged down to 98.2, a six-month low amid weaker sales and profits reported from small business owners.
- The September employment report showed that 119,000 jobs were created, more than doubling the 50,000 consensus estimate and marking the strongest monthly gain in five months despite negative revisions to previous months.
 - July's reading was revised down slightly to 72,000 and August was revised more steeply to a decline of -4,000 jobs.
 - The unemployment rate rose slightly to 4.4%, above the 4.3% consensus and wages rose 0.2% month-over-month (MoM) and 3.8% year-over-year (YoY).
- FOMC minutes from October indicated the committee is prepared to cut rates modestly but emphasized inflation is not yet on a durable path to 2%. Members noted rising labor-market risks and reaffirmed a data-dependent policy stance.
- The University of Michigan consumer sentiment rose to 51 after the shutdown ended but remained near historic lows.
- The Producer Price Index (PPI) for September increased 0.3% MoM and 2.6% YoY, in line with expectations.
 - Goods prices saw their largest gain since February, driven largely by energy, while services prices were flat.
- Retail sales in September increased 0.2% MoM and 4.3% YoY, which lagged consensus expectations. Sales rose in eight of the thirteen spending categories.
 - The weaker report partly reflects a lull between back-to-school purchases and the start of holiday spending.

INSIGHT: The latest data released in November showed the economy maintaining underlying resilience but navigating some headwinds. Manufacturing remains in contraction, though easing input-price pressures suggest improving inflation dynamics. In contrast, the services sector, representing the bulk of U.S. economic activity, continues to anchor growth supported by improving new orders and employment. The labor market data was mostly positive with job gains beating expectations in both the October ADP and September payroll reports, though a slight uptick in the unemployment rate and downward revisions underscore some continued softening. While consumer sentiment remains historically weak, retail sales still maintained year-over-year growth of over 4%, consistent with previous readings this year. Overall, conditions support the Fed's leaning toward modest rate cuts, with markets expecting another cut in December as risks tilt toward slower job growth rather than renewed inflation.

Chart of the Month:² Crude oil ended November near \$60 per barrel, its lowest level since May and October as OPEC members have continued to increase supply. Prices are now down roughly 17% year-to-date, helping counterbalance the temporary cost pressures from tariff effects in the second half of the year and contributing to a broader easing in inflation. Lower energy costs have also offered households some breathing room, freeing up spending capacity for other goods and services helping support economic growth. Looking ahead, continued progress toward resolving the Russia–Ukraine conflict recently could add further downward pressure on prices as the geopolitical risk premium fades and the potential for increased Russian oil supply, should sanctions ease, comes into view.

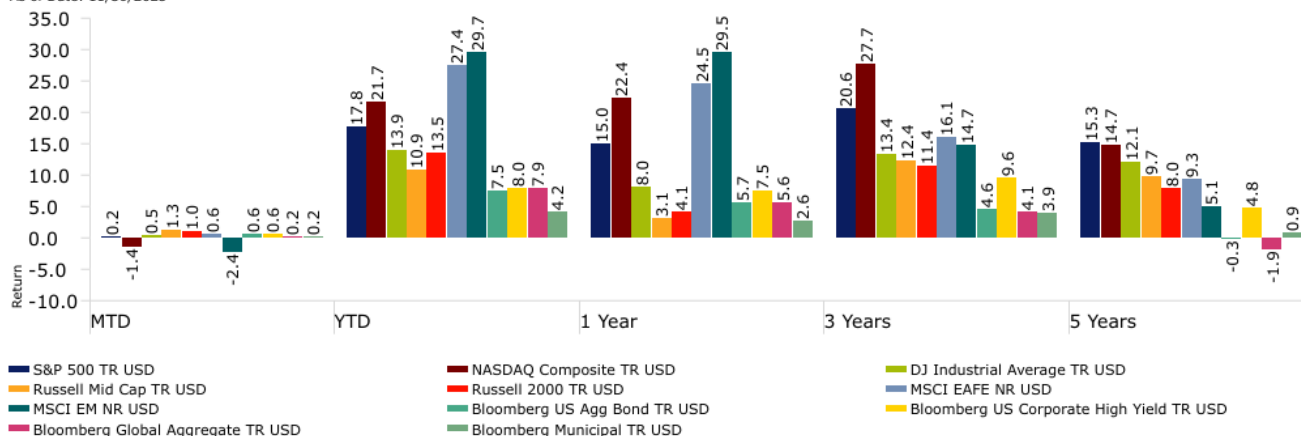
Crude Oil WTI (USD/Barrel)



MARKET UPDATE³

Trailing Returns

As of Date: 11/30/2025



Investments (as of 11/30/2025) ³	Trailing Returns					Equity Evaluations	
	MTD	YTD	1 YR	3 YR	5 YR	P/E Ratio	P/B Ratio
S&P 500	0.25%	17.81%	15.00%	20.57%	15.28%	27.84	5.12
NASDAQ	-1.45%	21.71%	22.38%	27.72%	14.73%	33.23	7.35
Dow Jones Industrial Average	0.48%	13.88%	8.03%	13.42%	12.12%	23.19	5.02
Russell Mid-Cap	1.27%	10.90%	3.10%	12.36%	9.73%	21.72	2.85
Russell 2000 (Small Cap)	0.96%	13.47%	4.09%	11.43%	7.99%	17.96	2.03
MSCI EAFE (International)	0.62%	27.40%	24.50%	16.11%	9.27%	18.27	2.10
MSCI Emerging Markets	-2.39%	29.69%	29.51%	14.72%	5.06%	16.14	2.12
Bloomberg Barclays US Agg Bond	0.62%	7.46%	5.70%	4.56%	-0.31%	—	—
Bloomberg Barclays High Yield Corp.	0.58%	8.01%	7.55%	9.63%	4.78%	—	—
Bloomberg Barclays Global Agg	0.23%	7.89%	5.57%	4.08%	-1.94%	—	—
Bloomberg Barclays Municipal	0.23%	4.15%	2.64%	3.94%	0.91%	—	—



MARKET REVIEW¹

Equities

- Domestic equity momentum cooled in November following seven consecutive months of gains. The S&P 500 and Dow notched slight gains, while the Nasdaq finished lower despite a late month rebound. Strong Q3 corporate earnings and better-than-expected net profit margins weren't enough to offset growing skepticism around the sustainability of Artificial Intelligence (AI)-driven optimism and high valuations, while hawkish Federal Reserve comments effectively removed expectations for a December rate cut earlier in the month. Within the S&P 500, the Information Technology sector was the largest detractor as momentum from the AI capex boom faded, particularly as funding has shifted more from strong cash balance sheets to leverage. Small- and mid-cap stocks ended the month higher as small caps outperformed their large-cap counterparts later in the month as renewed hopes for rate cuts and lower interest rates helped fuel a rebound. Additionally, a modestly weaker U.S. dollar helped support the relative performance of developed international peers versus U.S. equities.

Fixed Income

- U.S. fixed income markets delivered positive results in November, as interest rates edged lower across the yield curve and investor sentiment leaned more toward safer assets. The U.S. Bloomberg Barclays Agg Index notched its fifth straight monthly gain, while the less interest-rate-sensitive high-yield market also posted gains, with credit spreads remaining range-bound. Municipal bonds also delivered modestly positive returns after being challenged earlier in the year by elevated supply and a steepening municipal yield curve. At its last FOMC meeting in October, the Federal Reserve lowered interest rates, as anticipated, to the 3.75% to 4.00% target range. However, meeting minutes released in November injected uncertainty about future cuts, emphasizing a more cautious, data-driven approach. By month-end, though, a slight uptick in unemployment and dovish remarks from Fed officials pushed markets to again price in the likelihood of a December rate cut. With broad fixed income up more than 7% year-to-date, high-quality bonds remain well-positioned within diversified portfolios, offering stability and attractive yields as economic growth holds steady.

Economic Definitions

Federal Reserve (Fed): The Federal Reserve System is the central banking system of the United States of America.

ISM Manufacturing Index: The Manufacturing ISM Report On Business is based on data compiled from purchasing and supply executives nationwide. Survey responses reflect the change, if any, in the current month compared to the previous month. For each of the indicators measured (New Orders, Backlog of Orders, New Export Orders, Imports, Production, Supplier Deliveries, Inventories, Customers' Inventories, Employment and Prices), the report shows the percentage reporting each response, the net difference between the number of responses in the positive economic direction and the negative economic direction, and the diffusion index. A PMI reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally declining.

ISM Services Index: The Services ISM Report On Business® is based on data compiled from purchasing and supply executives nationwide. Survey responses reflect the change, if any, in the current month compared to the previous month. For each of the indicators measured (Business Activity, New Orders, Backlog of Orders, New Export Orders, Inventory Change, Inventory Sentiment, Imports, Prices, Employment and Supplier Deliveries) this report shows the percentage reporting each response, and the diffusion index. An index reading above 50 percent indicates that the non-manufacturing economy in that index is generally expanding; below 50 percent indicates that it is generally declining. Orders to the service producers make up about 90 percent of the US economy.

NFIB Small Business Optimism Index: a monthly report that gauges the sentiment of small business owners in the United States. The index is a composite of 10 survey components that measure the expectations and outlook of small business owners regarding the economy, sales, employment, and other business-related factors.

Nonfarm Payrolls: This indicator measures the number of employees on business payrolls. It is also sometimes referred to as establishment survey employment to distinguish it from the household survey measure of employment.

Producer Prices - PPI (headline and core): Producer prices (output) are a measure of the change in the price of goods as they leave their place of production (i.e. prices received by domestic producers for their outputs either on the domestic or foreign market).

Retail Sales: Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

The ADP Report: The ADP National Employment Report is an independent estimate of the change in U.S. nonfarm, private employment derived from actual, anonymous payroll data of client companies served by ADP

Unemployment Rate: The unemployment rate tracks the number of unemployed persons as a percentage of the labor force (the total number of employed plus unemployed). These figures generally come from a household labor force survey.

University of Michigan Consumer Sentiment Index: Consumer confidence tracks sentiment among households or consumers. The results are based on surveys conducted among a random sample of households. Target Audience: representative sample of US households (excluding Alaska and Hawaii). Surveys of Consumers collects data on consumer attitudes and expectations summarized in the Consumer Sentiment, in order to determine the changes in consumers' willingness to buy and to predict their subsequent discretionary expenditures. This Index is comprised of measures of attitudes toward personal finances, general business conditions, and market conditions or prices. Components of the Index of Consumer Sentiment are included in the Leading Indicator Composite Index. Unit: Index (Q1 1966=100)

Index Definitions

S&P 500: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

NASDAQ: The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971.

Dow Jones Industrial Average: The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

Russell Mid-Cap: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represents approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell 2000: The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

MSCI EAFE: The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

MSCI EM: The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg Barclays US Agg Bond: The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg Barclays High Yield Corp: The Bloomberg Barclays US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded.

Bloomberg Barclays Global Agg: The Bloomberg Barclays Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Barclays Municipal Bond Index: The Bloomberg Barclays U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

VIX: The VIX Index is a financial benchmark designed to be an up-to-the-minute market estimate of the expected volatility of the S&P 500 Index and is calculated by using the midpoint of real-time S&P 500 Index (SPX) option bid/ask spread.

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¹ Data obtained from Bloomberg as of 11/30/2023.

² [Crude Oil - Price - Chart - Historical Data - News](#)

³ Returns obtained from Morningstar Direct as of 11/30/2025.