

Overview: Yet another roller coaster week. The S&P500 (+1.92% w/w) set a new high. The other market averages all moved higher with the NASDAQ up +2.31% and the Dow Jones Industrial Average up +2.2%. The Russell 2000 (IWM) again led all indices advancing 2.47% w/w. Milder CPI vs expectations and solid progress in US-China trade talks were key to market strength later in the week.

All but two sectors climbed higher. Technology led (XLK, +3.0%), followed by Energy (XLE, +2.4%). Consumer Staples (XLP, -0.80%) and Utilities (XLU, -0.20%) lagged. Semiconductors (SMH, +2.4%) and Software (IGV, +2.95%) were solid. ARK Innovation ETF (ARKK, +3.58%), a proxy for risk rose strongly. Magnificent 7 stocks (MAGS, +2.38%) fared well on the week.

Among infrastructure and AI plays Advanced Micro Devices (AMD) set another new all-time high rising +8.5% for the 2nd consecutive week, Credo Technology (CRDO, +8.3%) surged, and Comfort Systems (FIX) jumped stunning +18.6% on earnings and is up 131% YTD and nearly 5x since the end of 2023. Some more Renewable Energy issues surged again this week, this time led by Nextracker (NXT, +12.9%) and up 169% YTD on earnings. Rare earth plays mostly took a breather last week and/or fell back. For examples include Critical Metals (CRML, +39%) which had surged +39% the prior week, fell back -28.0%. E&C contractors on infrastructure climbed once again : Mas Tec (MTZ, +4.9%), Sterling Infrastructure (STRL, +6.6%), and Argan (AGX, +4.4%). Most are up +40% to triple digits YTD. On the telecom/datacenter front, Ciena (CIEN, +4.7%) hit another all-time high and is up triple digits YTD. The US 10-year fell 1bp w/w, to 3.99%. Sunday night futures show the S&P500 is up +0.7%, the Nasdaq up +0.9%, and the Dow Jones Industrial Average is up +0.6%.

Other weekly news: The US Federal Government remained closed (27 days in) as Senate votes failed. Two days of US-China trade talks took place in Malaysia with both sides saying they reached agreement across a whole host of issues to set the stage for President Trump and Chinese President Xi Jinping to finalize a deal when they meet on October 31 on the sidelines of the APEC Summit being held in South Korea. The 100% Trump tariff threat has been pulled off the table according to US Treasury Secretary Bessent. Bessent said he expects China to delay rare earth export restrictions and make substantial purchases of US soybeans. President Trump also met with Brazilian President da Silva in Malaysia and said he would reduce a 50% tariff on Brazil that was imposed over the prosecution of ex-President Bolsonaro. On Saturday President Trump announced the US would hike tariffs on Canada another 10% over anti-tariff ads featuring recordings of former US President Reagan pitching free trade.

Leading indicators released for September fell -0.2% m/m vs prior month fall of -0.5%. CPI inflation data for September was cooler than expected as prices charged rose at lowest rate since April, existing home sales hit a 7-month high and the flash US composite PMI hit a 3-month high at 54.8. But the Federal Government shutdown continued despite the early week predictions by WH advisor Hassett.

Stock Market Today/Week: Oct 24, 2025

Index	Level	Day change	Week Change
S&P 500	6,791.69	+0.79%	+1.92%
S&P500 eq wt	191.26	+0.27%	+1.73%
Nasdaq Composite	23,204.87	+1.15%	+2.31%
Dow Jones Industrial Avg.	47,207.12	+1.01%	+2.20%
US 10 year	3.99%		-1bp

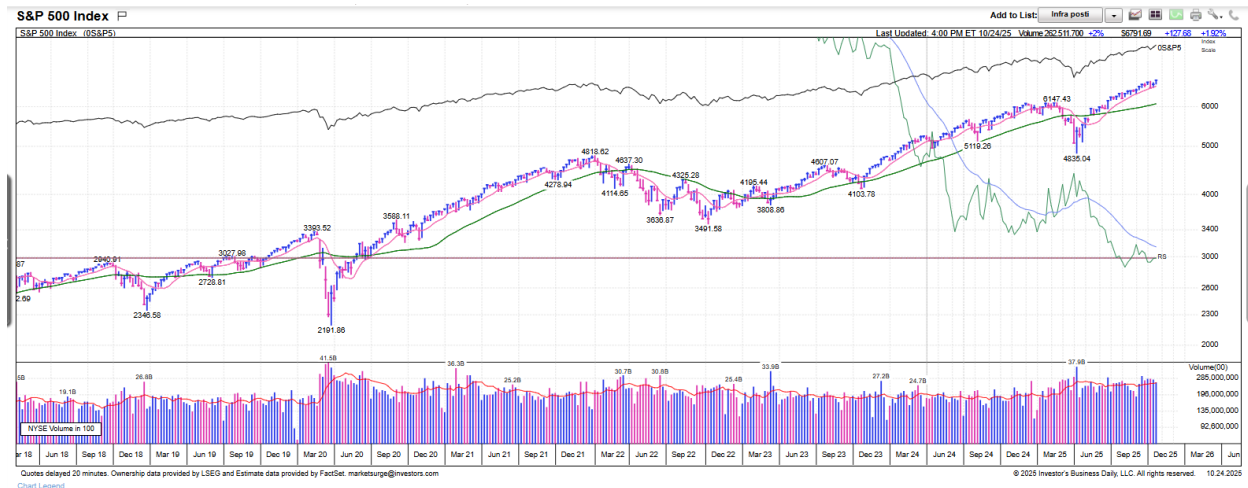
Source: Factset

Key events for the week ahead: FOMC meeting on Wednesday with 96%+ odds of a 25bp cut. Odds of an additional 25bp cut in December are 95%+. Busiest earnings week of the quarter. Key earnings with market implications due out Wednesday from Microsoft, Google, Meta and Thursday night Amazon and Apple. Solid but slow-down in earnings growth expected. Reports and guidance will be key for AI capital spending with broad market implications as well as the following key areas:

- PC refresh cycle: Microsoft
- E-Commerce: Amazon
- Online advertising: Google, Meta, Amazon
- Cloud Compute: Microsoft, Google, Amazon
- AI: all of them. Investors will be listening to guidance on cap ex. Last week strong results and guide from Vertiv (VRT) and Datacenter cooling from Comfort Systems (FIX) are clearly promising.

Market indices remain in confirmed uptrend and remain stacked in normal relationships with the 10dma >21ema >50dma >200dma.

All three market averages are above the key 21-day exponential moving average. The technology behind AI, which is ushering in another industrial revolution seems unstoppable longer term. As such current volatility could well end up being short term in nature.



Source: **MARKET SURGE**
BY INVESTOR'S BUSINESS DAILY

This Past week bull-bear debate:

Bulls: S&P500 on track for fourth consecutive Q of DD growth, 84% of reports have beat consensus vs 70% 5-year average and average beat is +7.9% vs +7.3% 1-year average. Positive trade headlines between US-China, a solid set up for President Trump-President Xi meeting at the end of this week. September CPI cooler than expected. Credit risk falling as Zion Bank noted its \$50m charge-off was isolated event. Flash US composite PMI surprised to the upside and existing home sales hit 7-month high. Apple reported better than forecast iPhone 17 sales/replacement cycle. Strong auto earnings reported by GM and Ford and Tesla reports on AI, FSD, robotics, and cyber-cab offset margin headwind concerns. Equity positioning in 40th percentile following 10Oct sell-off.

Bears: Lingering concerns regarding liquidation of crowded/stretched positions and trade tensions (Trump termination of trade talks with Canada). Initial sell off in Vertiv despite blow out earnings though it reversed higher later in the week. Soft labor market with lay offs announced by Target (-1800 corporate jobs), Applied Materials (cutting -4% of workforce), Rivian (cutting -4% workforce), Molson Coors (cutting 9% of salaried workforce), Meta (cutting 600 AI jobs), Amazon (believes it can cut 500k jobs via robotics push). Rally in oil on WH sanctions on Russian oil companies. Steep hikes in cost of health insurance for 3rd year in a row with \$27k cost in 2025 for a family plan. Federal Government shutdown seems almost certain to extend into November.

Upcoming calendar: FOMC meeting on Wednesday. Mag 7 stocks META AAPL AMZN GOOGL. E&C infrastructure plays, Quanta Services, MasTec. Equipment maker Caterpillar. HVAC play, Trane Technologies.

10/27 WM

10/28 CARR OKE NEE ENPH XYL GLW ADBE AMT

10/29 CAT CP KEX ETR VZ MSFT NOW GOOGL META CALX AMSC EXTR

10/30 PWR MTZ TT EXP VMC LECO GEL DTM IDA DTE RSG MA AMZN AAPL CYBR NET MPWR

What to do now: Fully or nearly fully invested levels.

Appendix:

What kind of positive technical confirmations for a power trend per IBD (“Webby’s rules”):

1. Follow through day (FTD)
2. Subsequent FTDs.
3. Close above 21-day exponential moving average (EMA).
4. Low above 21EMA.
5. 3 consecutive days with low above 21EMA.
6. Close above 50-day moving average (DMA).
7. Low above 50dma.
8. 3 consecutive days with low above 50dma.
9. Close above 200dma.
10. Low above 200dma.
11. 3 consecutive days low above 200dma.
12. 21ema moves above 50dma.
13. 21ema moves above 200dma.
14. 50dma moves above 200dma.

In the current rally as of 10/24/2025 all but one condition (#5 not met) have been met.

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