

Overview: Solid positive week. A new high and three up days for the S&P500 (+0.71% w/w). The other market averages all moved higher with the NASDAQ up +2.24% and the Dow Jones Industrial Average up +0.75%. The Fed cut rates 25bps as expected though Chair Powell issued a more hawkish outlook than expected, as the rate cut in December “is not a foregone conclusion” with an emphatic “far from it,” comment which we interpret as a very clever way to manage frothy markets. Averages promptly fell on that comment. President Trump and China President Xi agreed to extend US-China trade truce for one year at their Thursday meeting in South Korea with China to postpone export controls on rare earths for one year and purchase soybeans, sorghum and other farm products from the US. President Trump to visit China in April and President Xi to visit US. But no resolution to US Federal Government shutdown as Democrats continue to insist on policy changes on a Continuing Resolution, breaching standard protocol from the last 13 CR’s that have been passed.

Sectors showed plenty of divergence on the week. Technology (XLK, +2.4%), Consumer Discretionary (XLY, +1.0%), and Mag Seven (MAGS, +3.2%) led. However, Consumer Staples (XLP, -3.55%), Retail (XRT, -4.4%), and Real Estate (XLRE, -4.1%) lagged.

The Mag 7 earnings reports confirmed strengthening cap ex spend for AI as the ~\$80B from Meta, Alphabet (GOOGL), Microsoft (MSFT) and Amazon in the Sep Q was a ~80% y/y increase to \$112B. Further all indicated higher 2025 cap ex guidance and higher growth rates in 2026: Meta 2025 to \$70-\$72B from \$66-\$72B, GOOGL to \$91-\$93B from prior \$85B, MSFT said cap ex growth in FY26 to accelerate from the +58% growth seen in FY25. From hyperscalers alone the cap ex for 2026 is now estimated as a staggering \$490B according to Citi and expected to be over \$2.8T through 2029.

Among infrastructure and AI plays Credo Technology (CRDO, +20.6%) surged on Amazon’s results (more cap ex) hitting new ATH, Nvidia Corporation (NVDA) vaulted +8.7% and breached the \$5T market cap during the week after CEO said Street estimates were too low, Marvell Technology (MRVL, +11.4%) jumped, and Flowserv (FLS, +27.8%) climbed after a beat and raise and disclosing it was shedding its asbestos liabilities. E&C contractors on infrastructure stepped back: Mas Tec (MTZ, -9.6%) on a possible delay in a large project on permitting issues and despite a beat and raise outlook and Environmental Services plays Waste Management (WM, -6.9%) and Republic Services (RSG, -6.7%). , 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, +6.1%) hit another all-time high further advancing its triple digits YTD. The US 10-year rose 10bp w/w, to 4.09%. Sunday night futures show the S&P500 up +0.3%, the Nasdaq up +0.4%, and the Dow Jones Industrial Average up +0.3%.

Other weekly news: The US Federal Government remained closed with no resolution in sight. US-China trade talks between Presidents Trump and Xi agreed to a one-year truce. Mag 7 results once again affirmed the massive cap ex increases with 3rd Q spend from hyperscalers up +90% y/y and guidance for further increases into 2026. FOMC meeting resulted in 25bp cut as expected though Powell emphasized that a December cut is not a foregone conclusion, “far from it” he said. Nvidia’s conference in Washington DC last week drove a ~8% rally in its stock for the week as CEO Jenen Huang emphasized upside risk to estimates and developments on the AI front including quantum compute, telecom compute, manufacturing, inferencing, scaling laws driving exponential growth in compute demand which in turn unleashes more demand. Caterpillar (CAT) highlighted robust demand for power generation from data center growth. Very strong earnings results and guide from **SK Hynix, Teradyne, Seagate, TE Connectivity, Amazon**, among others.

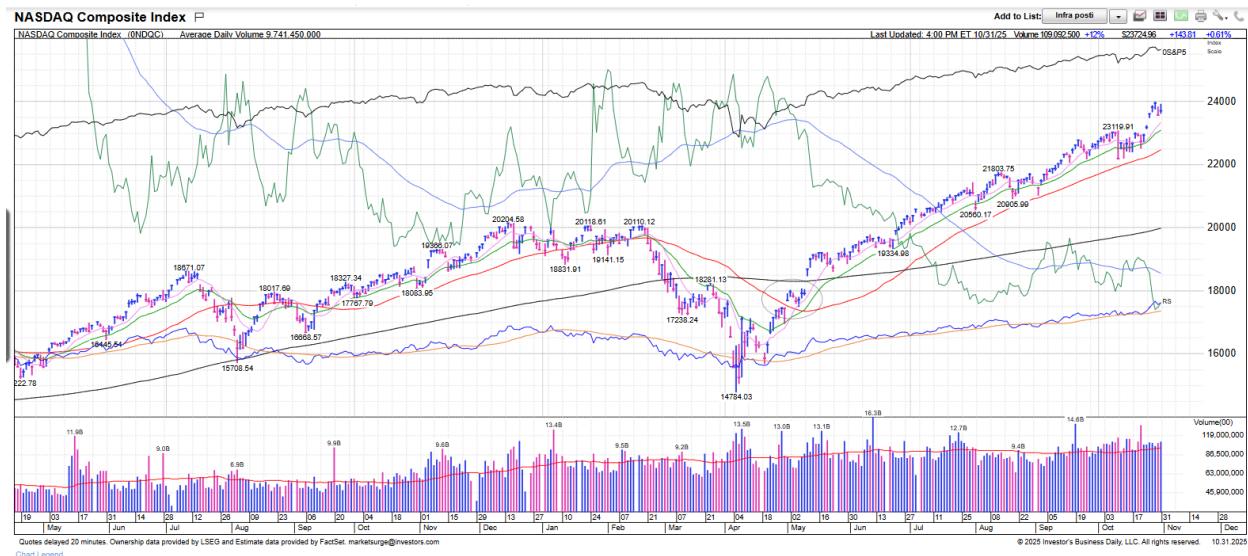
Stock Market Today/Week: Oct 31, 2025

Index	Level	Day change	Week Change
S&P 500	6,840.20	+0.26%	+0.71%
S&P500 eq wt	187.93	+0.22%	-1.74%
Nasdaq Composite	23,724.96	+0.61%	+2.24%
Dow Jones Industrial Avg.	47,562.87	+0.09%	+0.75%
US 10 year	4.09%		+10bp

Source: Factset

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 and which was confirmed by another very strong week of earnings reports.



Source: BY INVESTOR'S BUSINESS DAILY

Key events for the week ahead: Key earnings on tap for the week with broad market implications include **Palantir (PLTR)**, **Advanced Micro Devices (AMD)**, **Astera Labs (ALAB)**, **AppLovin (APP)**, and nuclear power generators such as **Vistra (VST)** and **Constellation Energy (CEG)**. On the economic front, ISM Manufacturing for October (49.5 expected), JOLTS Job Openings (7,200k expected), ISM Services for October (51.1 expected), and Fed speeches.

This Past week bull-bear debate:

Bulls: Strong Q3 earnings figures as growth rate rising to +10.5%, up 120bps in one week and +2.6pps since the end of the quarter and 4th straight Q of dd growth. Earnings beats at over 80%! AI tailwind remains as Nvidia emphasized upside risk to estimates on \$500B in Blackwell and Rubin revenue in backlog through 2026 which was ~10% above consensus per Goldman Sachs. China-US trade truce. ADP reports indicating jobs added last four weeks vs 32k decline for September. Consumer resilience coming from Visa and Mastercard with growth in line with prior Q. M&A activity rising: **American Water Works/Essential Utilities, Huntington Bancshares/Cadence Bank, Thermo Fisher/Clario Holdings Ryerson/Olympic Steel, Skyworks/Qorvo** and more.

Bears: Hawkish messaging from the Fed, labor market softness with pick up in job cut announcements from the likes of Amazon (14k cuts) and UPS (48k cuts in 2025 well above prior forecast of 20k for 2025). AI bubble concerns as Meta guided to total expenses to grow faster in 2026 vs 2025 despite favorable engagement numbers from AI investments. Consumer concerns from Chipotle customer base, Shake Shack, Kraft Heinz (worst

consumer sentiment in decades), PayPal (slowing US payments activity in September and October), weak breadth in S&P500 as evidenced by fall in the equal weighted S&P500, US Federal Government shutdown.

Upcoming calendar: PMI indicators of economic activity, JOLTS, Nonfarm payrolls. Nuclear power generators such as Constellation Energy, Vistra, NRG and Talen, Palentir, Arista Networks.

11/3 ISM US Mfr for Oct, NY Fed Risk Officer speech. BWXT PRIM STRL HESM PEG PLTR

11/4 JOLTS Job Openings. XMTR MP UUUU MPLX WES SWKS AMD ALAB ANET

11/5 ISM US Services. CW CCJ TRGP ET KNTK PAA GLNG ARRY BEP COHR HOOD AMSC QCOM

11/6 Initial jobless claims, Fed speeches. GVA LPG NRG VST RUN HASI XYZ

11/7 Nonfarm Payrolls for Oct (-15k expected). FLR ENB CEG SO

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 10/31/2025 all conditions have been met.

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