



PACIFIC GLOBAL
Investment Management Company

Weekly Recap

October 3, 2025

Market Returns

INDEX ¹	CLOSE	WEEKLY CHANGE		YTD CHANGE
Dow Jones Industrial Avg.	46,758.28	510.99	/ 1.10%	9.91%
S&P 500 [®]	6,715.79	72.09	/ 1.09%	14.18%
Nasdaq	22,780.51	296.44	/ 1.32%	17.97%
Russell 2000 [®]	2,476.18	41.86	/ 1.72%	11.03%

	10/03/25 CLOSE	10/03/24 CLOSE
10-Year U.S. Treasury	4.12%	3.85%

Data: The Wall Street Journal, Federal Reserve

The Bottom Line

The government shutdown was largely ignored as the equity markets continued to rise prior to third quarter earnings season. The Russell 2000[®] (1.72%) led the major indices followed by the Nasdaq (1.32%), the Dow Jones Industrial Average (1.10%) and the S&P 500[®] (1.09%). The yield on the 10-Year U.S. Treasury closed at 4.12% declining from 4.18% last Friday. Rotation from the “Magnificent 7” was significant with the outperformance of small caps and economically sensitive stocks.

The inability to reach agreement on a continuing resolution to fund the government resulted in the layoff of non-essential federal personnel. As a result, the Bureau of Labor Statistics did not provide employment data for September. As a proxy, September ADP payrolls declined 32,000 which was the weakest period since March 2023 and lower than the projection (50,000 increase). The August U.S. job listings were 7.227 million which was higher than estimates of 7.100 million. August pending home sales (4.0% m/m) significantly outpaced estimates of 0.6% increase and 0.4% decline in July. September **ISM Manufacturing** at 49.1 was below consensus (49.4). **ISM Services** was 50.0 also below consensus (52.0).

Commentary from Federal Reserve governors continues to send mixed messages with respect to the outlook for additional interest rate cuts this year. Available economic data suggests employment is contracting. However, it is difficult to determine the influence of tariff uncertainty which has delayed hiring and expansion.

Lower interest rate expectations have supported upward momentum in the equity markets against the backdrop of tariffs, the government shutdown and messaging from Fed spokespersons. Third quarter earnings season begins next week; and expectations are positive for the quarterly results. The rotation into more economically sensitive stocks, which have been overlooked with the emphasis on **AI**, may be the catalyst for additional appreciation.

¹The Dow Jones Industrial Average is an unmanaged, price weighted measure of 30 U.S. stocks selected by the Averages Committee to represent the performance of all U.S. stocks outside the Transportation and Utilities sectors. The S&P 500® Index is an unmanaged, market capitalization weighted index which measures the performance of the large cap segment of the U.S. equities market, covering approximately 75% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy. The Nasdaq Composite Index is an unmanaged, market capitalization weighted measure of all domestic and international common stocks listed on The Nasdaq Stock Market. The Russell Midcap® Index measures the 800 smallest companies within the Russell 1000® Index based on a combination of their market cap and current index membership. The Russell 2000® Index is an unmanaged, market-weighted measure of stock market performance. It contains stocks of the 2,000 smallest publicly traded companies of the Russell 3000® Index. It is not possible to invest in the Indices.

©2025 Pacific Global Investment Management Company. **This material is protected by United States copyright law and may not be reproduced, distributed, transmitted, displayed, published or broadcast without the prior written permission of Pacific Global.**

Any specific securities referenced in this commentary may or may not be held in client portfolios.

Some information contained herein has been obtained from third party sources believed to be reliable but has not been independently verified by us; its accuracy or completeness is not guaranteed. Commentary is based on information considered to be reliable at the time of publication. The views expressed represent the opinions and beliefs at publication and are not meant as a market forecast. Pacific Global disclaims any responsibility to update such views. This information may not be relied on as investment advice. Economic and performance information referenced is historical and **past performance does not guarantee future results**. References to future returns are not promises or estimates of actual returns we may achieve. No investment strategy or risk management process can guarantee returns or eliminate risk in any market environment. Investing in securities involves risk of loss. Stock prices can decline significantly in response to adverse market conditions, company-specific events, and other domestic and international political and economic developments.

Pacific Global • 500 N Brand Blvd • Suite 2160 • Glendale, California 91203 • (800) 404-6693 • www.pacificglobal.us