OCTOBER-31-2025

BALLESTAS GROUP
PRIVATE WEALTH MANAGEMENT

Weekly Recap

USA

The United States experienced a week full of economic, political, and market developments, with particular attention focused on trade relations with China, the Federal Reserve's monetary policy, the progress of the corporate earnings season, and the prolonged government shutdown.

On the geopolitical front, the meeting between Donald Trump and Xi Jinping at the APEC summit in Busan concluded with a one-year extension of the trade truce between the two countries. The agreement included détente measures such as China's commitment to curb fentanyl trafficking to the US, increased purchases of US soybeans, and the suspension of rare mineral export restrictions, while the US will moderate certain technological restrictions and partially reduce tariffs. While it does not resolve the structural disagreements or the process of decoupling between the two economies, it offers temporary relief to the markets. At the same time, Trump signed agreements with South Korea and Japan to strengthen the supply of strategic minerals and secure investments, reinforcing the US strategy of diversification away from China.

On the monetary front, the Federal Reserve cut rates by 25 basis points, but Chairman Jerome Powell tempered expectations of a further cut in December, pointing to internal divisions and the need for caution in the face of limited data due to the shutdown, stronger growth, and persistent inflation. The Fed also announced the end of its balance sheet adjustment as of December 1. This pushed up Treasury yields and strengthened the dollar, which closed October with a gain of nearly 1.8%. The federal government shutdown continued without a solution in the Senate, despite growing pressure to pass a "clean" budget resolution, with an estimated economic cost of USD 18 billion. In addition, names are being put forward for a possible successor to Powell at the helm of the Fed, with Christopher Waller, Michelle Bowman, and Rick Rieder among the candidates.

In the markets, the dollar appreciated against major currencies, while stock markets showed volatility as investors assessed mixed corporate results and the potential return of high spending on artificial intelligence. Nvidia reached a historic market capitalization of USD 5 trillion, and Amazon surprised with the strongest growth in its cloud business in nearly three years, while Meta retreated amid doubts about its heavy investment in AI and the return on that investment. Several large companies, including Amazon, UPS, and Target, announced layoffs. As for the earnings season, 63% of the S&P 500 has already reported: 82% exceeded earnings expectations, with positive surprises of 2.4% in sales and 4.8% in earnings, and year-on-year growth of 8.4% in revenue and 10.3% in earnings, consolidating a solid start despite geopolitical tensions.

EUROPE

The Eurozone recorded inflation of 2.1% in October, approaching the ECB's 2% target, with moderation in food and industrial goods, although services continued to push prices up. The European Central Bank kept rates unchanged. In the markets, European stock markets fell on the last day of October due to mixed corporate results, although they closed the month with gains: the STOXX 50 rose 2.6% and the STOXX 600 advanced 2.8%.

UNITED KINGDOM

The FTSE 100 fell 0.4% after nine days of gains, although it closed October with a 3.9% advance. The market expects the Bank of England to keep rates unchanged, with growing expectations of cuts later on. Prime Minister Keir Starmer did not rule out raising taxes (income, national insurance, or VAT) in the next budget.

ASIA

Asian markets showed strength, with Japan's Nikkei 225 exceeding 50,000 points for the first time and recording its best month in 35 years, driven by expectations of fiscal stimulus; the Bank of Japan kept rates unchanged. In China, the new 2026-2030 five-year plan aims to boost domestic demand and reduce dependence on foreign trade, prioritizing technological and manufacturing development to sustain economic growth.

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Currency	Index	Level	Week	YTD	YTD (usd)	1 Year
	Equity Market					
AMERICAS			1,24	18,12	18,12	20,39
USD	DOW JONES INDUS. AVG	47.562,87	0,75	13,34	13,34	14,70
USD	S&P 500 INDEX	6.840,20	0,72	17,50	17,50	18,85
USD	NASDAQ COMPOSITE	23.724,96	2,25	23,53	23,53	27,63
BRL	BRAZIL IBOVESPA INDEX	149.540,43	2,30	24,32	42,70	13,89
ARS	S&P MERVAL TR ARS	3.002.607,00	44,57	18,51	-15,48	52,03
CLP	S&P/CLX IPSA (CLP) TR	9.428,89	2,66	40,52	48,01	43,95
MXN	S&P/BMV IPC	62.769,18	2,67	30,48	46,52	28,36
EUROPE			-0,04	21,34	33,30	22,95
EUR	Euro Stoxx 50 Pr	5.662,04	-0,13	19,10	32,62	20,40
GBP	FTSE 100 INDEX	9.717,25	0,75	22,49	28,48	23,86
EUR	DAX INDEX	23.958,30	-1,16	20,34	33,42	25,25
EUR	CAC 40 INDEX	8.121,07	-1,27	13,61	26,51	13,57
EUR	FTSE MIB INDEX	43.175,32	1,62	31,18	45,44	31,68
ASIA			0,07	56,40	31,24	30,41
JPY	NIKKEI 225	52.411,34	3,76	62,26	36,42	36,72
CNY	CSI 300 INDEX	4.640,67	-1,57	42,99	23,98	22,56
HKD	HANG SENG INDEX	25.906,65	-1,97	63,94	33,32	31,95
GLOBAL						
USD	ISHARES MSCI ACWI ETF	141,41	0,39	21,27	21,27	20,76
USD	MSCI WORLD	4.381,34	0,25	19,99	19,99	20,36
USD	MSCI EM	1.411,65	1,62	34,52	34,52	28,78
USD	MSCI AC ASIA PACIFIC	228,82	1,21	29,04	29,04	25,75
USD	MSCI EM LATIN AMERICA	2.569,84	2,07	44,78	44,78	27,52
	Fixed Income					
GLOBAL		1.237,21	0,22	9,50	9,50	8,76
USD	Global Aggregate	499,24	-0,37	7,72	7,72	5,74
USD	EM USD Aggregate	1.377,55	0,58	10,37	10,37	10,08
USD	Global High Yield	1.834,85	0,45	10,41	10,41	10,46
	Commodities					
USD	BBG Commodity	107,30	-0,07	8,65	8,65	8,02
USD	Oro	4.002,92	-2,68	52,54	52,54	45,88
USD	WTI	60,86	-1,04	-10,73	-10,73	-12,13
USD	Soja	402,93	5,59	7,29	7,29	11,96

st Source: Bloomberg. Information as of October 31, 2025, at market close.