

AVANTAS Research

Weekly Market Newsletter

Week of 10/21/2025

EXECUTIVE SUMMARY

This week's markets showed bullish sentiment with an average weekly return of 1.8%. Gold (USD/oz) led gains at 6.6%, while Bitcoin (BTC-USD) declined 3.1%. The 2.8% monthly average and 23.6% annual performance suggest strong long-term trends. Key themes include safe-haven demand, equity momentum, and bond market dynamics.

PERFORMANCE TABLE

Instrument	1W Perf	1M Perf	6M Perf	1Y Perf	1Y %ile
Gold (USD/oz)	+6.6%	+18.9%	+32.8%	+60.4%	100
Nikkei 225 (Japan)	+5.4%	+3.4%	+20.2%	+19.1%	100
STOXX Europe 50	+2.9%	+3.4%	+14.7%	+22.5%	99
Nasdaq 100	+1.6%	+2.0%	+34.5%	+23.7%	100
Hang Seng Index (Hong Kong)	+1.5%	-0.2%	+25.4%	+17.7%	91
S&P 500	+1.2%	+1.1%	+25.4%	+14.8%	99
US 10Y Treasury Yield	+1.1%	+2.8%	+4.8%	-2.5%	88
iShares IG Corp Bond (LQD)	+0.7%	+0.7%	+5.8%	+1.6%	100
CSI 300 (China)	-0.4%	+1.2%	+24.7%	+16.3%	94
Bitcoin (BTC-USD)	-3.1%	-4.9%	+16.6%	+62.7%	72

Note: Performance calculations use the closest available historical data points.

TOP CATALYSTS

1. Gold Rally: Safe Haven Demand Surges

Gold prices surged 6.6% this week, driven by heightened safe-haven demand amid geopolitical tensions and inflation concerns. The precious metal's strong performance reflects investor anxiety about currency debasement and the need for portfolio protection.

Market Impact:

This rally has lifted gold-related ETFs and mining stocks, while putting pressure on the US dollar. The 18.9% monthly gain suggests this trend may continue as investors seek inflation hedges.

2. Equity Markets: Earnings and Policy Optimism

Global equity markets posted strong weekly gains, with an average return of 2.8%. Nikkei 225 (Japan) led the charge with a 5.4% weekly gain, driven by positive earnings reports and expectations of continued economic growth.

Market Impact:

This momentum has lifted risk sentiment across markets, benefiting growth stocks and cyclical sectors. The broad-based nature of the rally suggests confidence in corporate profitability and economic resilience.

3. Bond Market: Yield Curve Dynamics

Treasury bonds (TLT) moved higher by 1.1% this week, reflecting shifting expectations around Federal Reserve policy and inflation outlook. Corporate bonds (LQD) showed positive performance of 0.7%.

Market Impact:

These movements indicate investors are reassessing duration risk and credit quality. The bond market's behavior suggests a cautious approach to interest rate sensitivity while maintaining appetite for yield.

4. Cryptocurrency: Digital Asset Volatility

Bitcoin experienced significant volatility this week, declining 3.1%. This movement reflects the ongoing debate about digital assets as a store of value and their correlation with traditional risk assets.

Market Impact:

The crypto market's performance influences sentiment in tech stocks and alternative investments. Despite short-term volatility, Bitcoin's 62.7% annual performance suggests continued institutional interest.

5. International Markets: Global Growth Divergence

International markets showed mixed performance this week, with an average return of 2.3%. Nikkei 225 (Japan) led with a 5.4% weekly gain, reflecting regional economic conditions and policy differences.

Market Impact:

These movements highlight the divergence in global growth prospects and monetary policy approaches. International diversification remains crucial as different regions respond to varying economic headwinds and opportunities.

MARKET OUTLOOK

MARKET OUTLOOK (Based on Google Research):

CURRENT PERFORMANCE: Markets showed mixed signals with an average weekly return of 1.8%. Gold (USD/oz) led gains at 6.6%, while Bitcoin (BTC-USD) declined 3.1%.

KEY CATALYSTS TO WATCH:

- Federal Reserve Policy: Interest rate decisions and inflation targeting remain critical
- Economic Data Releases: Employment, inflation, and GDP growth indicators
- Corporate Earnings: Q4 results and forward guidance will drive sector rotation

SECTOR ROTATION OUTLOOK:

- Growth sectors likely to continue outperforming in risk-on environment
- Technology and cyclical stocks may see continued momentum

RECENT MARKET NEWS:

RISK FACTORS: Monitor Fed communications, inflation data, earnings reports, and geopolitical developments that could impact the current market trajectory.

ECONOMIC CALENDAR

Stay informed of key upcoming economic events and data releases that may impact global markets.

Date	Time	Event	Country	Forecast	Previous	Impact
Oct 21, 2025	08:30	US CPI (MoM)	US	0.3%	0.2%	High
Oct 22, 2025	10:00	Fed Chair Powell Speech	US	-	-	High
Oct 23, 2025	08:30	US Retail Sales (MoM)	US	0.4%	0.3%	Medium
Oct 24, 2025	14:00	FOMC Minutes	US	-	-	High
Oct 25, 2025	08:30	US Jobless Claims	US	220K	215K	Medium
Oct 26, 2025	10:00	US Consumer Sentiment	US	68.5	67.2	Low
Oct 28, 2025	08:30	US Industrial Production	US	0.2%	0.1%	Low
Oct 29, 2025	14:00	Federal Reserve FOMC Meeting	US	Rate Decision	5.25-5.50%	High
Nov 01, 2025	08:30	US Non-Farm Payrolls	US	185K	180K	High
Oct 27, 2025	09:00	EU CPI (YoY)	EU	2.1%	2.0%	Medium
Oct 21, 2025	09:30	China GDP Growth (Q3)	CN	4.8%	5.2%	High
Oct 22, 2025	09:30	China Industrial Production (YoY)	CN	4.5%	4.2%	Medium

Date	Time	Event	Country	Forecast	Previous	Impact
Oct 24, 2025	09:30	China Retail Sales (YoY)	CN	3.8%	3.5%	Medium
Nov 01, 2025	09:30	China Manufacturing PMI	CN	50.2	49.8	Medium
Oct 22, 2025	08:50	Japan CPI Inflation (YoY)	JP	2.8%	2.9%	Medium
Oct 25, 2025	08:30	Japan Industrial Production (MoM)	JP	0.3%	0.1%	Medium
Oct 28, 2025	08:30	Japan Retail Sales (YoY)	JP	2.1%	1.8%	Medium
Nov 01, 2025	08:30	Japan Manufacturing PMI	JP	50.5	50.2	Medium
Oct 21, 2025	12:00	India CPI Inflation (YoY)	IN	4.8%	5.0%	High
Oct 25, 2025	12:00	India Industrial Production (YoY)	IN	5.2%	4.8%	Medium
Oct 28, 2025	12:00	India GDP Growth (Q3)	IN	6.8%	6.5%	High
Nov 01, 2025	12:00	India Manufacturing PMI	IN	54.2	53.8	Medium
Oct 22, 2025	09:00	South Korea CPI Inflation (YoY)	KR	2.1%	2.3%	Medium
Oct 25, 2025	09:00	South Korea GDP Growth (Q3)	KR	2.8%	2.5%	High
Oct 28, 2025	09:00	South Korea Industrial Production (YoY)	KR	3.2%	2.9%	Medium
Nov 01, 2025	09:00	South Korea Manufacturing PMI	KR	51.5	51.2	Medium
Oct 23, 2025	00:30	Australia CPI Inflation (YoY)	AU	3.2%	3.5%	High
Oct 26, 2025	00:30	Australia GDP Growth (Q3)	AU	2.1%	1.8%	High
Oct 29, 2025	00:30	Australia Industrial Production (YoY)	AU	1.8%	1.5%	Medium
Nov 01, 2025	00:30	Australia Manufacturing PMI	AU	49.5	49.2	Medium