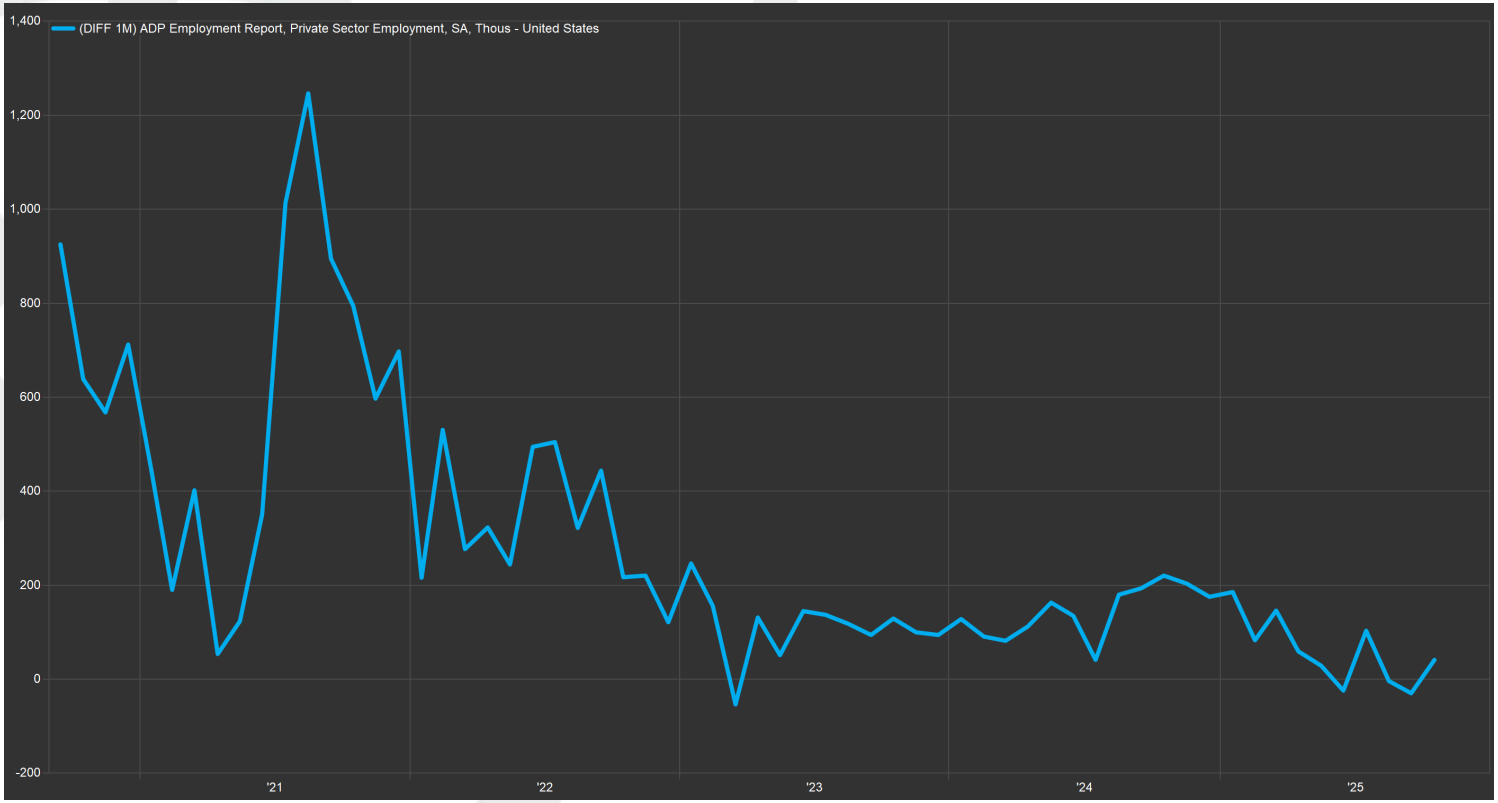
Five in Five

November 2025

BTC CAPITAL MANAGEMENT ™

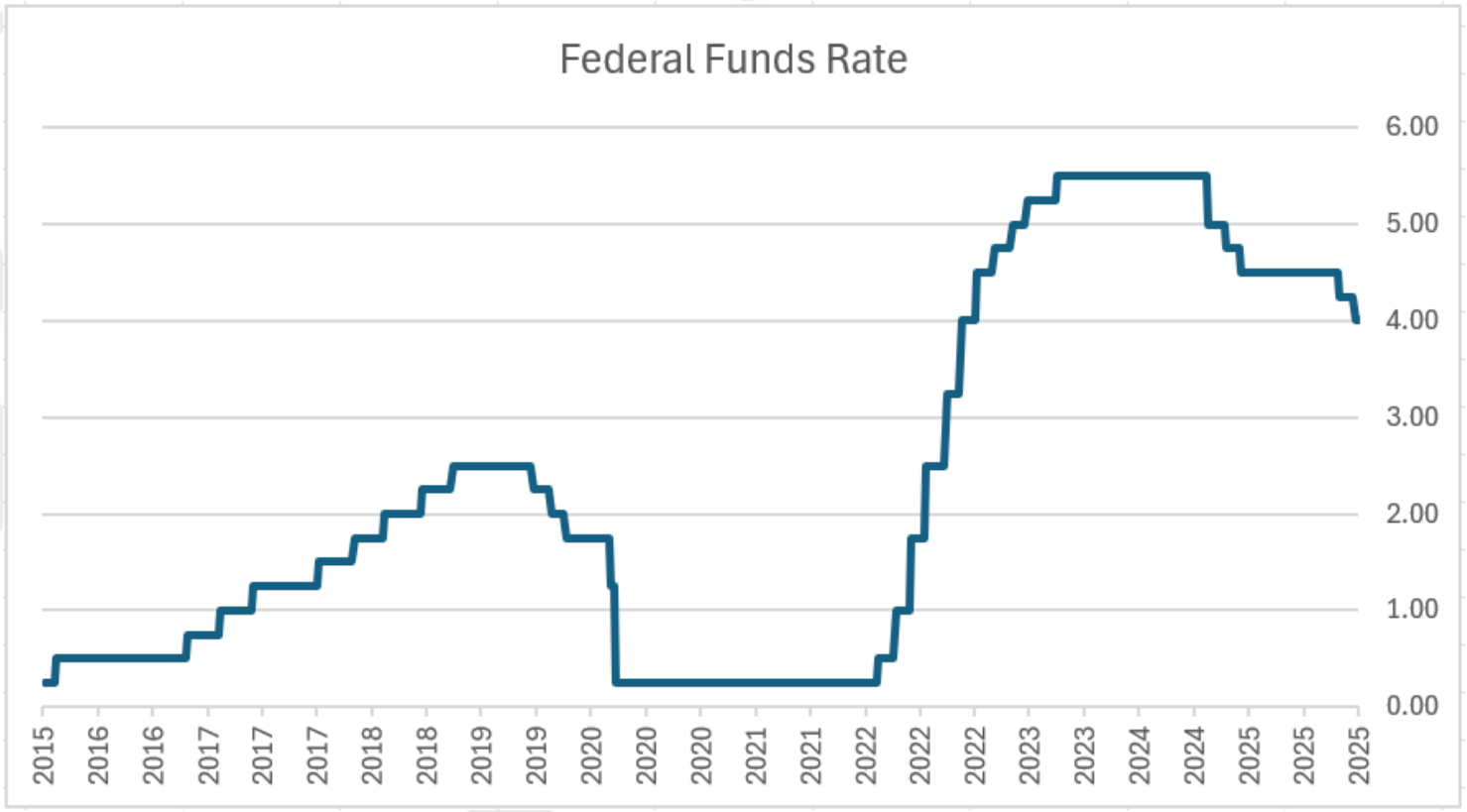
Private Sector Hirings Trending Lower



Sources: BTC Capital Management, Factset

- The latest ADP jobs report for October, which measures hiring in the private industry, came in slightly higher than expected. However, the long-term trend, as evidenced by the above chart, exhibits an overall decline in job creation.
- Sectors such as education, health care, and utilities led the growth in job creation in October.

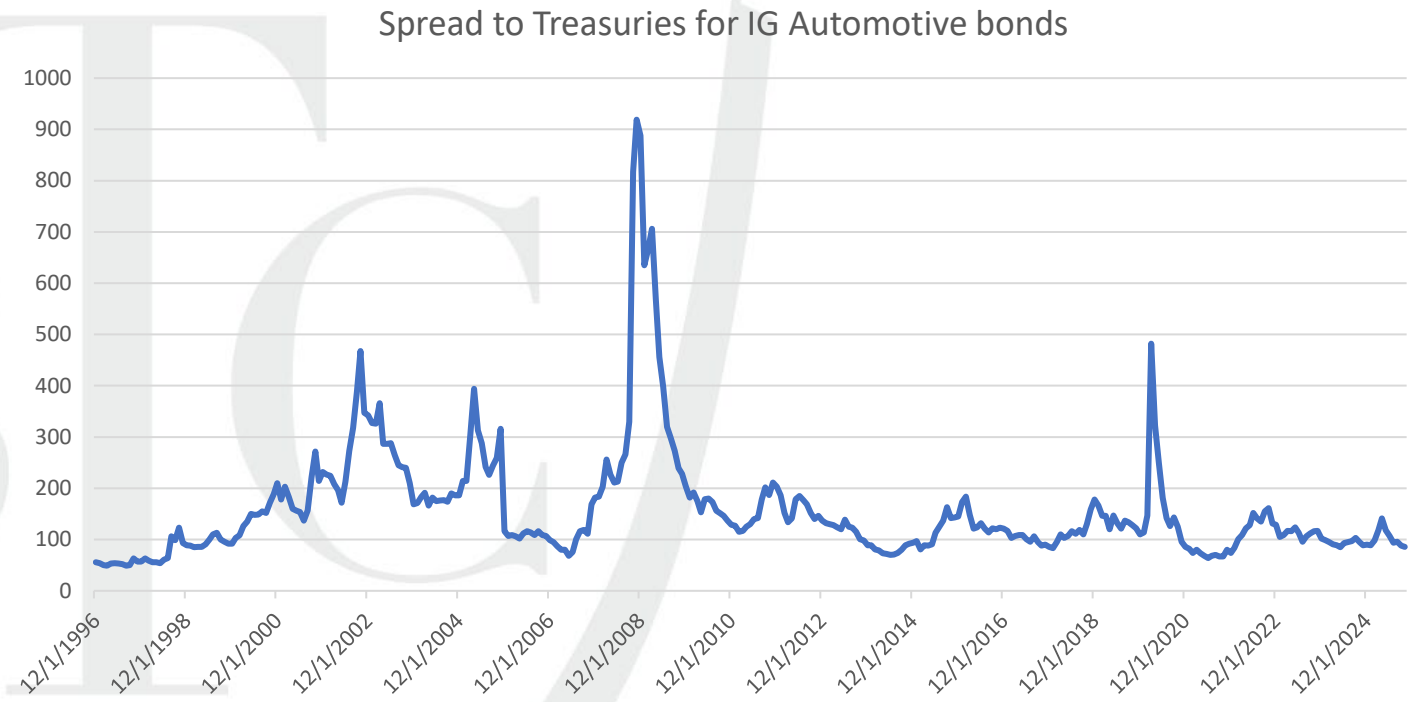
Federal Reserve Lowers Interest Rates



Sources: BTC Capital Management, Bloomberg

- The Federal Reserve lowered the federal funds rate for the second consecutive meeting.
- Jerome Powell noted that members are becoming more divided about the policy outlook.
- December rate cut odds have slipped from 99% to 72%.

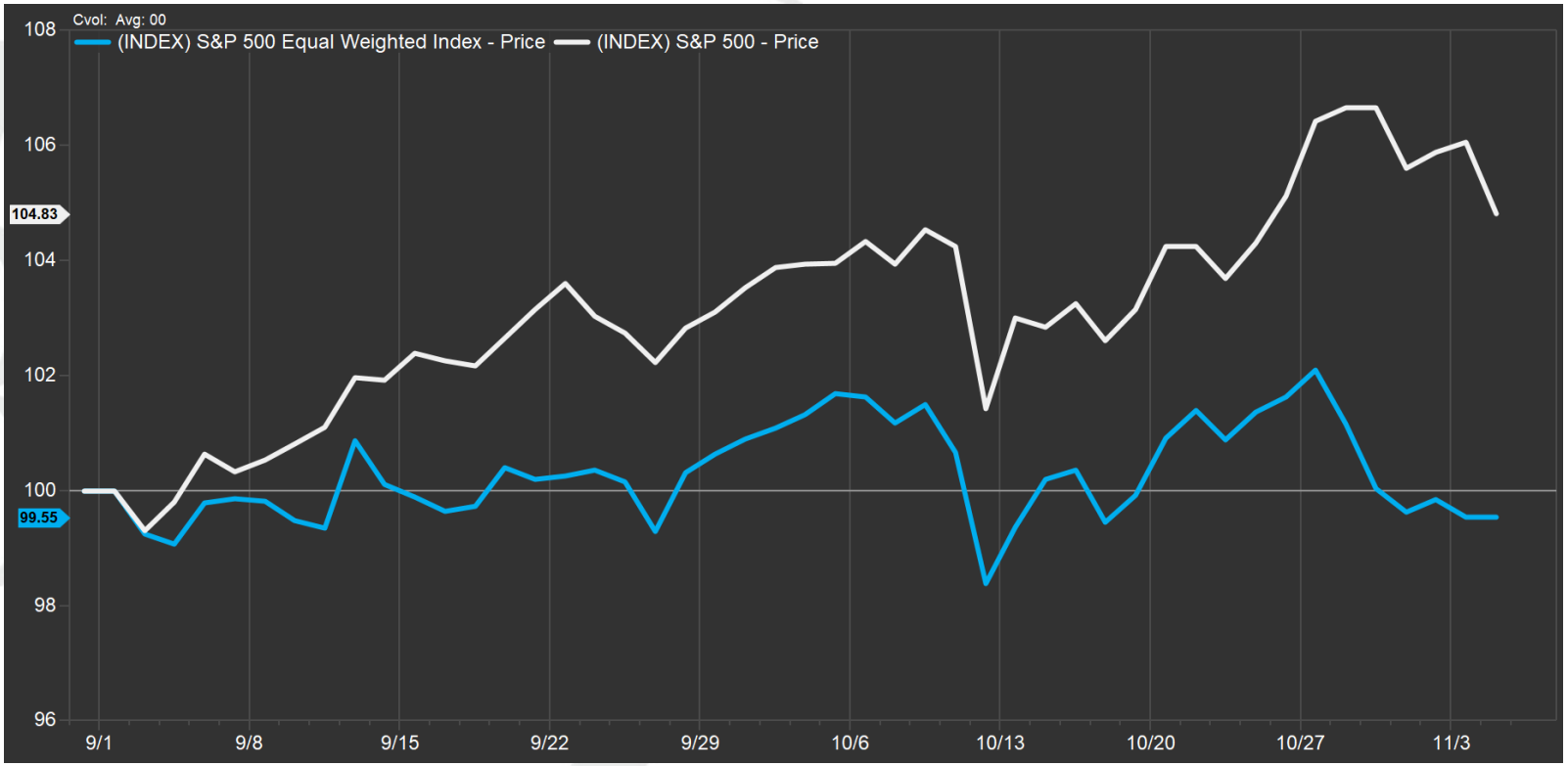
Corporate Bonds



Sources: BTC Capital Management, Bloomberg

- Investment grade automotive bonds historically have the widest spread to Treasuries.
- They currently offer the widest spread among all industry groups.
- Inside 100 basis points of spread to Treasuries is historically a sign to be cautious.
- However, it appears there are 7 lower peaks (outside the two crises events, which had a lower peak in 2020). Spreads have been inside 100 for a considerable duration this cycle.
- This may exemplify an ever-increasing Fed put in financial markets.

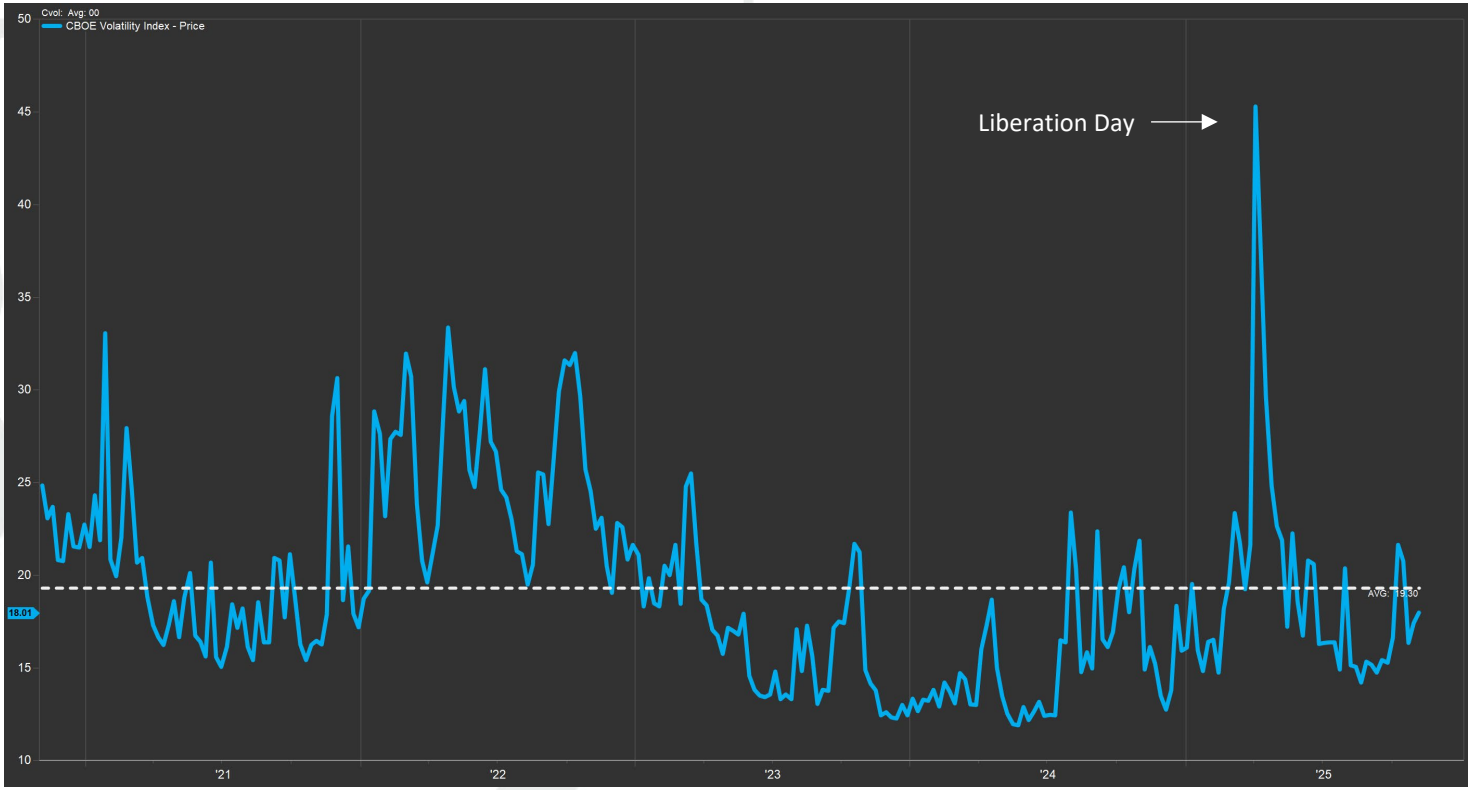
Stock Market Continues to Be Increasingly Concentrated



Source: BTC Capital Management, Factset

- Since the end of August, the S&P 500 has gained almost 5%, however, the equal weighted S&P 500 is essentially flat during the same time period.
- A small handful of stocks have contributed to the index's appreciation, whereas the majority of stocks in the index have not seen gains.

Stock Market Volatility Still Relatively Low



Sources: BTC Capital Management, FactSet

- The VIX index, which measures volatility in the stock market, dubbed the “Fear Index”, has been relatively benign of late after spiking in early April after the announcement of the proposed tariffs.
- Despite somewhat lofty P/E valuations in the stock market, the VIX is currently below its five-year average, even though defensive sectors have significantly underperformed of late.

Disclosures

- *Sources: BTC Capital Management, Bloomberg, FactSet*
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