Amplify ETFs™

Market and Economic **Update**

Markets Have Weathered Storms

Why November and December Look Promising

NOVEMBER 2025

In October, the stock market kept moving higher even with concerns about a government shutdown and trade issues with China. Many stock indexes hit new record highs after a short period of ups and downs. Bonds also helped investors earn money as interest rates dropped. The Federal Reserve (the Fed), which is America's central bank, cut interest rates for the second month in a row.

The month wasn't perfect though. The government shutdown made headlines and worried some people about the economy. There was also a brief "tariff tantrum" (a period when investors worried about trade fees) that caused the market's biggest one-day drop since April. But the market bounced back quickly, showing why it's important not to panic over news headlines. These events pushed gold prices to a new record before they fell back at month's end.

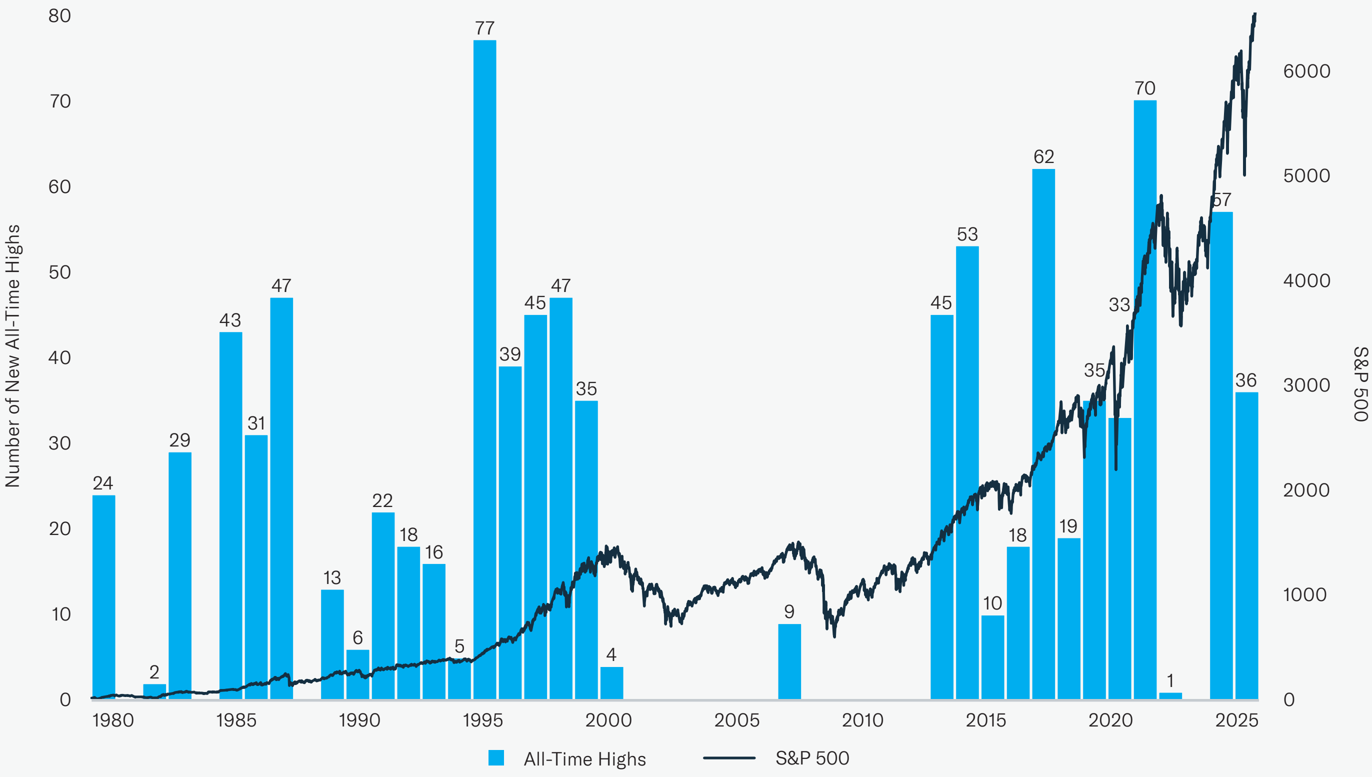
The Social Security Administration also said that monthly payments would go up by 2.8% in 2026. This is a smaller increase than in recent years and may not keep up with rising costs for many retirees. With interest rates on savings accounts also falling, this shows why it's important to have a mix of investments that provide both income and growth.

1. The Government Shutdown Didn't Derail the Market

The S&P 500 (a measure of large U.S. company stocks) rose 2.3% in October. For the full year so far, it's up 16.3%.

STOCK MARKET ALL-TIME HIGHS

The number of S&P 500 all-time highs each year



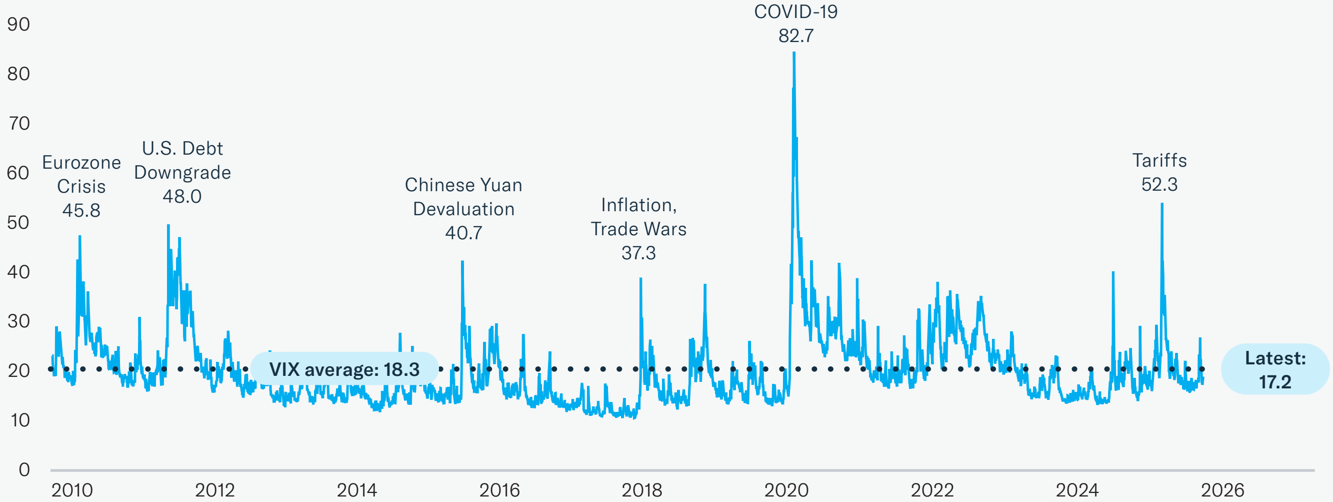
Past Performance is no guarantee of future results. *Data as of 11/3/2025. Source: Cleanomics, Standard & Poor's.*

October started with a government shutdown, which happens when Congress can't agree on a budget. Many government agencies have been operating at minimal levels since then, and some economic reports have been delayed.

While shutdowns create real problems for federal workers, they usually have not had lasting effects on the stock market. Government spending is typically just delayed, not canceled. During the longest previous shutdown in 2018-2019, the S&P 500 went on to gain 31.5% the following year. This doesn't guarantee the same thing will happen now, but it shows that markets often move past these events.

2. Trade Tensions Caused a Brief Market Drop

STOCK MARKET VOLATILITY
CBOE VIX Index



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The market also had its biggest one-day market drop since April because of rising tensions between the U.S. and China over rare earth metals (special materials used in electronics and other products). China controls about 70% of global production of these materials, giving them significant power in trade discussions.

Despite this selloff, markets bounced back quickly when the White House softened its language. President Trump and President Xi then met near the end of October, which helped calm things down and led to a 10% reduction in tariffs on Chinese goods.

This pattern has happened several times this year—trade concerns cause temporary drops, then markets recover. The S&P 500 has risen 37% from its low point in April and has hit 36 new record highs this year through October. Remember that markets never go straight up, so short periods of volatility (ups and downs) are normal.

The Fed Keeps Lowering Interest Rates

In October, the Federal Reserve lowered interest rates by 0.25% to a range of 3.75% to 4.00%. This was the second month in a row of rate cuts. The Fed is trying to support economic growth while managing inflation (rising prices) and a weakening job market.

Experts expect the Fed will likely cut rates again by January, with one or two more cuts possible in 2026. The Fed also said it would stop shrinking its balance sheet (basically, it will stop selling bonds it owns). For investors, falling interest rates have historically created opportunities across different types of investments.

3. **Looking Ahead:** Strength May Beget Strength

Here's the exciting part: history has shown that when the S&P 500 is up more than 15% year-to-date through October, November and December have resulted in above-average returns.

4.7%	3.3%	20 out of 21 times
Average Nov–Dec return when YTD >15%	Average Nov–Dec return in all years	Positive Nov–Dec performance

In other words, strength often leads to more strength. The chart below illustrates this trend:

MORE CLUES NOVEMBER AND DECEMBER COULD BE STRONG
S&P 500 Returns After >15% YTD End Of October (1950-2024)

		S&P 500 Index Returns		
Year	**YTD Return End Of October**	**November**	**December**	**Last Two Months of the Year**
1950	16.3%	-0.1%	4.7%	4.6%
1954	27.7%	8.1%	5.1%	13.6%
1955	17.7%	7.5%	-0.1%	7.4%
1958	28.4%	2.2%	5.2%	7.6%
1961	18.1%	3.9%	0.3%	4.3%
1963	17.3%	-1.1%	2.4%	1.4%
1967	16.9%	0.1%	2.6%	2.7%
1975	29.9%	2.5%	-1.2%	1.3%
1980	18.1%	10.2%	-3.4%	6.5%
1983	16.3%	1.7%	-0.9%	0.8%
1986	15.5%	2.1%	-2.8%	-0.7%
1989	22.6%	1.7%	2.1%	3.8%
1991	18.8%	-4.4%	11.2%	6.3%
1995	26.6%	4.1%	1.7%	5.9%
1997	23.5%	4.5%	1.6%	6.1%
2003	19.4%	0.7%	5.1%	5.8%
2013	23.2%	2.8%	2.4%	5.2%
2017	15.0%	2.8%	1.0%	3.8%
2019	21.2%	3.4%	2.9%	6.4%
2021	22.6%	-0.8%	4.4%	3.5%
2024	19.6%	5.7%	-2.5%	3.1%
2025*	16.0%	?	?	?
	Average	2.7%	2.0%	4.7%
	Median	2.5%	2.1%	4.6%
	% Higher	**81.0%**	**71.4%**	**95.2%**
		Average Year (1950 - 2024)		
	Average	1.9%	1.4%	3.3%
	Median	2.2%	1.5%	3.6%
	% Higher	**69.3%**	**73.3%**	**77.3%**

**Month not over yet*

Source: Carson Investment Research, FactSet 10/30/2025.

While past performance doesn't guarantee future results, history shows that strong years have finished even stronger. Staying invested and disciplined could pay off as we head into year-end.

The bottom line?

Despite political and economic noise, markets have shown resilience. With historical trends pointing to potential strength in November and December, we believe maintaining a well-diversified, long-term strategy remains the best approach.

All indexes are unmanaged and it's not possible to invest directly in an index. The S&P 500 Total Return Index is a market-capitalization weighted index of the 500 largest U.S. publicly traded companies. ***CBOE Volatility Index (VIX)*** *is a measure of implied volatility, based on the prices of a basket of S&P 500 Index options with 30 days to expiration.*

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