WEST SHORE BANK

WEEKLY RECAP - November 24, 2025

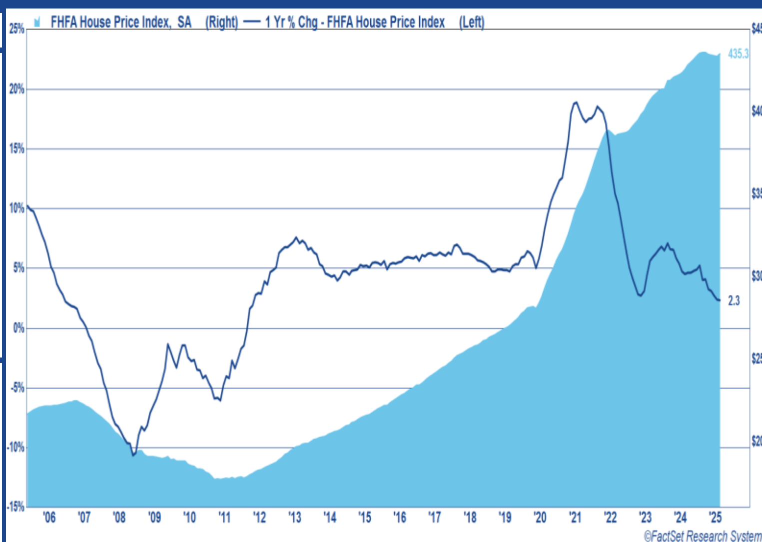
Economic & Market Commentary

Stocks finished lower last week as risk premiums are rising along with market volatility. Continued scrutiny surrounding the AI bubble was the main concern driving markets lower, but there were other directional movers as well. After the close last Wednesday, all eyes were on Nvidia (NVDA) earnings, and they did not disappoint. Both revenue and earnings posted better-than-expected results, climbing 62% and 67% y/y, respectively. Moreover, NVDA raised their guidance for Q4 on accelerating demand. It was a blowout quarter for NVDA. Thursday morning, stock markets surged on NVDA results rising +1.5%. By mid-day, markets started to reverse course and finished sharply lower for the day with the S&P 500 closing down -1.6%. In the past three weeks, the S&P 500 has shaved off 1.4% points in forward valuation from 23.3x to 21.9x. Put another way, each one point +- change in forward valuation equates to a roughly +- 300 price change in the S&P 500 or +- 4%. Since it's all-time closing high of 6,890.89 in late October, the S&P 500 is down -4.2%, closing last Friday at 6,602.99. Important to note prior to November, the S&P 500 has risen for six consecutive months and is up +13.6% YTD. As we have recently mentioned, the market is overdue for a pullback and pullbacks are a normal part of a investment cycle. Another area that saw a lot of movement was Fed rate cut expectations. Entering last week, the probability of a 0.25% rate cut in December declined dramatically from 99% to 27%. This was due in-part to the lack of economic data due to the government shutdown. Then the Bureau of Labor Statistics (BLS) announced it would not release an October payrolls report and that the November release would be released Dec-16, after the December FOMC meeting. Additionally, October FOMC meeting minutes takeaways were also hawkish, with many officials saying they did not think the Fed should cut in December, arguing cuts could add to the risk of higher inflation becoming entrenched. However, December rate cut odds jumped after long-awaited labor market data added to lingering growth fears. September headline payrolls were better than expected, but downward revisions took August to a 4K contraction, wage growth was weaker than expected, and the unemployment rate ticked up to 4.4%. As of this morning, the chance of a December rate cut stands at 74%.

Index Total Returns - November 21, 2025

	1-Wk	YTD	1-Yr
MSCI-Emerging	-3.71	26.54	25.58
MSCI-Developed	-3.39	23.39	22.99
NASDAQ	-2.71	16.01	18.17
S&P 500	-1.91	13.56	12.44
Dow Jones	-1.85	10.35	7.22
Russell 2000	-0.75	7.50	1.61
S&P 400	-0.64	3.33	-1.68
Barclay's U.S. Bond Index			
High Yield	0.03	7.15	7.15
Aggregate	0.45	7.05	6.81
Int. Gov. Credit	0.43	6.63	6.87
5-year Muni	-0.03	4.60	4.20
Municipal	-0.09	4.00	3.38

FHFA Home Price Index



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	3.62	3.69	4.38
U.S. 2-Yr	3.51	3.61	4.35
U.S. 3-Yr	3.50	3.61	4.30
U.S. 5-Yr	3.62	3.73	4.30
U.S. 10-Yr	4.06	4.15	4.42
U.S. 30-Yr	4.71	4.75	4.61

S&P 500 Sector Total Returns - November 21, 2025

Sector	1-Wk	YTD	1-Yr
Comm. Services	3.04	27.38	33.55
Info Tech	-4.69	19.22	20.64
Utilities	-0.72	18.90	10.74
Industrials	-1.61	14.80	8.09
Health Care	1.85	13.97	9.29
Financials	-1.49	8.14	4.55
Energy	-2.77	7.40	-4.61
Materials	-0.64	4.62	-5.37
Consumer Staples	0.84	3.81	1.23
Real Estate	-0.04	3.52	-2.70
Con. Discretion	-3.25	-0.10	5.95

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.43	3.40	3.42
U.S. AA	3.46	3.44	3.44
U.S. A	3.84	3.81	3.81
U.S. Baa	4.48	4.45	4.26
U.S. Municipal	3.60	3.57	3.57
Michigan	3.73	3.73	3.72

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	21.87	19.08	1.14
S&P 400 - Mid Cap	15.64	16.31	1.38
S&P 600 - Small Cap	14.51	15.80	1.61

Sources: FactSet, Federal Reserve, Nvidia Q3 Report