



BULL & BEAR
RESEARCH

Fall 2025 Market Insights Report

Issue IV

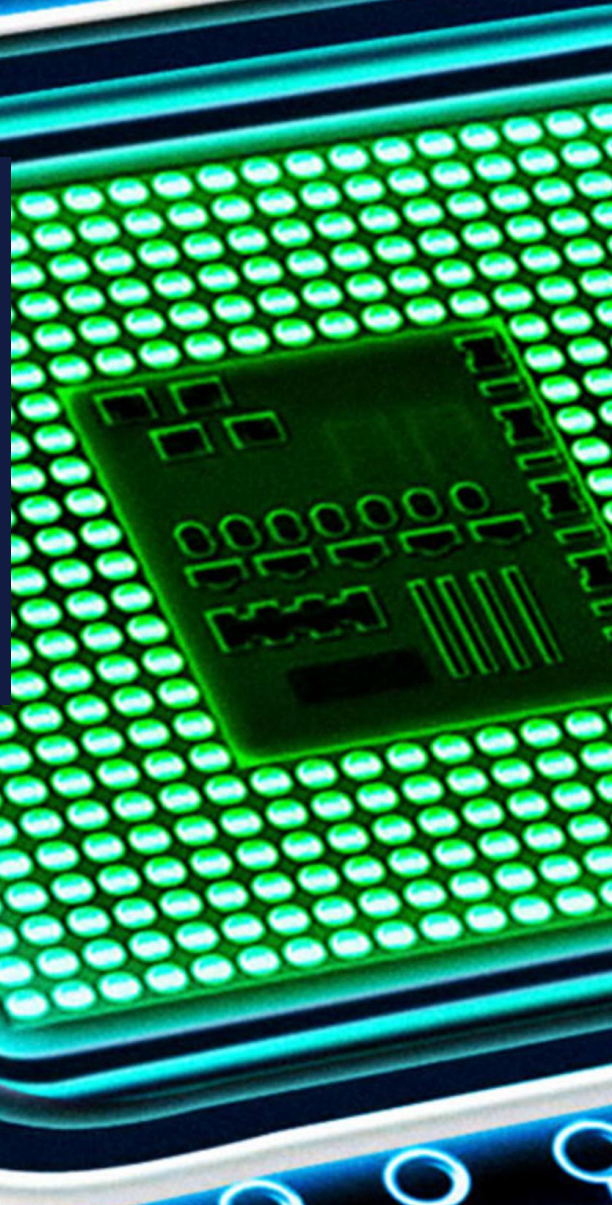


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Global Outlook

Global Equities Extend Their Lead Over U.S. Stocks

While U.S. stocks continued to break records through 2025, international markets quietly outperformed them by the widest margin in over a decade. The MSCI All Country World Index climbed 26% year-to-date, compared with a 15% rise in the S&P 500. The difference highlights the growing value in global equities amid signs of slower U.S. growth and a cooling labor market.

Much of the global rally has been driven by currency tailwinds, trade recovery, and attractive valuations. A weaker U.S. dollar also amplified returns in foreign markets, which many institutional investors are taking advantage of. The Korea Composite Stock Price Index (KOSPI) surged over 60% this year, fueled by semiconductor exports and AI-related investment flows. In comparison, Japan's Nikkei 225 rose 24% as corporate reforms and a stable yen attracted global funds.

The performance of global equities underscores a shift in fundamental sentiment. After years of U.S.-focused investing, markets have repriced international equities as a viable and multi-asset investment strategy.

Trump Pushes to Finalize Trade Deals During Asia Tour

On October 28, 2025, President Trump began his tour of Asia, aiming to secure trade deals with key regional partners and finalize an agreement with China. The trip includes stops in Japan, South Korea, Malaysia, and India, marking a crucial moment for Trump's broader trade agenda as he seeks to convert early tariff frameworks into actionable deals.

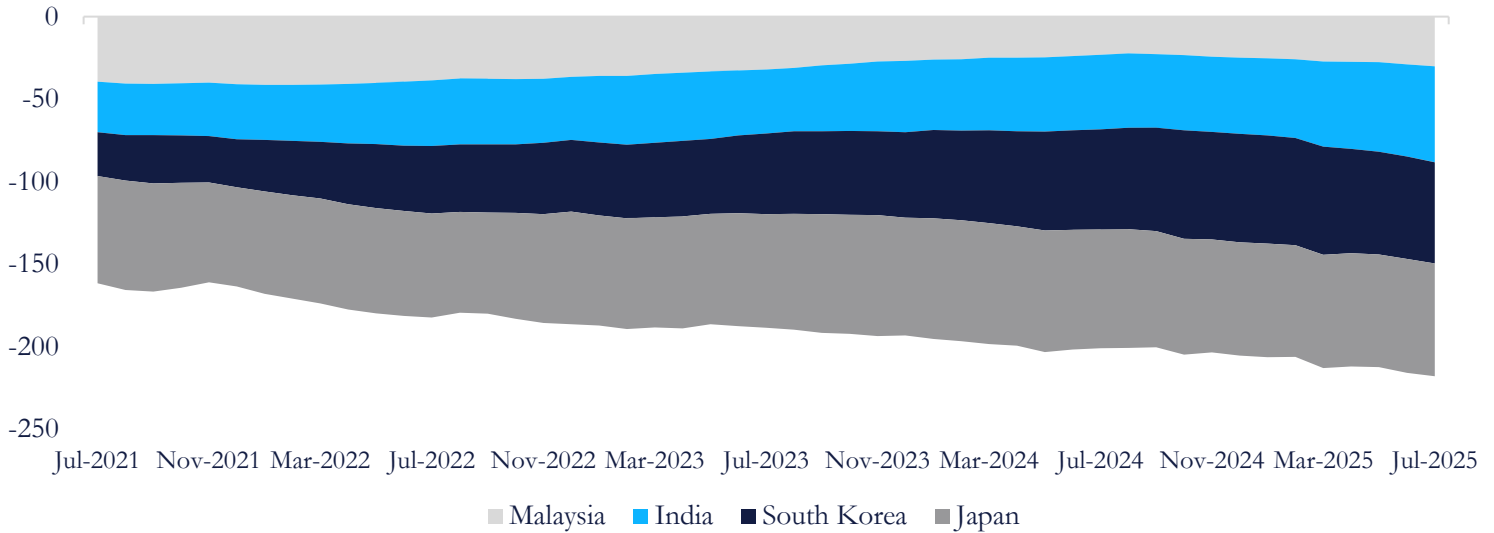
In Tokyo, Trump and Japanese Prime Minister Sanae Takaichi signed an agreement to deepen trade ties and secure supply chains for rare earth minerals. Japan has agreed to an investment of \$550 billion in the U.S. over the next few years in exchange for a 15% tariff on most U.S. imports from Japan. Trump praised the meeting as the start of a "new golden age" in U.S.-Japan relations. Beyond Japan, Trump has announced quick wins with Malaysia and Cambodia, signaling early momentum in Southeast Asia and demonstrating the administration's ability to move rapidly on smaller-scale deals with willing partners in the region.

However, larger deals with key economies remain unresolved. In July, South Korea agreed to invest \$350 billion in the U.S. in exchange for lower tariffs on autos and other goods. However, the two countries continue to debate the payment structure, leaving the deal incomplete. India, facing a 50% U.S. tariff and falling exports, is under pressure to reach a compromise after Prime Minister Narendra Modi skipped an in-person meeting with Trump in Malaysia. Australia also remains in negotiations with no finalized agreement.

Economists note that Trump's preference for headline agreements over detailed frameworks has caused delays in implementation. Still, administration officials say progress in Asia could strengthen Trump's trade credibility and offset political backlash at home. Economically, the outcome of Trump's Asia tour could shape global supply chains and regional investment flows. Successful deals would bolster U.S. manufacturing exports and reinforce America's presence in Asian trade, while further delays risk giving competitors greater influence in the region.

Metric	\$ (USD)
S&P 500	\$6,840.20 +0.26%
DJIA	\$47,562.87 +0.09%
NASDAQ	\$23,724.96 +0.61%
Russell 2000	\$2,479.38 +0.54%
FTSE 100	\$9,717.25 -0.44%
Nikkei 225	\$52,411.34 +2.12%
WTI Crude	\$60.88 +0.51%
10-yr Treasury	4.079%

U.S. TRADE BALANCE IN GOODS BY COUNTRY (IN \$B)



Note: 12-month rolling totals

Australian Inflation Surge Ends Hopes for Rate Cuts

On October 28, 2025, data from the Australian Bureau of Statistics showed that consumer prices rose 1.3% in the third quarter and 3.2% from a year earlier, surpassing expectations and eliminating the possibility of near-term interest rate cuts. This marked the largest quarterly rise in inflation since early 2023, fueled by sharp increases in housing, recreation, and transport costs.

Electricity prices jumped 9% during the quarter and 23.6% year-over-year as government energy rebates expired in several states. Core inflation, measured by the trimmed mean, climbed to 3.0% from 2.7% in the previous quarter, marking the first increase since late 2022.

With inflation now above the Reserve Bank of Australia’s (RBA) 2–3% target range, economists say the central bank will almost certainly hold rates steady in November and may pause further easing into 2026. Capital Economics’ Marcel Thieliant said inflation “vastly overshot” RBA forecasts, signaling that policymakers will need to maintain a tighter stance to stabilize prices.

The data suggests that while Australia’s economy remains resilient, higher energy and housing costs could weigh on consumer spending and delay any monetary relief, keeping financial conditions tighter well into next year.

America This Week

Amazon Slashes Corporate Workforce by 14,000 Jobs

On October 28th, Amazon [NYSE: AMZN] announced that layoffs affecting 14,000 white-collar employees. This is the first step in a cost-cutting move that may cut as many as 30,000 jobs for the online retail giant. This comes as Amazon hopes to “slim down and conserve cash”, although the final number of affected workers has not been set in stone.

In total, roughly 10% of Amazon’s corporate workforce is planned to be cut, with layoffs extending beyond this week. Countless roles across the organization have been affected, including human resources, cloud computing, advertising, and more.

Amazon’s Senior Vice President Beth Galetti announced these layoffs are a way to “get even stronger by further reducing bureaucracy, removing layers, and shifting resources...” The retailer will offer certain employees 90 days to apply for internal roles, but not all.

These cuts follow a broader trend of large companies reducing their workforces amid the rise of artificial intelligence. Corporate leaders across industries are faced with rising prices of manufacturing and increasing tariff volatility from President Trump’s trade war.

Amazon Chief Executive Andy Jassy has championed a campaign to cut costs throughout FY 2025 allocate capital to AI “amid increased competition for [Amazon’s] cloud computing business”. Jassy has been open about jobs being eliminated by artificial intelligence, saying “as we roll out more Generative AI and agents, it should change the way our work is done.”

Nasdaq Hits Record as Microsoft Tops \$4 Trillion Market Cap

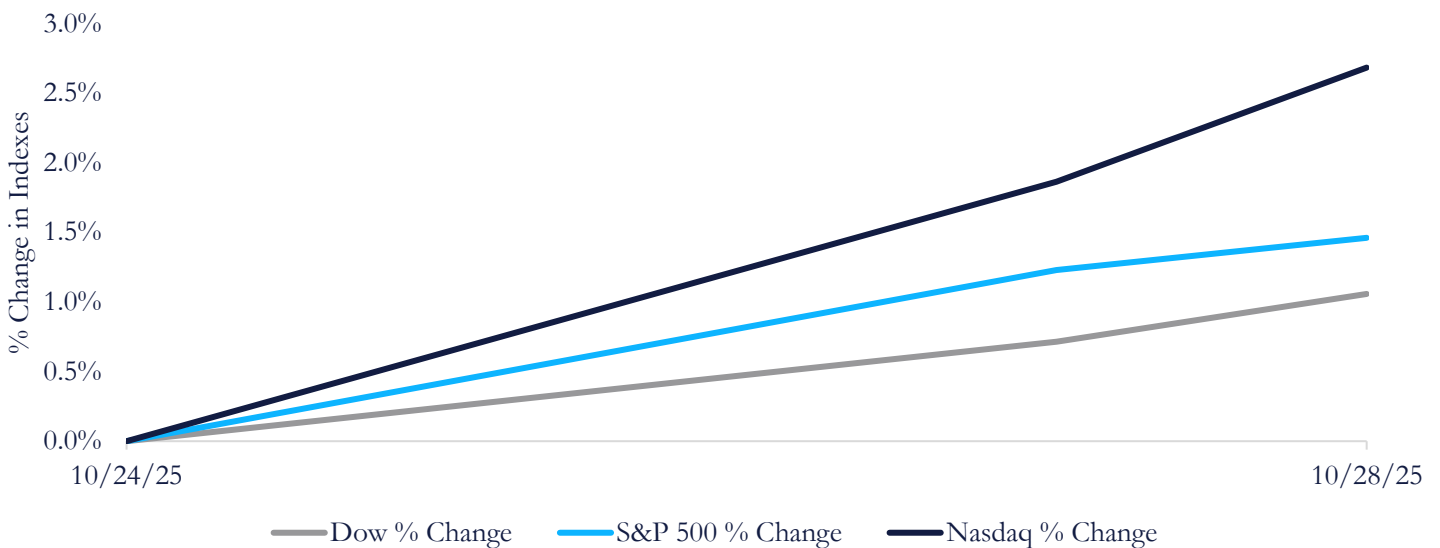
On October 28, 2025, U.S. stocks rallied to new record highs as enthusiasm around artificial intelligence and strong corporate earnings fueled investor optimism. The Nasdaq Composite climbed 0.8% to a new all-time high, while the S&P 500 rose 0.2% and the Dow Jones Industrial Average gained 0.3%.

Microsoft rose 2% to close above a \$4 trillion market capitalization for the first time after announcing a deeper partnership with OpenAI. Under the new agreement, Microsoft will take a 27% stake in OpenAI’s for-profit arm once it transitions into a public benefit corporation, strengthening its long-term role in commercializing AI products.

Nvidia shares surged 5%, pushing its market cap near \$4.9 trillion, after unveiling several new AI initiatives at its Global Technology Conference in Washington D.C. CEO Jensen Huang announced NVQLink, a new interconnect that allows quantum processors to link directly with AI supercomputers, calling it “the Rosetta Stone connecting quantum and classical systems.” Nvidia also revealed partnerships with Eli Lilly to develop the world’s most powerful pharmaceutical supercomputer and with Nokia through a \$1 billion investment to accelerate AI network applications.

The optimism extended beyond the tech sector. United Parcel Service (UPS) shares rose after the company raised its annual outlook and announced job cuts to improve efficiency. Overall, investor sentiment around AI breakthroughs and strong corporate performance drove markets higher, signaling continued confidence that artificial intelligence remains the central growth engine behind the current bull market.

U.S. STOCK INDEXES (OCT 24-28)



U.S.–Japan Critical Minerals Pact Reshapes Asian Dynamics

On October 28th, 2025, The U.S. President Donald Trump and Japanese Prime Minister Sanae Takaichi signed an agreement to secure the supply of critical minerals and rare earths through joint mining, refining, and processing initiatives. The pact, which aims to reduce global dependence on China’s near monopoly over rare earth processing, marks a significant shift in U.S. trade and industrial strategy across Asia.

The deal positions Japan as a key resource within Asia to build alternative supply chains for essential materials used in semiconductors, electric vehicles, and defense technologies. For Asian nations, this move is both stabilizing and disruptive. Economies like Malaysia, Thailand, and Australia, who are involved in talks for similar resource partnerships, stand to benefit from increased U.S. investment and diversification of mineral sourcing. However, it may also deepen economic fragmentation, as China may retaliate by tightening export controls on key metals, further testing regional trade resilience.

Analysts see Trump’s approach as part of a broader strategy to counter China’s economic influence in Asia while strengthening U.S.-aligned industrial corridors. The agreement underscores Washington’s strategy to leverage resource security as a tool of geopolitical influence, which is turning rare earth from a simple trade resource into a key instrument of influence in the Indo-Pacific region.

Macro Highlights

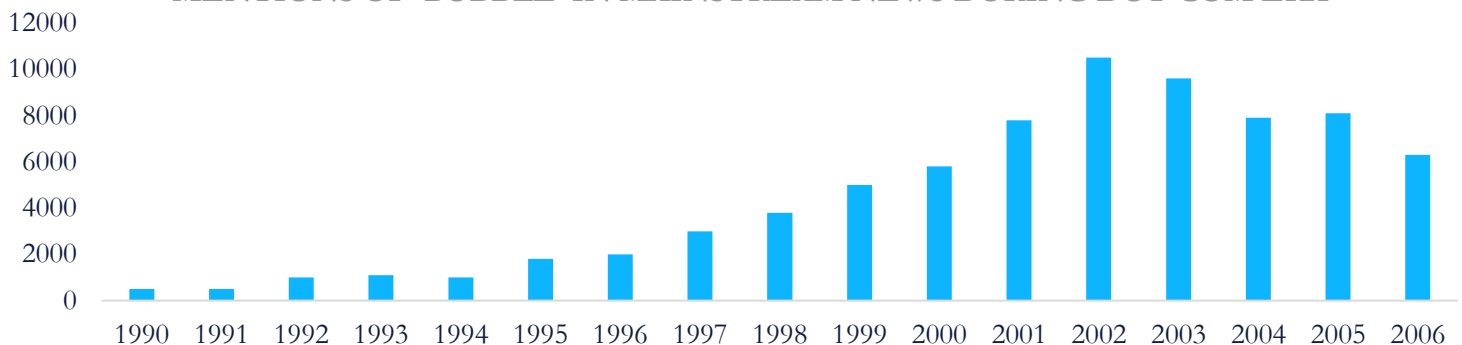
The Psychology Behind Market Bubbles

Despite repeated warnings, market bubbles often continue inflating long after investors recognize the risks. The current debate around an AI bubble resembles past eras, such as the dot-com boom, when valuations soared despite widespread skepticism. These historical trends showed that bubbles are less about ignorance and more about investor psychology.

During the dot-com era, the Nasdaq Composite climbed nearly 300% from 1996 to 2000, with internet stocks soaring an average of 74% in the week following an IPO. At the time, simply adding “.com” to a company name could trigger double-digit gains, despite little or no revenue. Even as headlines about speculative valuations became more frequent, investors remained optimistic. This stubbornly bullish stance among investors was driven solely by envy, momentum, and the fear of missing out.

The same psychology appears in today’s AI-driven rally. Technology and communication services now account for nearly 40% of the S&P 500’s total market capitalization, the highest concentration since the early 2000s. Shorting these names has proven almost impossible due to liquidity constraints and fund managers’ reluctance to go against the grain. Ultimately, bubbles persist not because investors fail to see them, but because the incentives to join outweigh the risks of staying out.

MENTIONS OF ‘BUBBLE’ IN MAINSTREAM NEWS DURING DOT-COM ERA



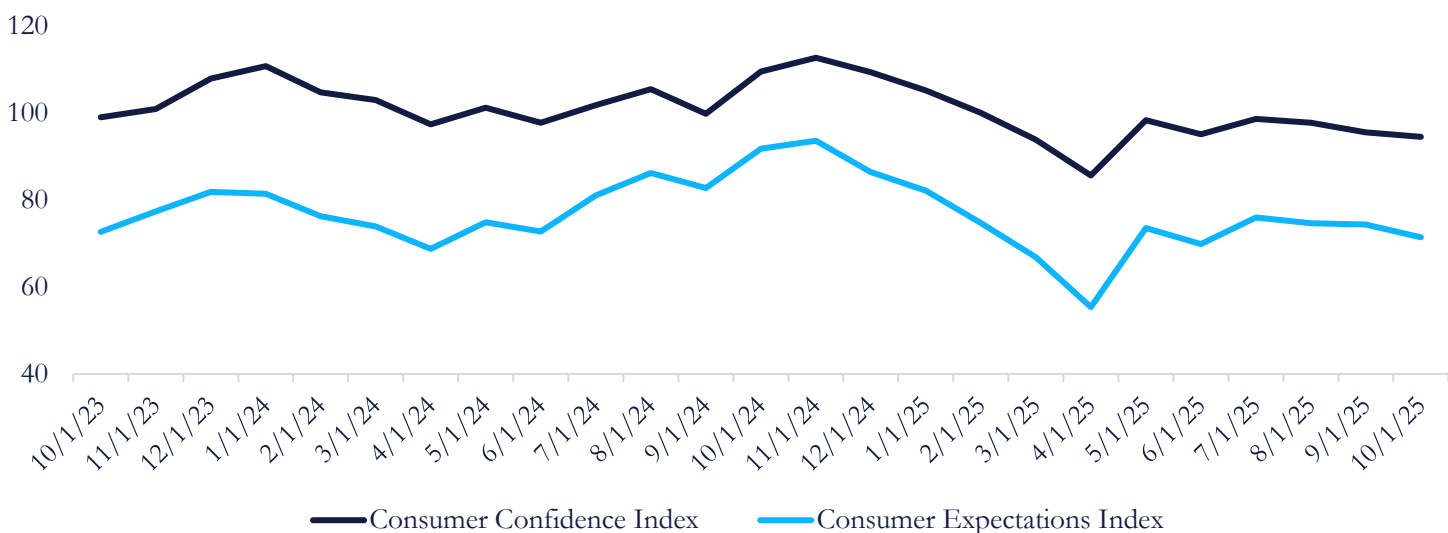
Note: Use of ‘bubble’ alongside financial words such as S&P, Nasdaq, Investor, Trade

Cautious Spending Signals Waning US Consumer Optimism

In October, US consumer confidence fell for the third month in a row, signaling concerning views of the market and economy. The Conference Board’s gauge decreased 1 point to 94.6, which is the lowest since April. A measure of expectations for the next six months dropped to 71.5, the weakest since June. Confidence remains below last year's levels, with consumers more worried about the cost of living and the market. At the same time, job growth has slowed significantly, inflation remains above the Federal Reserve's target of 2%, and President Trump's tariff policies have increased economic uncertainty.

The share of consumers who said jobs were challenging increased to 18.4% whereas those who said jobs were plentiful rose to 27.8%. With the Federal Reserve cutting interest rates by a quarter point for the second month in a row, there’s an attempt to support the labor market while stabilizing growth amid waning sentiment. As consumers grow increasingly cautious about both immediate financial pressures and longer-term economic prospects, policymakers face the challenge of restoring confidence while navigating persistent inflation and trade tensions. The coming months will test whether rate cuts and trade negotiations can reverse the sentiment decline before it translates into weaker consumer spending.

U.S. CONSUMER CONFIDENCE & EXPECTATIONS INDEX (IN POINTS)



Industry News

Oil Markets Face a Delicate Rebalancing Ahead of 2026

Oil prices steadied as optimism over U.S.–China trade progress balanced concerns about global supply and sanctions. Brent crude hovered near \$65.17 a barrel, while West Texas Intermediate traded around \$61.68. Analysts noted that while easing trade tensions lifted sentiment, ongoing sanctions on Russia's top oil producers, Rosneft and Lukoil, continue to cloud the outlook.

Morgan Stanley projected that oil fundamentals would rebalance in the second half of 2026, transitioning from a mild surplus toward more stable market conditions. The firm forecasted Brent crude averaging \$57.50 per barrel in the first half and \$60 in the second, supported by recovering demand and a tighter forward curve. The projection also assumed that OPEC’s spare capacity and resilient U.S. production would drive stronger-than-forecast consumption.

Overall, the oil market appears to be shifting from volatility toward gradual stabilization. There are lingering risks from sanctions enforcement and uneven global growth that put downward pressure on prices. However, recent diplomatic progress and improving trade sentiment will help balance expectations and restore equilibrium in the oil market.

U.S. Launches \$1B Supercomputer & AI Pact with AMD

On October 27th, 2025, The U.S. Department of Energy (DOE) unveiled a \$1 billion partnership with AMD to build two next-generation supercomputers, dubbed Lux and Discovery, aimed at tackling scientific, energy, defense, and medical challenges.

Lux, will go live within six months using AMD's MI355X AI chips, CPUs, and networking technology, co-developed with Hewlett Packard Enterprise, Oracle Cloud Infrastructure, and Oak Ridge National Laboratory (ORNL). It's expected to deliver three times the AI capacity of current systems. While Discovery, is expected to be ready by 2029 and will be based on AMD's next-generation MI430 chips specially designed for high-end AI workloads.

Under the deal, the DOE will host the computers, while public and private investment and resources will be shared. The systems are meant to "supercharge" progress in areas including nuclear power, fusion of energy, national security, and drug discovery. Analysts see the collaboration as an example of future government-industry partnerships and reinforces U.S. leadership in AI infrastructure and reducing dependence on foreign compute capabilities.

Uber Partners with Nvidia for 100,000-Vehicle Robotaxi Fleet

Uber Technologies has announced an ambitious plan to deploy 100,000 autonomous vehicles powered by Nvidia Technology. The expansion is expected to begin in 2027 and builds on their January agreement, where Uber would share driving data to improve Nvidia's AI models and autonomous vehicle chips.

The partnership focuses on Nvidia's new Drive AGX Hyperion 10 platform. This platform allows automakers to equip vehicles with advanced sensors and autonomous-driving capabilities. Starting in 2028, Stellantis will be the first to deliver Nvidia-powered robotaxis, with Uber handling all fleet operations, such as maintenance, charging, and customer support.

The collaboration aims to reduce the cost of operating robotaxis while expanding their availability across Uber's platform. Currently, Uber offers autonomous rides in Austin and Atlanta through partnerships with Waymo, and WeRide in Saudi Arabia. The 100,000-vehicle goal includes a previously announced commitment of 20,000 Lucid and Nuro vehicles. Additionally, Uber will create a "robotaxi data factory" to collect over 3 million hours of driving data to accelerate autonomous vehicle development. For Uber, the expansion represents a strategic shift from simply hosting autonomous vehicle partners to becoming a central operator in the robotaxi ecosystem. Success could solidify Uber's dominance in ride-hailing while positioning the company to capture the economics of driverless technology as it matures.

M&A Environment

American Lending Startup Best Egg to be Acquired by Barclays for \$800m

Barclays has announced a deal to purchase Best Egg in a bet on consumer finance. The British bank [NYSE: BCS] will pay \$800 million for Delaware-based Best Egg, a startup that was founded in 2013 and lends to retail customers via an online platform. Best Egg then sells their loans to asset managers to earn fees on the facilitation and service of the debts.

Barclays will use the loan flow from Best Egg as a strategic tool to improve its relationships with asset-management clients.

The deal is set to close in 2026, as Barclays will fund the purchase by selling receivables from co-branded American Airlines credit cards. Best Egg currently services \$11 billion worth of personal loans, with \$7 billion expected to come by the end of the year. Barclays stated it plans to hold a “small amount of Best Egg’s new loans on its balance sheet.”

Best Egg is appealing to Barclays because the firm’s lending model can generate more revenue from fees in comparison to interest on loans, and Barclays is trying to earn more from these fees to protect against potential losses when central banks lower interest rates. Barclays is currently the ninth-largest issuer of American credit cards, holding 20 million customers across a suit of co-branded credit cards. Barclays earns revenue from interest payments on these cards and other associated fees.

Barclays aims to recover lost business and boost its U.S. presence through the Best Egg acquisition, noted UBS analyst Jason Napier. This move builds on last year's agreement where Barclays assumed the role as the sole provider for General Motors credit cards, a contract previously held by Goldman Sachs.

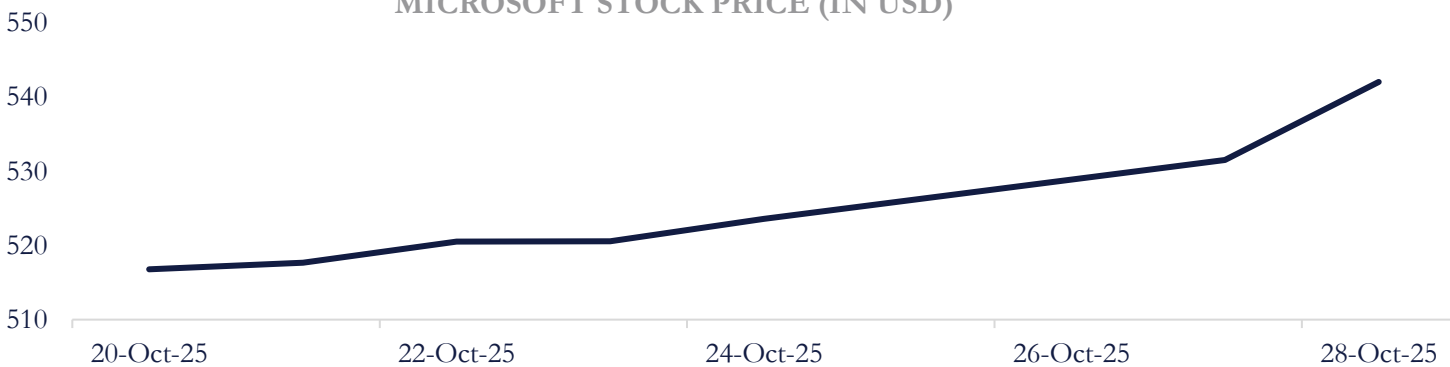
Microsoft Deepens Bet on AGI With 27% OpenAI Ownership

Microsoft Corp. has entered into an agreement for a 27% ownership stake in ChatGPT maker, OpenAI. Following almost a year of negotiations, Microsoft’s stake will be worth ~\$135 billion, according to an October 28th statement made by both companies. Additionally, Microsoft can now access OpenAI’s artificial general intelligence (AGI) models until 2032. AGI models are “a more powerful form of AI” and require certain benchmark approvals. Microsoft continues entitlement to 20% of OpenAI’s revenue, finalizing OpenAI’s corporate restructure. Although, once OpenAI achieves verified AGI, Microsoft will not be able to share in the AI company’s revenue.

OpenAI spent much of 2025 working towards becoming a traditional for-profit company to entice investors. Bret Taylor, OpenAI Chariman, stated, “OpenAI has completed its recapitalization, simplifying its corporate structure” and “The nonprofit remains in control of the for-profit, and now has a direct path to major resources before AGI arrives.”

OpenAI Group PBC will become the new for-profit, and will be overseen by the OpenAI Foundation, a nonprofit organization that will receive a 26% stake in the company. Additionally, the OpenAI Foundation will own warrants for additional shares if OpenAI Group PBC’s equity grows by more than 10x after 15 years. The restructuring may also pave the way for an IPO, although OpenAI Chief Executive Sam Altman announced it is not “top of mind”, and there is not a “specific plan” for a public offering. Ultimately, the agreement ensures OpenAI has the resources and flexibility to pursue AGI development while maintaining nonprofit oversight, a delicate balance that will shape the future of artificial intelligence.

MICROSOFT STOCK PRICE (IN USD)



Banijay to Buy Majority Stake in Tipico Group at \$5.4 Billion Valuation

French entertainment and gaming conglomerate Banijay, known for global hits like *Black Mirror* and *MasterChef*, announced Tuesday it will acquire a majority stake in Tipico Group from CVC Capital Partners, valuing the German betting company at \$5.4 billion, including debt.

The deal will merge Tipico with Banijay’s existing betting brand Betclix, doubling the size of its gambling business and positioning the combined entity as one of the largest publicly listed gaming companies in Europe by revenue. Banijay aims to leverage its media production expertise to enhance user engagement in sports betting and digital gaming, creating a unique intersection of entertainment and wagering.

This acquisition comes amid a wave of M&A transactions in the European gambling sector. Just two weeks earlier, lottery operator Allwyn and Greece’s OPAP reached an all-stock merger expected to create a European gambling giant with a combined value of €16 billion. In July, Flutter Entertainment completed a deal to acquire full ownership of FanDuel from Boyd Gaming, further consolidating its position in sports betting.

The Banijay–Tipico transaction, pending regulatory approval, is expected to close in mid-2026, which will strengthen Banijay’s footprint in the high-growth online gambling market.

Trade of the Week

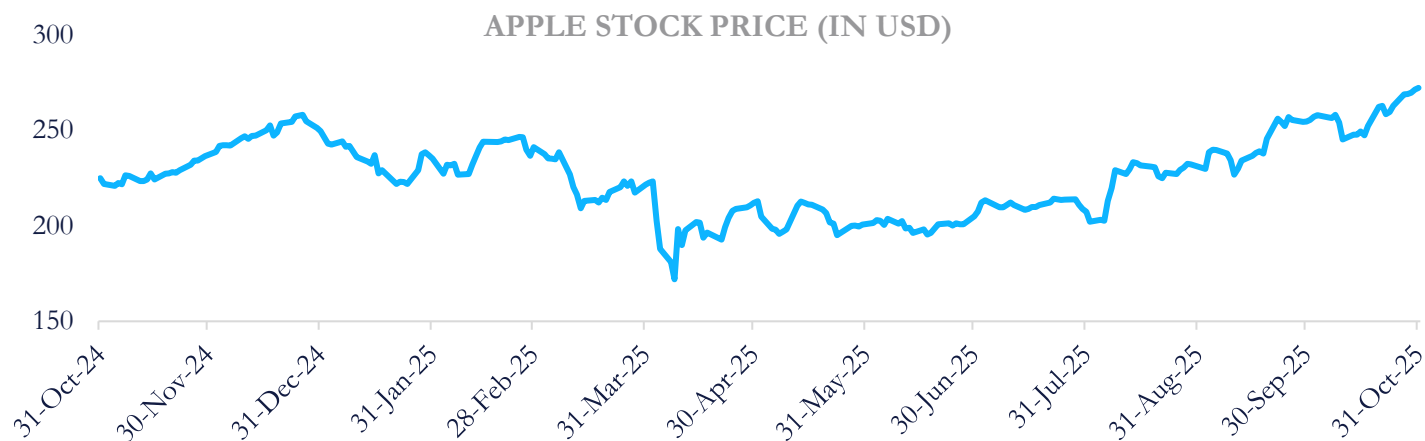
Riya Pallamreddy – Apple Stock Hitting a Record High Last Week

Apple’s stock hit a new record this week, closing at \$262.24, driven by early iPhone 17 sales outpacing last year’s iPhone 16 launch in both the U.S. and China. The strong consumer response reinforces Apple’s ability to capture demand even amid a slower global smartphone market. The stock’s surge has also pushed Apple past Microsoft to become the second-largest U.S. company by market capitalization, trailing only Nvidia.

From an investment perspective, Apple offers both growth and resilience. Its iPhone sales demonstrate continued brand loyalty, while revenue from services and wearables provides recurring, high-margin income. The global rollout of iPhone 17, paired with strong pre-orders in key markets, suggests upside potential in Q4 earnings.

Analysts see multiple catalysts for further gains: expansion in China, integration of AI features across devices, and sustained demand for premium hardware. Apple’s balance sheet strength and cash generation also support share buybacks and dividend growth, enhancing total shareholder returns.

For investors seeking a combination of steady growth, market leadership, and upside from product cycles, Apple presents a compelling buy opportunity this week, with risk mitigated by its diversified ecosystem and proven ability to innovate across hardware and software.



Analyst Outlook

Jake Eisner – Fed Delivers Second Cut, but Doubts Linger Over December Meeting

On October 29th, the United States Federal Reserve announced a rate cut of the federal funds rate. This is the second consecutive cut, bringing the target range down to 3.75%-4.00%, its lowest rate in three years. Fed Chairman Jerome Powell was widely expected to make this move; however, his remarks afterward were surprising. He emphasized that further rate cuts in December are “far from a foregone conclusion.” This quarter-point reduction will reduce the benchmark rate set by the Fed for short-term interest rates, primarily to continue efforts to help against the nationwide slowdown in hiring.

The Fed’s cut this week certainly marks the end of the easy phase of rate normalization. Markets may still price in a December reduction, but Powell’s tone suggests uncertainty. Any future move by the Chairman will heavily depend on the strength of data that comes in once the government reopens.

One final quarter-point cut remains possible this year, but it will only happen if hiring continues to weaken or if inflation trends downward further. Otherwise, the Fed should pause in December to more deeply assess the impact of its easing this year. Right now, the largest risk is over-easing into an almost mini-stagflation containing a fragile mix of soft growth and inflationary pressures.

For markets, this sets up a potentially volatile year-end: short-term yields are likely to remain elevated, equities could stabilize after their strong rally, and investors may find relative strength in high-quality credit and value-oriented stocks.