

Kisher Capital — Market Update

October 1st, 2025

-September 2025 Market Snapshot-

Asset	September-25 Return	2025 YTD Return (as of 9/30/25)
S&P 500 (SPY)	3.56%	14.66%
Dow Jones Industrial Average (DIA)	1.97%	10.27%
Nasdaq Composite (QQQ)	5.38%	17.88%
iShares Core U.S. Aggregate Bond (AGG)	1.13%	6.19%

-Three Key Stories-

1: Tricolor Bankruptcy

On September 10th, **Tricolor holdings** filed for **chapter 7 bankruptcy**. Tricolor is a provider of **subprime auto loans**. They issued auto loans across the country focusing on individuals with **lower income** and **credit scores**. Tricolor is **not looking to restructure** but to simply liquidate assets to make repayments as indicated by filing chapter 7 bankruptcy.

Tricolor has almost **25,000 creditors** when they filed for bankruptcy. Some of the major creditors include **JPMorgan and Fifth Third Bank**. Tricolor regularly packed their subprime auto loans into asset backed securities (ABS). Leading up to the bankruptcy, Fifth Third was **accusing Tricolor of fraud** with regards to some of **Tricolor's ABS disclosures**.

The full impact of this bankruptcy remains to be seen. At this point, those with auto loans are left in confusion, most employees are laid off, and creditors are at risk of significant losses. We will see full ramifications for creditors in the coming months with Fifth Third already planning to **right off hundreds of millions of dollars in losses**.

2: New Fed Governor and Rate Cut Path

In September 2025, **Stephen Miran was sworn in as a member of the Federal Reserve Board** of Governors, appointed by President Trump. Miran, a former top White House economist, has publicly called for a significant reduction in interest rates, arguing that the current 4.1% rate is overly restrictive. **He proposes a target rate closer to 2.5%**, citing factors such as declines in immigration, increased tariff revenue, and an aging population as reasons for a lower neutral interest rate.

In response to economic concerns, the **Federal Reserve** recently announced a **quarter-point rate cut**, marking the first reduction of the year. Chair Jerome Powell emphasized that the decision was **based on the evolving economic outlook and the balance of risks**, with the median participant projecting the federal funds rate to be 3.6% at the end of this year and 3.4% at the end of 2026. However, Miran dissented from this action, preferring a half-point rate cut, and warned that the current policy could lead to unnecessary job losses and higher unemployment.

3: Gold to All Time Highs

Gold and gold futures continue to move higher in the month of September. The **price of gold has hit new all-time highs** repeatedly in 2025. GLD (an ETF that holds gold) started the year at a price of 242.13 a share and **is up over 40% YTD**. This rally has been fueled not only by falling real yields, which lower the opportunity cost of holding gold, but also by record central bank purchases, rising geopolitical risks, and investor demand for portfolio diversification. While historically real yields have been the dominant driver of gold prices, **today's strength reflects a broader "safe haven" bid**, with structural demand pushing gold prices higher.

-What to Watch-

10/01/2025: US Government Shutdown Begins

10/03/2025: Unemployment Rate and Non-Farm Payrolls*

10/15/2025: September 2025 CPI Data Release*

10/9/2025: PEP, DAL, and PGR report earnings, starting quarterly earnings reports.

10/29/2025: Oct-25 Federal Reserve Meeting and Fed Funds Rate Announcement

* US Government shutdown could delay the release of these numbers.



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