



BROWN & ASSOCIATES
INVESTMENT SERVICES, INC.



BRUCE T. BROWN

1005 Hay Street • Suite 100
Fayetteville • North Carolina 28305
(910) 485-2672 • www.browncandassociatesis.com

"Partners in Your Financial Future"

Securities and investment advisory services offered through **Osaic Wealth, Inc.** member FINRA/SIPC. **Osaic Wealth** is separately owned and other entities and/or marketing names, products or services referenced here are independent of **Osaic Wealth**.

KAREN BROWN TISDALE

Financial News

4TH QUARTER 2025

What's the Outlook for Interest Rates?

The business of making forecasts can be a slippery slope. But some investors are willing to "put their money where their mouth is" when it comes to making predictions about what's next for short-term interest rates, so it can be helpful to check out what they think is going to happen.

As you can see, speculators anticipate the Fed will lower short-term rates three times in the next 12 months from the current range of between 3.75 percent and 4 percent. And these speculators can place trades if they have a strong enough conviction about the future.

Following the Fed's October meeting, Fed Chair Powell said he wasn't certain about whether the Fed would adjust rates again in 2025, which jolted the financial markets. Speculators had assumed there was one more rate change "penciled in" for 2025, so the news caught some by surprise.

"A further reduction in the policy rate at the December meeting is not a foregone conclusion," Powell said.

That's an important sentence for all investors to keep in mind.

The Fed's job is to constantly monitor the economy as it sets monetary policy. There are no foregone conclusions—only speculators who attempt to anticipate what's next.

If rates do trend lower, that may affect everything from mortgage rates to credit cards to automobile loans. It may also prompt a review of some fixed-rate investments.

But let's not put the cart in front of the horse!

If Fed Chair Powell is not ready to make any conclusion, it's best for everyone to adopt a wait-and-see approach before making any decisions.

Market Outlook for Interest Rates

Market participants anticipate the Fed will cut short-term rates three times in the next 12 months

The Fed's next meeting ends on December 10. So much can change between now and then!

FOMC Meeting Date	2.75% - 3.0%	3.0% - 3.25%	3.25% - 3.5%	3.5% - 3.75%	3.75% - 4.0%
12/10/2025	0%	0%	0%	76.8%	23.2%
1/28/2026	0%	0%	25.5%	59%	15.5%
3/18/2026	0%	8.5%	36.6%	44.6%	10.4%
4/29/2026	2%	15.2%	38.5%	36.4%	7.9%
6/17/2026	9.5%	28.4%	37.3%	20.2%	3.4%
7/29/2026	16%	31.5%	31.5%	14.5%	2.2%
9/16/2026	21.9%	31.5%	25%	9.8%	1.4%

The CME Group publishes a table showing the Federal Funds Rate's probability by the FOMC's scheduled meeting dates. The blue highlights show the highest probability by meeting date.

The CME Group's table changes daily. Probabilities are based on assumptions and are subject to revisions. Financial, economic, political, and regulatory issues may cause the actual results to differ from the expectations expressed in the table. The data and output from this tool do not constitute investment advice and are not a personal recommendation from CME Group. Any investment activities based on the table are at the sole risk of the investor. A partial table is shown for illustrative purposes.

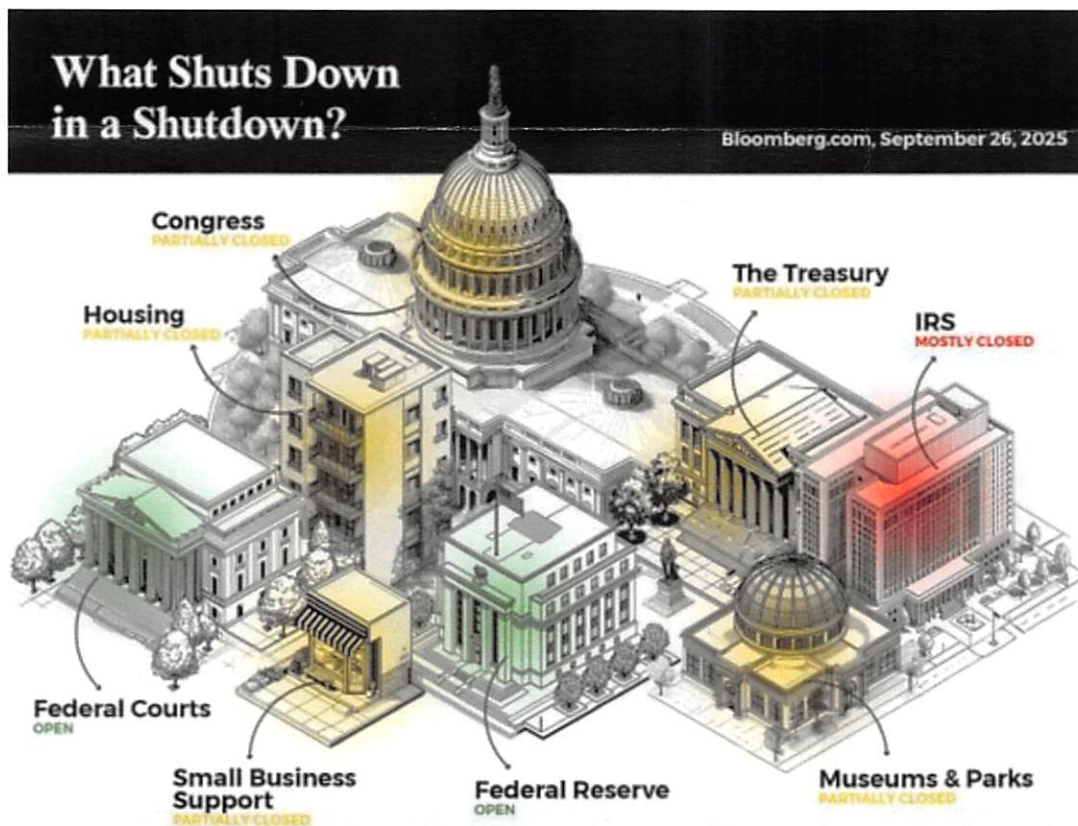
CME Group, October 30, 2025

Government Shutdown Update

As the government shutdown lingers, I'm answering more questions about, "How long is this going to last?"

I can only point to history as a guide. Since 1976, we've experienced 20 shutdowns, averaging eight days in length. The longest (2018-2019) lasted 35 days. So, unless you have a trip to the Smithsonian scheduled, you might not even notice. (BTW, the Smithsonian initially said it would close on October 6, but now plans to remain open until the 12th!)

Refer to the illustration below to get an idea of what shuts down during a shutdown. However, as you can see from the Smithsonian example, it's a fluid situation. So check first, and **please don't see the shutdown as a reason to delay any federal tax obligations.**



As always during a shutdown, the top concern is whether Social Security beneficiaries will continue to receive their checks.

According to a blog posted on the Social Security website. "We want you to know that during the federal government shutdown, payments to all people who currently receive Social Security benefits and Supplemental Security Income (SSI) will continue with no change in payment dates. You will still receive your payments on time."

Pro tip: If possible, consider waiting a few days if you need to visit a Social Security office. Social Security says, "Our local offices will remain open to the public but will provide reduced services." So you've been warned!

Whatever happens next, we'll be right here to help you through it. If you have any questions, please don't hesitate to reach out. We're happy to pass along any information we may have.

Tariffs Begin To Impact Consumers And Businesses

New research shows that tariffs introduced this year are driving measurable inflationary pressure across multiple industries. According to the Federal Reserve Bank of St. Louis, tariffs added 0.5 percentage points to overall inflation between June and August. Prices rose most sharply in categories such as furniture, car parts, electronics, and musical instruments, as importers passed on the costs to consumers. Economists estimate that up to 55% of tariff-related costs will ultimately be passed on to consumers, while the remaining costs will be absorbed by businesses and foreign exporters. Analysts warn that ongoing uncertainty around trade policy could keep prices volatile into next year.



Medicare Shoppers Face Fewer Prescription Drug Options

Medicare shoppers will see fewer stand-alone prescription drug plans for 2026, continuing a multi-year decline in available options. According to KFF, the average number of Part D plans per market will drop from 12–16 this year to 8–12 next year, and only a handful will remain premium-free for those with low-income subsidies. Insurer participation has also declined, with Elevance leaving the market entirely. While premiums are expected to fall about 10% to an average of \$34.50 a month, many plans are raising deductibles or tightening formularies — meaning fewer drugs may be covered. The changes come as the Inflation Reduction Act's new \$2,100 annual out-of-pocket cap for 2026 reshapes insurer costs and plan offerings.



KAREN'S & BRUCE'S NOTES

We hope this newsletter finds you all well as the Fall season with its beautiful leaves is well under way. We are sending this quarterly update to provide our continued perspective on the stock market and economic situation. This past quarter has been marked by much turbulence, both up and down, with the most current distraction being the government shutdown caused by the congressional budget dispute. This writing is taking place on Tuesday, the 11th of November, and with the Senate reaching an agreement yesterday and the House of Representatives scheduled for a vote later this week, we are hopeful that the issue will be resolved and things will stabilize. The Federal Reserve Board lowered interest rates at their November meeting which is what most had expected. With that interest rate cut, and hopefully a successful budget agreement, we expect that eventual upward market trend to continue. Lower rates make borrowing more cost-effective which helps everyone and tends to stimulate business. Again, as stated in our last newsletter, a Republican controlled House and Senate which we now have tends to be pro-business and tends to be positive for the markets. The bottom line is that 2025 has been a good year, and we are hopeful it will finish well.

As always, we thank you for your continued trust and confidence and encourage you to call or email us with any concerns or questions. We send you our sincere best wishes for a blessed and happy upcoming holiday season. We appreciate you allowing us the opportunity of being part of your family.

Bruce

Karen

Resources:

<https://apnews.com/article/medicare-part-d-prescription-coverage-enrollment-8cf0b1460e84367cdba7002147165a50>

TheHill.com, October 3, 2025. "Smithsonian museums to close Oct. 12 if shutdown persists."USAToday.com, October 1, 2025. "Did the government shut down last night? Here's what to know"blog.SSA.gov, October 1, 2025. "What the Federal Government Shutdown Means to You

<https://www.cbsnews.com/news/inflation-tariffs-trump-prices-cons>

CNBC.com, October 29, 2025. "Fed cuts rates again, but Powell raises doubts about easing at next meeting"

