



RESEARCH

Insights

Monthly Equities and Options Market Metrics and Trends: October

Analyzing Volatility, Market Performance, and Equity and Options Volumes
Plus a Look at a Key Equity Markets Theme for the Month

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Market Theme

- Markets continue to push upward, posting a record S&P 500 level of 6,890.89 on October 28th.
- The S&P 500's concentration has continued to intensify, as high-growth stocks command larger index weights, contributing to rising valuations and earnings expectations.

Market Metrics

- Volatility Index (VIX): Monthly average 18.09%; +2.31 pp M/M, -1.87 pp Y/Y
- S&P 500 (Index): Monthly average 6,735.69; +2.3% M/M, +16.3% Y/Y
- S&P 500 Sector Performance:
 - Best = Technology +6.2% M/M / Technology +29.3% Y/Y
 - Worst = Materials -5.1% M/M / Consumer Staples -0.6% Y/Y
- Equity Average Daily Volume (ADV): Monthly average 21.0 billion shares; +14.7% M/M, +80.0% Y/Y
- Options ADV: Monthly average 70.7 million contracts; +9.2% M/M, +49.9% Y/Y

Market Theme

Upward Momentum Continues: Analyzing the Drivers

Markets continued to climb in October with the S&P 500 up 14.1% year to date, reaching record highs before turning down slightly to end the month. The boom in technology, amplified by opportunities around AI, has pushed companies to trillion-dollar valuations and markets to record levels. In this note, we analyze the drivers of market performance and the sustainability of this trend.

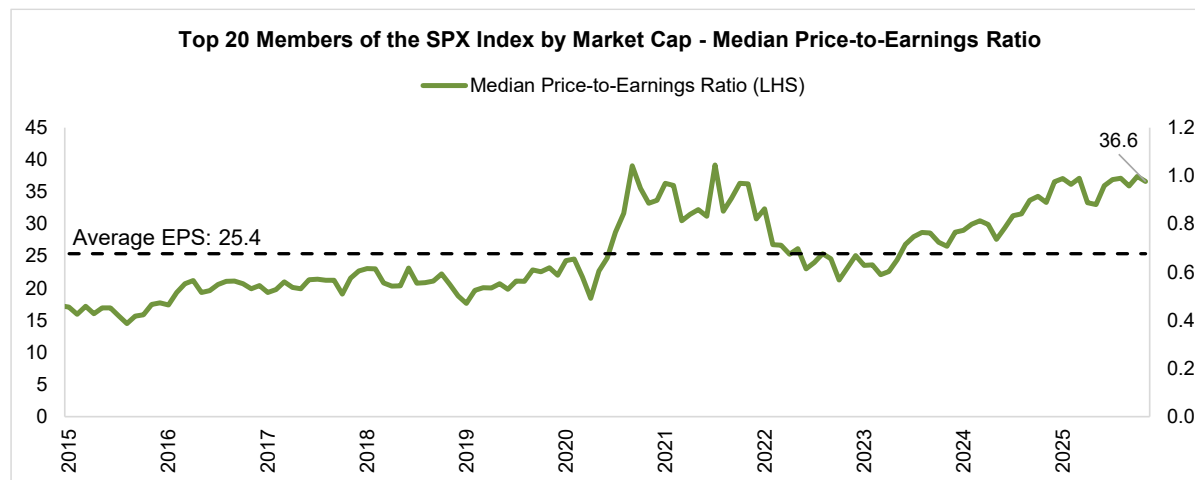
To determine what is driving the growth in the SPX Index, an often-cited approximation of equity market performance, we focus on the companies in the S&P 500 with the largest market capitalization, and therefore the greatest weight in the index. Investors' growth expectations for these companies drive an increase in their share prices, and therefore their market caps (assuming no change in shares outstanding), which leads to an outsized effect on the index due to its market cap-weighted construction. One way of determining investors' future expectations for a company is through an examination of its forward Price-to-Earnings Ratio (P/E Ratio), with a high P/E ratio indicative of investors' expectations of high earnings growth in the future. Below, we examine below the price-to-earnings ratios of the highest-weight companies in the SPX Index for October 2024 and October 2025.

Top 20 Members of the SPX Index by Weight - October 2024					Top 20 Members of the SPX Index by Weight - October 2025				
Rank	SPX Index Member	Market Cap (\$B)	SPX Index Weight (%)	P/E Ratio	Rank	SPX Index Member	Market Cap (\$B)	SPX Index Weight (%)	P/E Ratio
1.	Apple Inc	3,434.8	6.9%	33.5	1.	NVIDIA Corp	4,920.5	8.1%	59.3
2.	NVIDIA Corp	3,256.6	6.5%	62.2	2.	Apple Inc	3,995.1	6.6%	36.2
3.	Microsoft Corp	3,021.2	6.0%	33.3	3.	Microsoft Corp	3,848.6	6.4%	36.7
4.	Alphabet Inc	2,104.0	4.2%	22.9	4.	Alphabet Inc	3,396.8	5.6%	32.3
5.	Amazon.com Inc	1,956.4	3.9%	38.6	5.	Amazon.com Inc	2,610.8	4.3%	36.5
6.	Meta Platforms Inc	1,433.4	2.9%	25.8	6.	Broadcom Inc	1,745.5	2.9%	89.7
7.	Tesla Inc	802.0	1.6%	118.6	7.	Meta Platforms Inc	1,634.5	2.7%	22.7
8.	Broadcom Inc	792.9	1.6%	66.8	8.	Tesla Inc	1,518.4	2.5%	328.3
9.	Eli Lilly & Co	787.7	1.6%	63.2	9.	JPMorgan Chase & Co	855.5	1.4%	15.5
10.	Walmart Inc	658.7	1.3%	34.4	10.	Eli Lilly & Co	815.7	1.3%	36.3
11.	JPMorgan Chase & Co	624.8	1.2%	12.2	11.	Walmart Inc	806.7	1.3%	40.0
12.	Visa Inc	587.4	1.2%	29.0	12.	Oracle Corp	748.6	1.2%	58.5
13.	UnitedHealth Group Inc	521.3	1.0%	22.0	13.	Visa Inc	671.1	1.1%	29.9
14.	Exxon Mobil Corp	518.8	1.0%	13.1	14.	Mastercard Inc	495.7	0.8%	34.3
15.	Oracle Corp	465.1	0.9%	41.5	15.	Exxon Mobil Corp	487.5	0.8%	17.0
16.	Mastercard Inc	458.6	0.9%	35.8	16.	Palantir Technologies Inc	475.6	0.8%	668.9
17.	Home Depot Inc/The	391.1	0.8%	26.5	17.	Netflix Inc	474.1	0.8%	46.6
18.	Procter & Gamble Co/The	389.0	0.8%	22.6	18.	Johnson & Johnson	455.0	0.8%	21.5
19.	Costco Wholesale Corp	387.3	0.8%	52.8	19.	Advanced Micro Devices Inc	415.6	0.7%	140.4
20.	Johnson & Johnson	384.9	0.8%	20.9	20.	Costco Wholesale Corp	403.9	0.7%	50.6
SPX Index Market Cap		50,054.5			SPX Index Market Cap		60,574.0		
Top 20 Combined Weight (%)			45.9%		Top 20 Combined Weight (%)			50.8%	
Top 20 Median P/E Ratio				33.4	Top 20 Median P/E Ratio				36.6

Source: Bloomberg, SIFMA estimates

Note: P/E Ratios are forward-looking ratios through the end of each company's fiscal year. "Magnificent 7" stocks are bolded. Stocks that appear in the top 20 for both 2024 and 2025 are highlighted in blue.

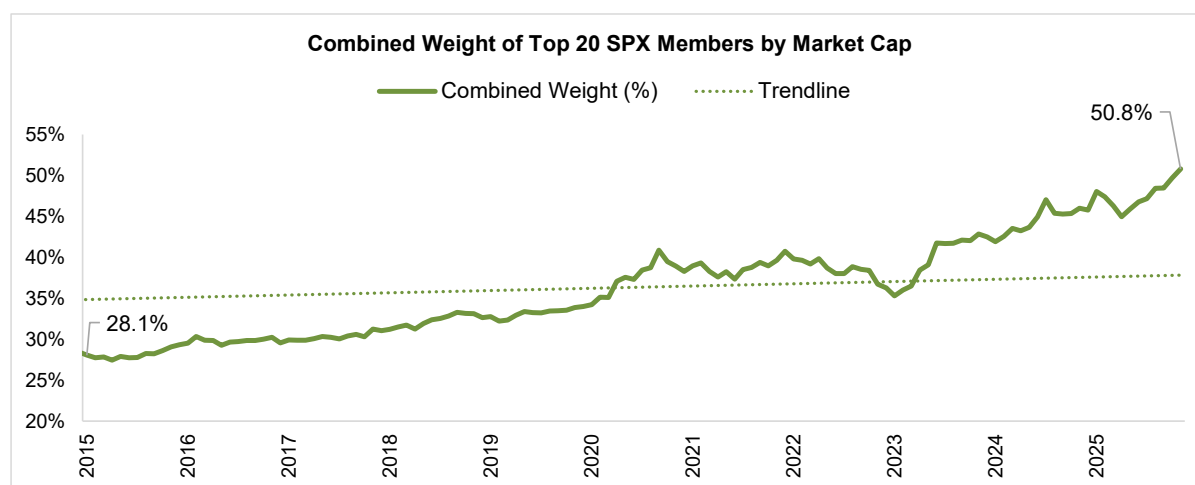
We note that, as of October 31st, 2025, the top 20 constituents of the SPX index had a median P/E ratio of 36.6. There are no official criteria for what makes a P/E ratio high or low, but we can compare this ratio to historic levels for insight. Looking at the average median P/E ratio since 2015, we see that we are at a noticeably high level today, with a median P/E ratio of 36.6 versus the historical average of 25.4. Optimism about future growth is pushing up the prices of the largest S&P 500 stocks—mainly tech firms that investors see as high-growth companies—thereby lifting the forward P/E of the index overall.



Source: Bloomberg, SIFMA estimates

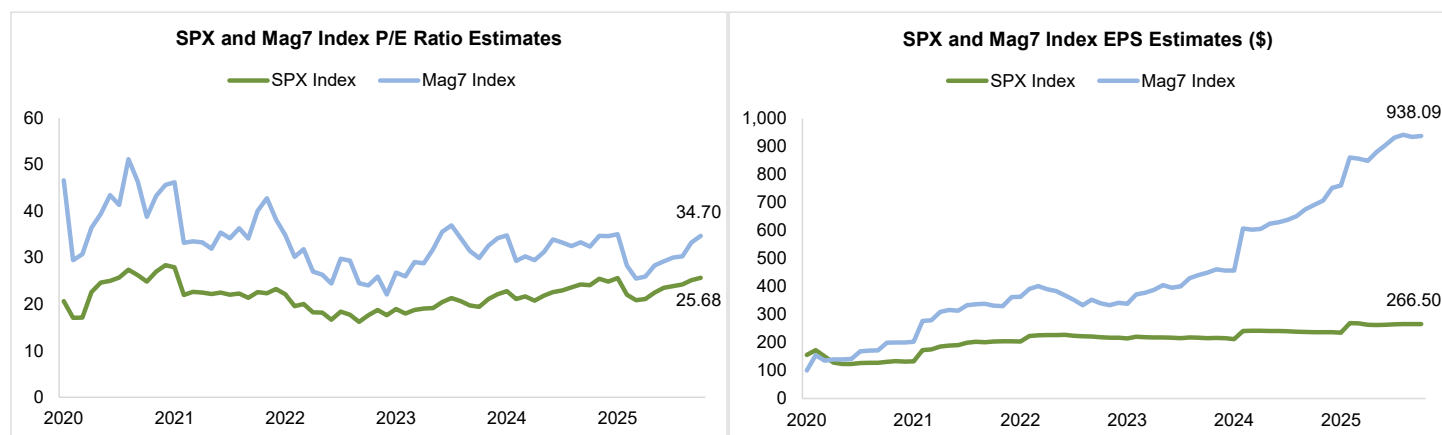
Note: P/E ratios are forward-looking through the end of each company's fiscal year.

The concentration of the SPX Index is increasingly being driven by a smaller number of companies. As of October 31st, 2025, the top 20 constituents of the SPX Index by market cap made up 50.8% of the weight of the index; ten years ago, the top 20 largest companies in the index comprised just 28% of the index's total value. Though these 20 companies make up over half the weight in the index, they represent only 9.1% of net income for the entire index as of October 2025. (A year ago, the 20 largest companies in the index accounted for 45.9% of the index's weight and 7.7% of its net income.)



Source: Bloomberg, SIFMA estimates

This shift towards a tech-based economy can be attributed in large part to 7 companies, dubbed the “Magnificent 7,” or “Mag7.” These companies – Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla, have been the key drivers of the increasing concentration of market weights and expected performance P/E ratios of the Mag7 companies consistently have been above those for the SPX as a whole.



Source: Bloomberg, SIFMA estimates

Note: P/E ratios and EPS estimates are forward-looking through the end of each company's fiscal year. If a company's fiscal year does not match the calendar year, Bloomberg blends or prorates the relevant fiscal periods to construct a synthetic calendar year value.

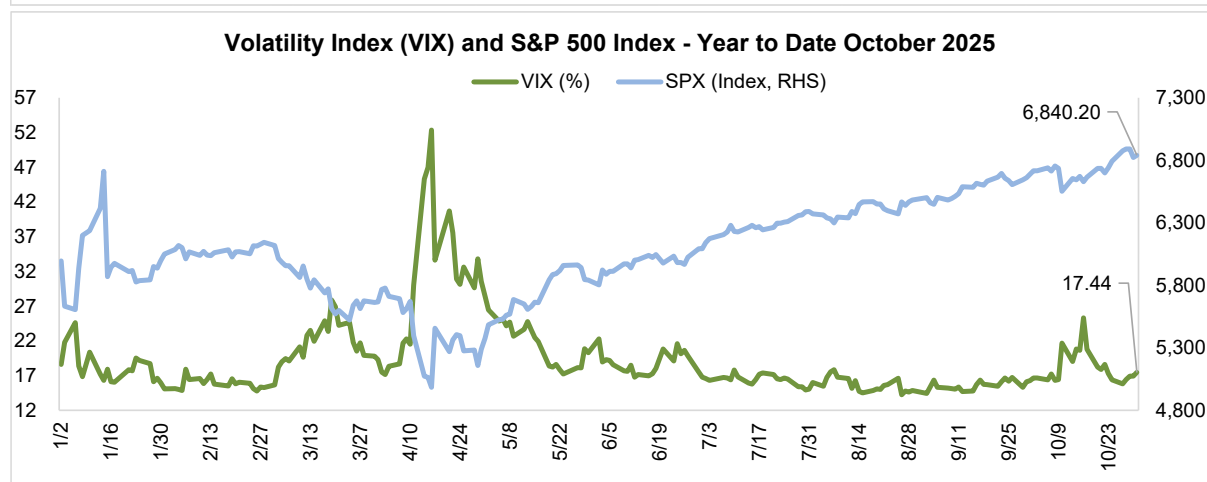
High P/E ratios and earnings estimates indicate high expectations for growth, but this does not necessarily mean markets are rising purely from excitement. The growth anticipated from the AI boom may very well materialize, fueling above-trend growth in earnings. On the other hand, the AI boom could lead to disappointment, followed by decreased stock prices (as occurred following the dot-com bubble). Either way, it is unlikely the ratios will remain elevated in the long term. The extent to which either scenario plays out will remain a focus for many investors in years to come.

Market Metrics

In this section, we highlight the monthly market trends for volatility, price, and volumes.

Volatility Index (VIX) and S&P 500

	Monthly Average	M/M Change	Y/Y Change	Monthly Peak	Monthly Trough
Volatility Index (VIX)	18.09%	+2.3 pp	-1.9 pp	25.3%	15.8%
S&P 500	6,735.69	+2.3%	+16.3%	6,890.89	6,552.51



Source: Bloomberg, SIFMA estimates

S&P 500 Index: Sector Breakout

Looking at market performance by sector, we highlight the following:

- Best performing sectors
 - Month = Technology at +6.2% and Healthcare at +3.5%
 - YTD = Technology at +29.3% and Communications at +25.8%
- Worst performing sectors
 - Month = Materials at -5.1% and Financials at -2.9%
 - YTD = Consumer Staples at -0.6% and Real Estate at +0.7%

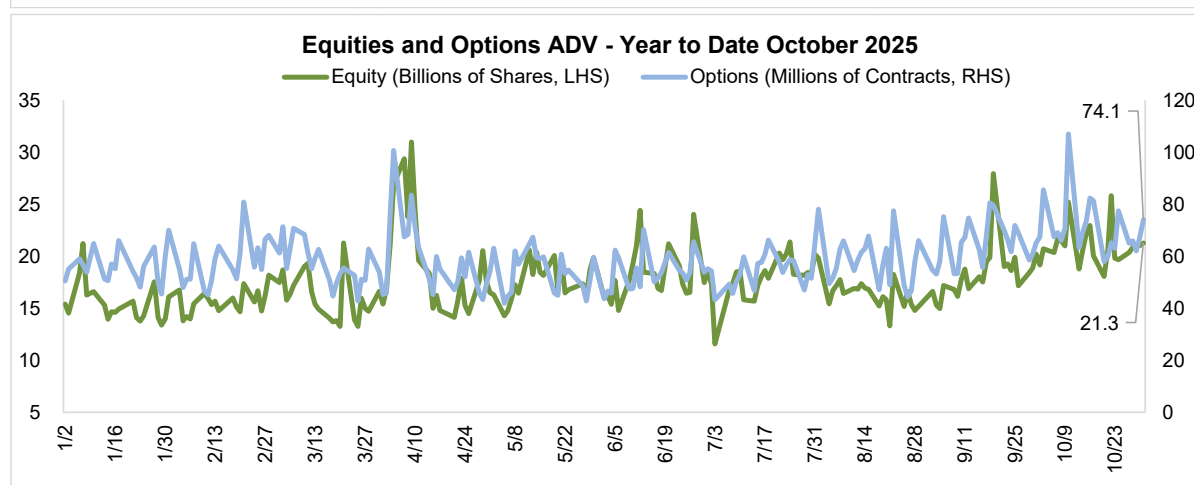
Sector	October	
	% Change M/M	% Change YTD
SPX	2.3	16.3
Information Technology (36.1%)	6.2	29.3
Financials (12.9%)	-2.9	8.2
Consumer Discretionary (10.5%)	2.4	7.2
Communication Services (10.1%)	1.7	25.8
Health Care (9.0%)	3.5	4.7
Industrials (8.1%)	0.4	17.6
Consumer Staples (4.7%)	-2.6	-0.6
Energy (2.8%)	-1.2	3.0
Utilities (2.3%)	2.0	17.5
Real Estate (1.8%)	-2.7	0.7
Materials (1.7%)	-5.1	2.2

Source: Bloomberg, SIFMA estimates

Note: Sectors are ordered by their respective weights in the SPX Index, which are indicated in parenthesis.

Equity and Options Volumes (ADV)

	Monthly Average	M/M Change	Y/Y Change	Monthly Peak	Monthly Trough
Equities ADV (Bil. Shares)	21.0	14.7%	80.0%	25.8	18.1
Off-Exchange (%)	52.3%	+1.3 pp	+3.5 pp	-	-
Options ADV (Mil. Contracts)	70.7	+9.2%	+49.9%	107.0	57.9
Equity Options	65.1	+9.6%	+50.9%	-	-
Index Options	5.6	+5.1%	+39.2%	-	-



Source: Cboe Global Markets, SIFMA estimates

Note: Equity and options values reflect average daily volumes across all US equity and options exchanges.

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