

Weekly Market Update



Market Data as of Week Ending: 8/1/2025 unless noted otherwise

U.S. equity markets pulled back last week as a mix of policy headwinds, weaker economic data, and a few disappointing high-profile earnings disrupted the momentum that had carried major indices to record highs just days earlier. Trade deals and tariffs played a big role in shaping market sentiment during the week, leading up to President Trump’s August 1 deadline for new agreements. On Thursday, he signed an executive order to increase tariffs on most U.S. trading partners starting August 7, which seemed to drag down the stock market on Friday morning. Earnings were another area of focus during the week, as 66% of the S&P 500 have now reported, 82% have beaten consensus earnings estimates, with a blended earnings growth rate of 10.3% - significantly higher than the projected 5.0% earnings growth rate entering earnings season. Small-sized companies underperformed their larger company peers while growth outperformed value. All but two of the major economic sectors in the S&P 500 finished the week lower as utilities and communication services managed to end the week in the green. Out of the other nine sectors, materials and consumer discretionary fared the worst. Foreign equities also sold off, as developed markets underperformed and emerging markets lagged their domestic counterparts.

Fixed-income results were positive as treasuries rallied sharply into the end of the week amid soft data and rising expectations for a September rate cut. The 2-year yield fell 25 basis points to 3.69%, and the 10-year yield declined 14 basis points to 4.23%. Long-duration bonds outperformed short-duration bonds, while quality generally outperformed. Bond yields decreased for investment-grade corporate bonds, ending the week at 4.95%, while high-yield corporates rose to 7.38%, respectively.

Economic data delivered generally weaker results, headlined by Friday’s labor report. Tuesday’s consumer confidence report was a bright spot as it showed rising confidence levels in July, driven primarily by the expectations index. Q2 GDP report showed the U.S. grew by a 3% annual pace over the quarter, fueled by the decrease in imports. June’s PCE report showed the biggest jump in four months, rising 0.3%. This pushed the annual inflation rate to 2.6% as the impact of higher U.S. tariffs started to show up in the economy. The ISM manufacturing index fell to 48.0% in July, marking the fifth straight month in contraction territory. July’s nonfarm payrolls showed the U.S. added just 73,000 new jobs over the month, well below estimates. The May and June readings were also revised lower by a total of 258,000, indicating that the labor market has cooled much more significantly than many had thought in recent months.

U.S. Equity Returns (Size & Style - Russell)												
	Value	<u>Week</u> Core	Growth	Value	<u>MTD</u> Core	Growth	Value	<u>QTD</u> Core	Growth	Value	<u>YTD</u> Core	Growth
Large	-3.12%	-2.41%	-1.75%	-1.29%	-1.63%	-1.94%	-0.72%	0.56%	1.77%	5.24%	6.71%	7.97%
Mid	-3.29%	-3.03%	-2.25%	-1.28%	-1.37%	-1.65%	0.49%	0.46%	0.34%	3.63%	5.32%	10.16%
Small	-5.21%	-4.16%	-3.16%	-2.12%	-2.03%	-1.94%	-0.39%	-0.33%	-0.27%	-3.54%	-2.11%	-0.75%

U.S. Fixed Income Returns (Quality & Duration - Bloomberg)												
	Short	<u>Week</u> Interm	Long	Short	<u>MTD</u> Interm	Long	Short	<u>QTD</u> Interm	Long	Short	<u>YTD</u> Interm	Long
Govt	0.60%	0.78%	1.96%	0.60%	0.73%	1.33%	0.44%	0.47%	0.41%	3.90%	4.46%	3.51%
Corp	0.51%	0.67%	1.21%	0.49%	0.60%	0.80%	0.59%	0.73%	0.73%	4.42%	5.21%	4.39%
HY	-0.15%	-0.16%	-0.08%	-0.13%	-0.13%	-0.24%	0.41%	0.31%	0.76%	4.51%	4.89%	5.50%

Index Returns					S&P 500 Sector Returns				
	Week	MTD	QTD	YTD		Week	MTD	QTD	YTD
Equities (Stocks)					Consumer Disc	-4.54%	-3.59%	-1.05%	-4.87%
S&P 500	-2.34%	-1.60%	0.61%	6.85%	Consumer Staples	-1.10%	0.55%	-1.83%	4.45%
S&P MidCap 400	-3.52%	-1.48%	0.12%	0.32%	Energy	-1.53%	-1.73%	1.14%	1.92%
Russell 2000	-4.16%	-2.03%	-0.33%	-2.11%	Financials	-3.73%	-1.75%	-1.80%	7.27%
MSCI EAFE	-3.13%	-0.37%	-1.77%	17.33%	Health Care	-3.86%	0.58%	-2.70%	-3.77%
MSCI Emerging Markets	-2.47%	-1.37%	0.55%	15.91%	Industrials	-3.33%	-1.46%	1.51%	14.42%
MSCI EAFE Small Cap	-1.87%	0.47%	0.39%	21.36%	Info Technology	-1.40%	-2.07%	3.01%	11.30%
Fixed Income (Bonds)					Materials	-5.40%	-0.75%	-1.19%	4.76%
Bloomberg Int Gov/Credit	0.74%	0.69%	0.55%	4.71%	Real Estate	-3.45%	-0.23%	-0.32%	3.18%
Bloomberg US Agg	0.95%	0.81%	0.55%	4.59%	Communication Svcs	0.01%	-1.65%	0.74%	11.95%
Bloomberg US High Yield	-0.16%	-0.13%	0.32%	4.90%	Utilities	1.56%	0.14%	5.08%	14.97%
Other									
Bloomberg Commodity	-2.67%	-0.54%	-1.00%	4.48%	Bond Yields				
S&P Dev Property	-2.20%	-0.09%	-1.17%	5.74%		8/1/25	7/31/25	6/30/25	12/31/24
Commodities and Currency					SOFR 3Mo Swap	4.25%	4.32%	4.30%	4.30%
	8/1/25	7/31/25	6/30/25	12/31/24	2Yr Treasury	3.69%	3.94%	3.72%	4.25%
Oil (\$/barrel)	67.33	69.26	65.11	71.72	10Yr Treasury	4.23%	4.37%	4.24%	4.58%
Gold (\$/oz.)	3363.48	3289.93	3303.14	2624.5	2-10 Slope	0.54%	0.43%	0.52%	0.33%

Past performance is not a guarantee of future results. We believe the information presented is reliable, but we do not guarantee its accuracy.