

Weekly Market Update



Market Data as of Week Ending: 9/19/2025 unless noted otherwise

Major equity indexes continued to reach new highs last week as the Federal Reserve lowered short-term interest rates for the first time in nine months. Small-caps, which are typically more sensitive to interest rates, rallied and outperformed mid and large-caps. Growth stocks extended their year-to-date lead over value stocks. Five of the eleven sectors in the S&P 500 finished higher, led once again by information technology and communication services. Foreign markets were mixed, with developed markets edging lower and emerging markets finishing higher despite a fading rally in Chinese stocks.

The Treasury yield curve steepened as money market rates declined in response to monetary policy, while longer-term yields moved higher. The two-year Treasury yield was little changed at 3.57 percent, while the ten-year Treasury yield rose to 4.14 percent. Long-duration bonds traded lower as a result of the rate moves, except in high yield, where spreads that were already historically narrow tightened further. Investment-grade corporate yields increased to 4.76 percent, while high-yield bond yields declined to 6.98 percent.

Economic data during the week centered on monetary policy. As expected, the Federal Reserve cut the target range for the federal funds rate by 0.25 percent. Chair Jerome Powell noted that risks to the labor market now outweigh risks to inflation. The updated Summary of Economic Projections showed modest increases in short-term median projections for GDP and inflation, while unemployment projections declined. Even so, the policy outlook remains uncertain, highlighted by the wide dispersion of mid and long-term rate estimates on the dot plot. The U.S. Census Bureau reported that retail sales rose 0.6 percent in August, a 4.8 percent gain from a year earlier. Although the report was mixed, results exceeded expectations and point to continued consumer strength. By contrast, housing activity softened, with building permits and housing starts falling more than anticipated at 3.7 percent and 8.5 percent, respectively.

U.S. Equity Returns (Size & Style - Russell)												
	<u>Week</u>			<u>MTD</u>			<u>QTD</u>			<u>YTD</u>		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	0.52%	1.26%	1.92%	1.04%	3.25%	5.31%	4.86%	7.77%	10.50%	11.16%	14.36%	17.24%
Mid	-0.06%	0.04%	0.34%	0.58%	0.76%	1.29%	5.46%	5.19%	4.38%	8.75%	10.28%	14.59%
Small	1.26%	2.19%	3.07%	2.19%	3.57%	4.86%	12.81%	12.89%	12.96%	9.24%	10.88%	12.42%

U.S. Fixed Income Returns (Quality & Duration - Bloomberg)												
		<u>Week</u>			<u>MTD</u>			<u>QTD</u>			<u>YTD</u>	
	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long
Govt	0.00%	-0.08%	-0.84%	0.27%	0.36%	2.74%	1.18%	1.33%	2.16%	4.67%	5.36%	5.30%
Corp	0.08%	0.02%	-0.44%	0.49%	0.85%	3.33%	1.68%	2.16%	3.95%	5.54%	6.70%	7.73%
HY	0.34%	0.33%	0.53%	0.74%	0.84%	5.79%	2.45%	2.53%	8.92%	6.64%	7.21%	14.04%

Index Returns					S&P 500 Sector Returns				
	Week	MTD	QTD	YTD		Week	MTD	QTD	YTD
Equities (Stocks)					Consumer Disc	1.45%	4.49%	10.89%	6.60%
S&P 500	1.25%	3.25%	7.71%	14.39%	Consumer Staples	-1.17%	-0.89%	-1.69%	4.60%
S&P MidCap 400	0.11%	1.04%	6.16%	6.37%	Energy	-0.02%	-1.97%	4.57%	5.38%
Russell 2000	2.19%	3.57%	12.89%	10.88%	Financials	0.84%	0.48%	3.57%	13.13%
MSCI EAFE	-0.18%	1.23%	4.06%	24.30%	Health Care	-0.61%	-0.10%	1.84%	0.72%
MSCI Emerging Markets	1.19%	6.70%	10.17%	26.99%	Industrials	0.98%	0.71%	3.74%	16.94%
MSCI EAFE Small Cap	-0.31%	1.05%	5.64%	27.71%	Info Technology	2.10%	5.47%	11.32%	20.28%
Fixed Income (Bonds)					Materials	-0.87%	-1.06%	4.18%	10.45%
Bloomberg Int Gov/Credit	-0.05%	0.51%	1.59%	5.79%	Real Estate	-1.12%	-1.03%	1.03%	4.58%
Bloomberg US Agg	-0.19%	1.15%	2.09%	6.20%	Communication Svcs	3.37%	9.56%	16.24%	29.18%
Bloomberg US High Yield	0.34%	0.93%	2.65%	7.34%	Utilities	-0.64%	0.76%	4.06%	13.85%
Other									
Bloomberg Commodity	-0.71%	0.42%	1.89%	7.52%	Bond Yields				
S&P Dev Property	-1.20%	0.13%	3.51%	10.74%		9/19/25	8/31/25	6/30/25	12/31/24
Commodities and Currency					SOFR 3Mo Swap	4.01%	4.16%	4.30%	4.30%
	9/19/25	8/31/25	6/30/25	12/31/24	2Yr Treasury	3.57%	3.59%	3.72%	4.25%
Oil (\$/barrel)	62.68	64.01	65.11	71.72	10Yr Treasury	4.14%	4.23%	4.24%	4.58%
Gold (\$/oz.)	3685.3	3447.95	3303.14	2624.5	2-10 Slope	0.57%	0.64%	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.