Market Overview

Weekly Market & Economic Overview

Edition: August 25, 2025

**Data through 8/22/25, unless otherwise stated*

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Executive Summary

Market Movement

Fixed Income & Yield Curve	• Interest rates fell across the curve • Markets priced in more cuts in 2026 after Powell's speech, with a September cut of 25bps and 50bps total in cuts by end of 2025 nearly fully priced in • Fixed Income Indices were positive due to lower interest rates, but Corporates underperformed
Equity	• US and Developed International Markets were mainly positive • Energy and Real Estate led the market gains, while Tech and Communications declined • Small Cap and Value outperformed in the US • Internationally, Developed Markets outperformed Emerging Markets
Other Markets	• US Dollar weakened • Broad commodity prices rose, with most commodity prices moving higher, except for Nat Gas • Cryptocurrency prices rose, led by Ethereum

Top Market News

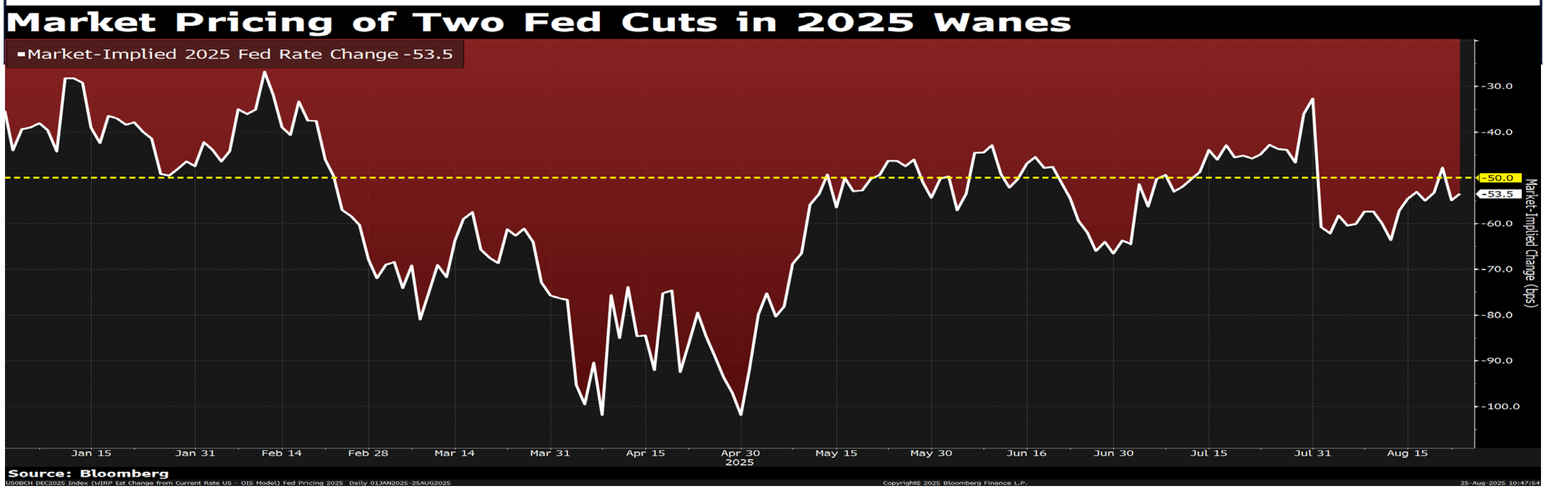
Powell at Jackson Hole	• Fed Chair Jerome Powell delivered his final Jackson Hole address as chair, striking a somewhat more dovish tone than expected • Powell outlined the Fed's dilemma: tariff-driven inflation pressures alongside a softening labor market, noting conditions may "warrant adjusting our policy stance" • The Fed's base case views tariff effects as a one-time price-level shock, shifting attention toward employment risks over persistent inflation—keeping the door open to rate cuts • While emphasizing data dependence, markets interpreted the remarks as making a September cut highly likely, with a more dovish policy path into 2026
Economic Activity	• S&P US Services and Manufacturing PMI data beat expectations • US Services PMI was 55.4 (vs. 54.2 expected), showing resilience in the service sector as PMI remains solidly in expansionary territory • US Manufacturing PMI increased to 53.3 (vs. 49.7 expected), providing an optimistic surprise that US manufacturing has re-entered expansionary territory
Consumer Activity (Earnings)	• Major retailers, Walmart and Target, and home project giants, Home Depot and Lowe's, reported earnings last week, with mixed results but a generally stronger than expected consumer • "Value" seeking consumer was a consistent theme across the major reporters, with Walmart reporting more spending on "rollback" items and high-earners shopping, Target reporting weak spending on discretionary items, and Home Depot reporting a shift in spending from big-ticket items to smaller DIY

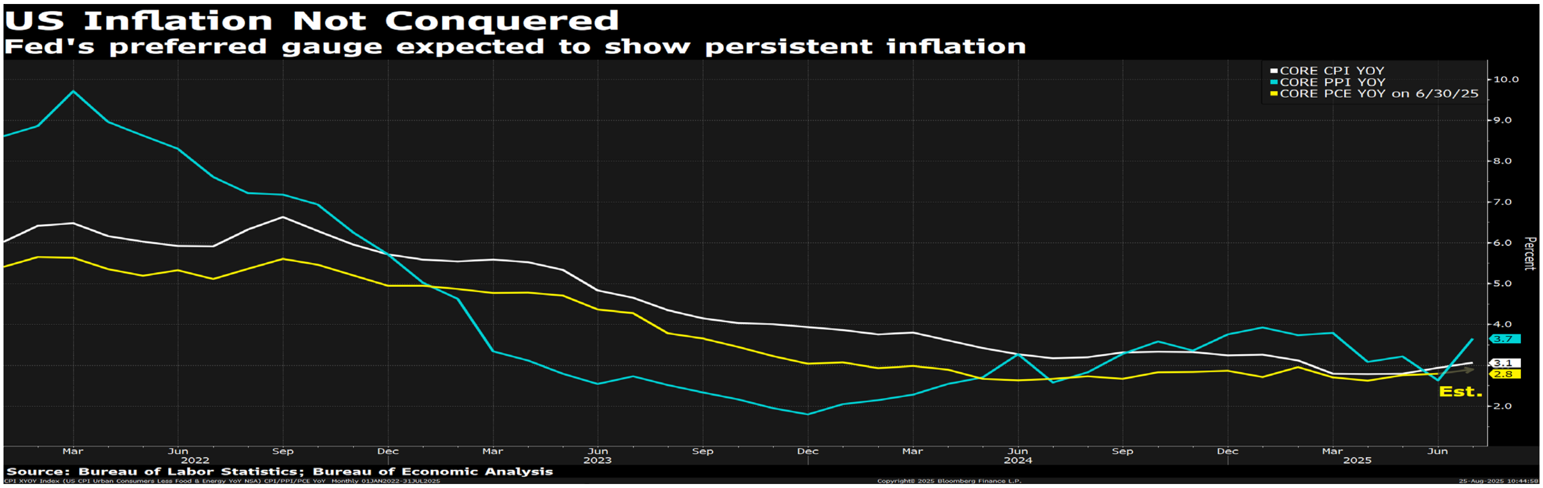
Top Events to Watch For This Week

Core PCE	• Core PCE, the FED's preferred inflation measure, will be released Friday, marking the last PCE datapoint before the FOMC decision in mid-September • Core PCE is expected to remain at 0.3% month-over-month but increase slightly YoY • Markets are expecting a September rate cut unless PCE shows an upside inflation surprise
Consumer & GDP	• Personal Income (0.4% vs. 0.3%) and Personal Spending (0.5% vs. 0.3%) are both expected to increase from June, highlighting continued resilience among US consumers • Q2 GDP revisions are expected to confirm the strong rebound in Q2 (>3% GDP), with Personal Consumption expected to be revised higher (1.6% vs. 1.4%)
Earnings Season	• NVIDIA earnings will be front and center for the week, as the S&P 500's largest member delivers their highly anticipated results and commentary around the future of AI, namely AI spending

Geopolitical & Other News Highlights

Russia-Ukraine Negotiations	• Following talks between Trump and Putin, and then Trump and Zelensky, the U.S. pledged to support Ukraine with security guarantees alongside European allies • A path to direct Putin–Zelensky talks was discussed, but no concrete details or progress emerged, indicating the sides remain far apart • Foreign Minister Sergei Lavrov outlined Moscow's public demands for peace—including cession of Donbas and other terms Kyiv will not accept • Russia launched one of the war's largest air attacks, undermining fragile diplomatic momentum toward a ceasefire • More specifics are expected in the coming week; even Trump acknowledged the war has been harder to resolve than he anticipated
European Activity	• Both Eurozone and UK business activity came in better than expected, with Composite PMIs for Eurozone of 51.1 (vs. 50.9) and UK of 53.0 (vs. 51.5), both above the key 50 level indicating expansion • Eurozone activity was driven mainly by a strong manufacturing PMI, while consumer confidence within the Eurozone fell during the month to -15.5 • UK activity was driven mainly by services, but consumers faced an increase in services inflation, growing to 5.0% from 4.7% • Overall, the data shows that Europe faces many of the same challenges as we do in the US, with a resilient economy that continues to operate while being faced with elevated inflation and mixed consumer confidence

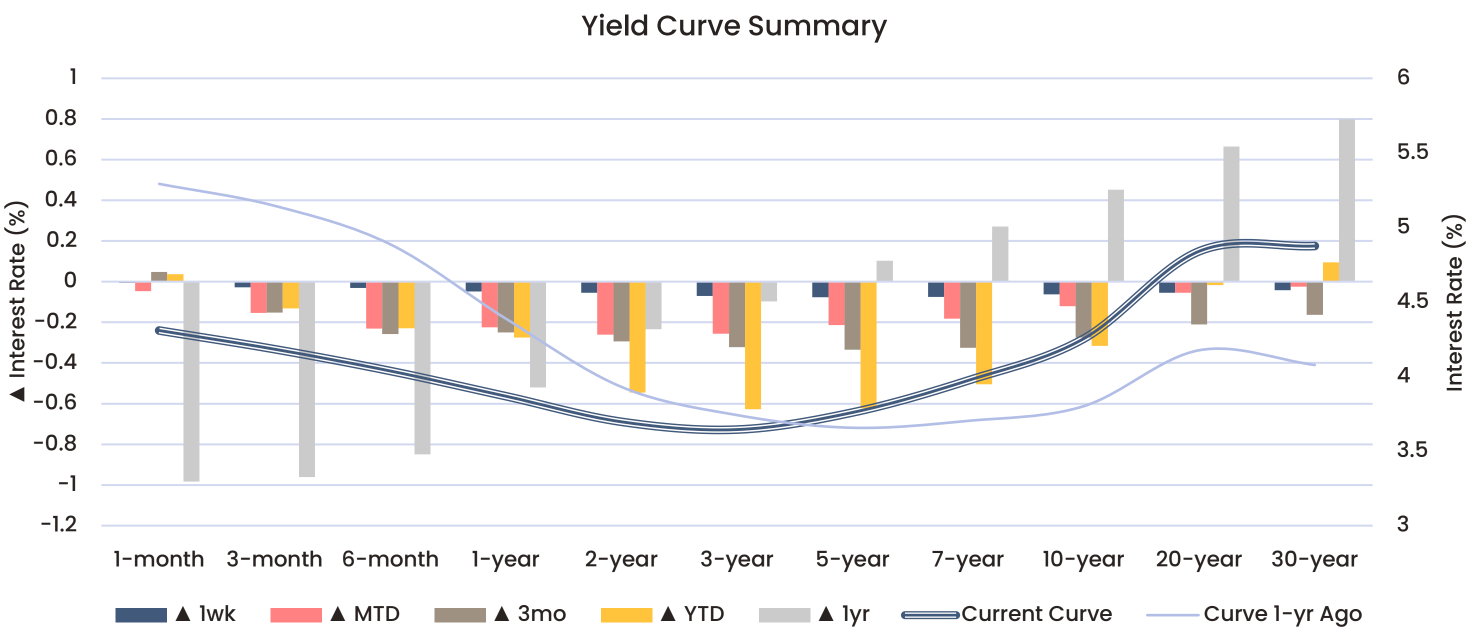




Yield Curve

- Yields fell across the curve, driven by dovish leaning comments from Chair Powell in his Jackson Hole speech
- Yield curve steepened slightly

Data as of 8/22/25	Yield Curve Movement						Range
	Current Rate	▲ 1wk	▲ MTD	▲ 3mo	▲ YTD	▲ 1yr	vs. 5yr Range
Yield Curve Levels							
1-month	**4.31**	-0.01	-0.05	0.05	0.04	-0.98	0.63
3-month	**4.18**	-0.03	-0.15	-0.15	-0.13	-0.96	0.52
6-month	**4.04**	-0.03	-0.23	-0.26	-0.23	-0.85	0.42
1-year	**3.87**	-0.05	-0.22	-0.25	-0.28	-0.52	0.40
2-year	**3.70**	-0.05	-0.26	-0.29	-0.55	-0.23	0.40
3-year	**3.64**	-0.07	-0.26	-0.32	-0.63	-0.10	0.42
5-year	**3.76**	-0.08	-0.21	-0.33	-0.62	0.10	0.54
7-year	**3.97**	-0.08	-0.18	-0.33	-0.51	0.27	0.66
10-year	**4.25**	-0.06	-0.12	-0.27	-0.32	0.45	0.86
20-year	**4.84**	-0.05	-0.05	-0.21	-0.02	0.66	1.08
30-year	**4.88**	-0.04	-0.02	-0.16	0.09	0.80	1.24
Yield Curve Spreads							
2yr vs. 10yr	**55.53**	-0.80	14.04	2.08	23.00	68.88	0.58
2yr vs. 30yr	**117.71**	1.15	23.63	13.09	63.64	103.22	0.77
5yr vs. 10yr	**49.30**	1.49	9.31	5.92	30.60	35.18	1.09
5yr vs. 30yr	**111.48**	3.45	18.89	17.03	71.55	69.53	1.17

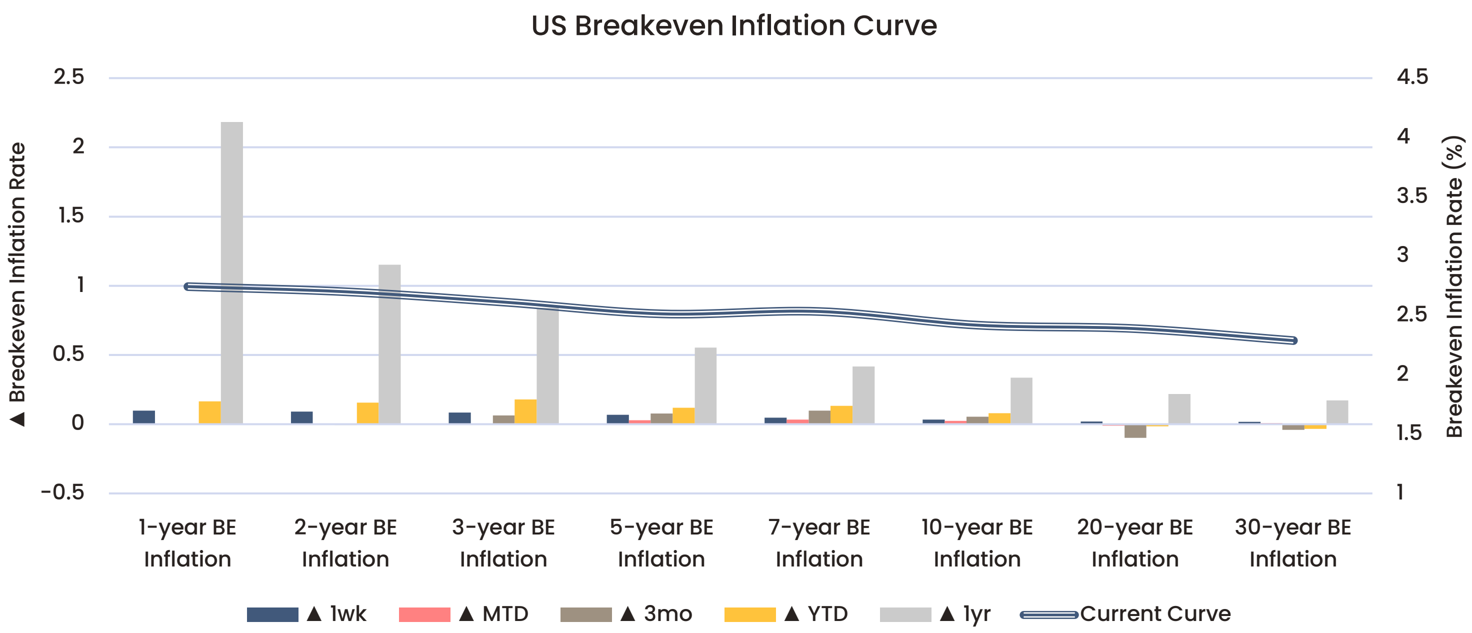


Breakeven Inflation Curve

- Breakeven inflation levels increased
- Long-end inflation breakeven levels remain near the Fed 2% target, while short-end levels remain elevated as markets assess tariff impacts

Data as of 8/22/25

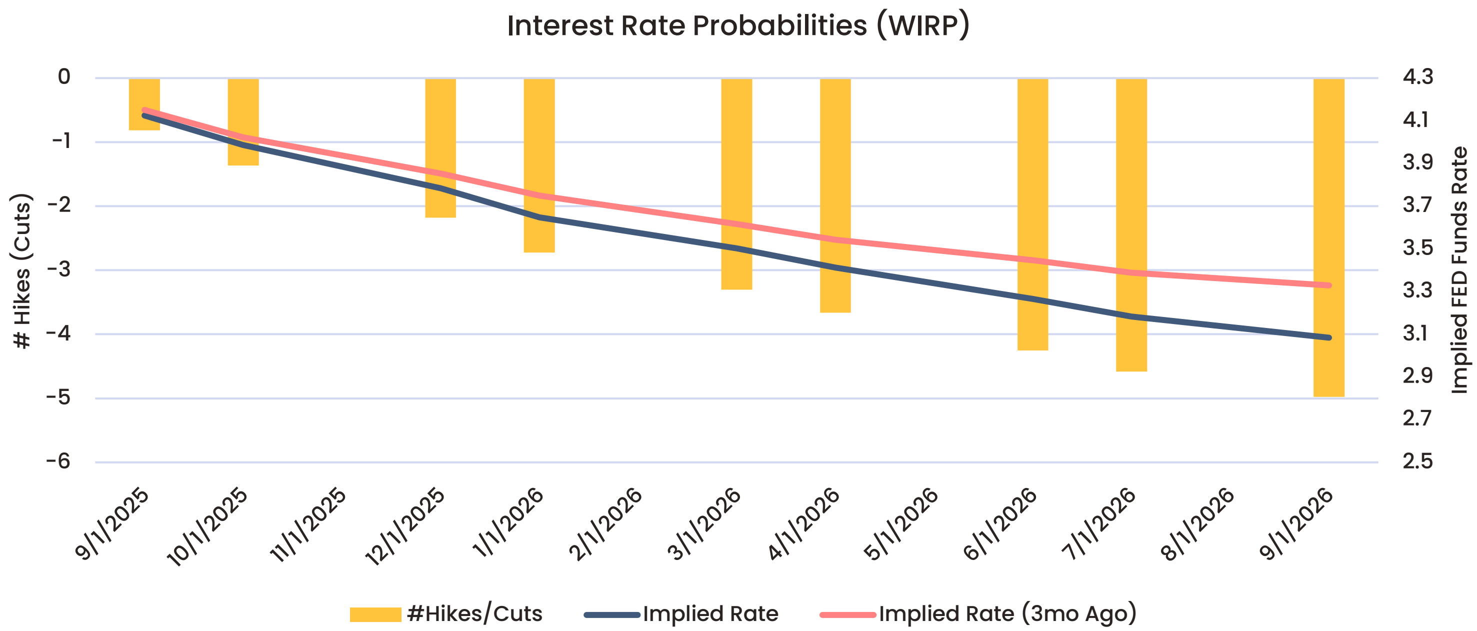
	Inflation Breakeven Curve Movement						Range
	Current Rate	▲ 1wk	▲ MTD	▲ 3mo	▲ YTD	▲ 1yr	vs. 5yr Range
Yield Curve Levels							
1-year	**2.74**	0.10	---	---	0.17	2.18	0.05
2-year	**2.70**	0.09	---	-0.01	0.16	1.15	0.19
3-year	**2.61**	0.08	---	0.06	0.18	0.84	0.24
5-year	**2.51**	0.07	0.03	0.08	0.12	0.55	0.23
7-year	**2.53**	0.05	0.03	0.10	0.13	0.42	0.54
10-year	**2.42**	0.03	0.02	0.06	0.08	0.34	0.43
20-year	**2.39**	0.02	-0.01	-0.10	-0.02	0.22	0.33
30-year	**2.29**	0.02	0.01	-0.04	-0.03	0.17	0.14



Interest Rate Projections

- Markets now expect more cuts in 2026 after Chair Powell's speech
- Markets still expect the first rate cut to be in September and 2 cuts by the end of 2025
- Markets now price in 4.25 cuts (~107bps total) by June 2026

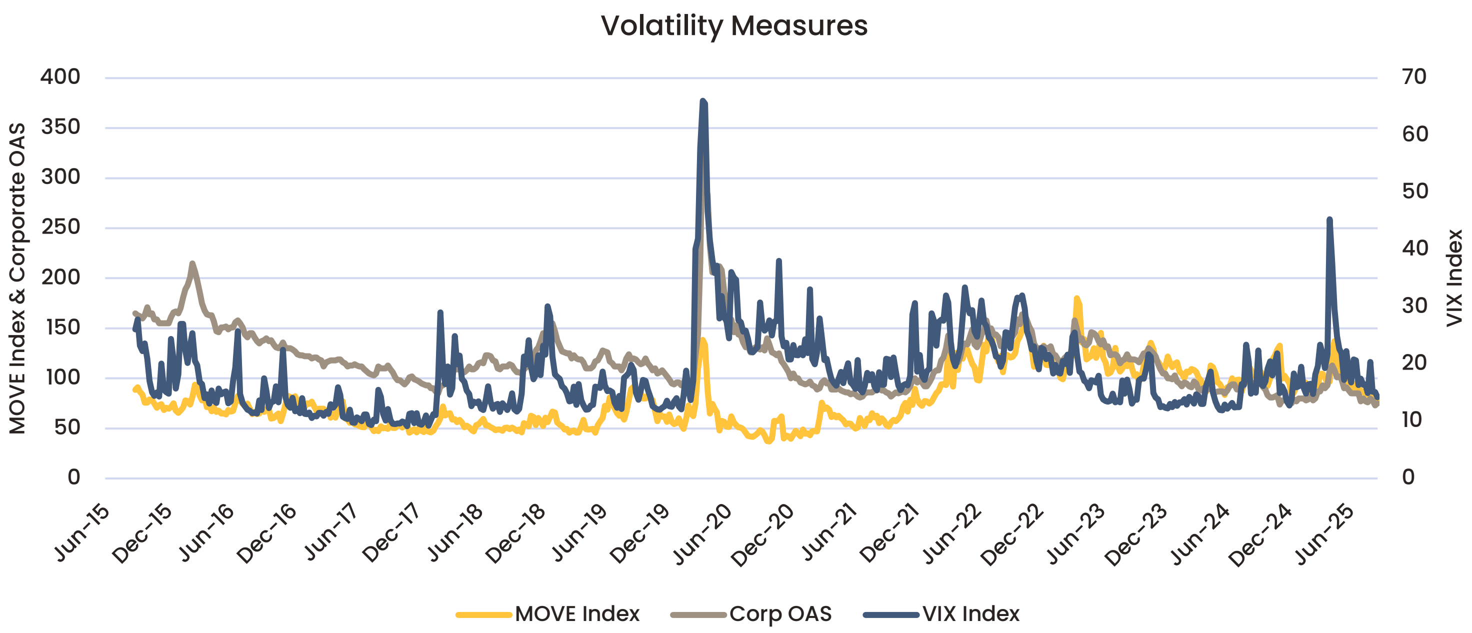
Data as of 8/22/25	FED Meeting Expectations					Change	
	Implied Rate	#Hikes/Cuts	% Hike/Cut	Imp. Rate Δ	Implied Rate (3mo Ago)	▲ Implied Rate (3mo)	▲ Implied Rate (1wk)
Future FED Meetings							
9/17/2025	**4.13**	-0.81	-81.30	-0.21	4.15	-0.03	0.01
10/29/2025	**3.99**	-1.37	-55.20	-0.34	4.02	-0.04	0.01
12/10/2025	**3.78**	-2.18	-81.30	-0.55	3.85	-0.07	0.00
1/28/2026	**3.65**	-2.73	-54.70	-0.68	3.75	-0.10	-0.03
3/18/2026	**3.50**	-3.31	-58.00	-0.83	3.62	-0.12	-0.05
4/29/2026	**3.41**	-3.67	-36.00	-0.92	3.54	-0.13	-0.07
6/17/2026	**3.27**	-4.25	-58.80	-1.07	3.45	-0.18	-0.07
7/29/2026	**3.18**	-4.59	-33.20	-1.15	3.39	-0.21	-0.08
9/16/2026	**3.08**	-4.98	-39.40	-1.25	3.33	-0.25	-0.09
10/28/2026	**3.04**	-5.18	-19.60	-1.30	3.29	-0.25	-0.09



Market Volatility Measures

- Equity Market VIX decreased slightly
- Bond Market Volatility (MOVE) increased
- Corporate spreads widened slightly

Data as of 8/22/25	Volatility Movement						Range
	Current Rate	▲ 1wk	▲ MTD	▲ 3mo	▲ YTD	▲ 1yr	vs. 5yr Range
Volatility Measures							
VIX Index	**14.22**	-0.87	-2.50	-6.06	-3.13	-2.05	-0.83
Move Index	**78.10**	1.44	-1.74	-21.37	-20.70	-33.28	-1.53
IG Corp Spread	**75.0**	2.00	-1.00	-15.00	-5.00	-21.00	-1.17



Fixed Income

- Fixed Income indices were positive with rates declining across the curve
- Corporates underperformed, while Mortgages outperformed

Data as of 8/22/25	Total Returns					Characteristics	
	1wk	MTD	3mo	YTD	1yr	Duration	YTW
Bloomberg Index Total Returns							
Aggregate	0.43%	1.04%	3.33%	4.82%	2.47%	5.97	4.47
Intermediate Aggregate	0.39%	1.06%	2.88%	5.04%	3.78%	4.34	4.30
1-3yr Aggregate	0.19%	0.70%	1.59%	3.63%	4.56%	1.80	3.88
US Treasury	0.42%	0.87%	2.62%	4.28%	1.66%	5.77	4.01
Government-Related	0.31%	1.08%	3.39%	5.46%	3.47%	5.30	4.44
US Agency	0.28%	0.80%	2.14%	4.16%	3.87%	3.08	4.18
Corporate	0.36%	1.10%	4.25%	5.39%	3.46%	6.77	4.91
A-Rated	0.35%	1.07%	4.18%	5.40%	3.20%	6.77	4.78
BBB-Rated	0.37%	1.14%	4.37%	5.51%	4.09%	6.57	5.08
High-Yield	0.27%	0.80%	3.74%	5.88%	8.29%	2.77	6.87
Securitized	0.53%	1.27%	3.69%	5.15%	2.79%	5.71	4.88
CMBS	0.37%	1.09%	2.82%	5.50%	5.10%	3.86	4.60
ABS	0.22%	0.74%	2.15%	3.83%	4.73%	2.63	4.30
MBS	0.55%	1.30%	3.77%	5.15%	2.62%	5.88	4.90

	Excess Returns					Characteristics	
	1wk	MTD	3mo	YTD	1yr	OAS	DTS
Bloomberg Index Excess Returns							
Aggregate		0.14	0.62	0.41	0.79	29.35	1.72
Intermediate Aggregate		0.13	0.49	0.37	0.59	26.09	1.12
1-3yr Aggregate		0.02	0.11	0.18	0.26	13.00	0.25
US Treasury		0.00	0.00	0.00	0.00	-0.48	0.00
Government-Related		0.17	0.85	1.08	1.22	40.18	2.12
US Agency		0.05	0.18	0.21	0.35	11.48	0.36
Corporate		0.18	1.39	0.99	2.45	74.45	5.00
A-Rated		0.16	1.32	1.03	2.21	62.17	4.19
BBB-Rated		0.20	1.53	1.01	2.85	92.95	6.05
High-Yield		0.00	1.82	1.67	4.05	280.24	7.99
Securitized		0.35	0.94	0.50	0.54	38.11	2.05
CMBS		0.11	0.53	0.67	1.69	79.45	3.16
ABS		0.02	0.45	0.24	0.98	51.05	1.37
MBS		0.37	0.97	0.50	0.47	35.34	1.95

Global Equities

- US Markets were mostly positive on the week, with Small Caps and Value leading the way
- Energy and Real Estate led the market gains, while Tech and Communications declined
- Developed International markets were positive, but Emerging Markets declined

Data as of 8/22/25	Total Returns					Characteristics	
	1wk	MTD	3mo	YTD	1yr	P/E TTM	P/E F1
United States							
S&P 500	0.30%	2.11%	11.05%	10.87%	16.56%	27.41	23.85
NASDAQ	-0.55%	1.84%	13.79%	11.83%	20.84%	61.61	31.36
Dow Jones	1.59%	3.54%	9.48%	8.42%	13.54%	25.28	21.28
S&P 500 Equal-Weighted	1.97%	3.22%	8.71%	9.24%	11.73%	21.03	18.34
Russell 3000	0.53%	2.33%	11.22%	10.59%	16.63%	28.19	24.07
Russell Midcap	2.08%	2.63%	9.59%	9.59%	14.43%	22.93	19.32
Russell 2000	3.32%	6.91%	15.88%	6.81%	10.31%	58.33	29.00
Russell 1000 Value	1.78%	3.30%	8.67%	10.13%	12.03%	20.57	18.09
Russell 1000 Growth	-0.84%	1.07%	12.99%	11.27%	21.28%	37.74	31.78
International							
Emerging Markets	-0.40%	2.09%	9.85%	20.33%	18.30%	15.25	13.49
China	4.22%	7.54%	13.72%	13.67%	35.45%	17.86	15.32
EAFE	0.85%	5.80%	7.84%	25.15%	18.30%	16.56	15.79
Europe	1.42%	2.99%	2.62%	13.80%	13.01%	16.23	15.12
Japan	-1.72%	3.81%	15.41%	9.63%	14.54%	19.90	20.77
Comparisons							
USA vs. Int'l	-0.32%	-3.47%	3.39%	-14.56%	-1.67%	11.62	8.27
Value vs. Growth	2.62%	2.22%	-4.32%	-1.15%	-9.25%	-17.17	-13.69
Mkt Breadth	1.66%	1.11%	-2.34%	-1.63%	-4.82%	-6.39	-5.52
Small vs. Large	3.02%	4.80%	4.83%	-4.06%	-6.25%	30.91	5.15
EAFE vs. EM	1.25%	3.71%	-2.02%	4.83%	0.00%	1.31	2.31
US Sectors (All-Cap)							
Russell 3000	0.53%	2.33%	11.22%	10.59%	16.63%	28.19	24.07
Communication Services	-0.46%	3.08%	14.27%	18.41%	34.49%	24.74	22.33
Consumer Discretionary	0.84%	3.58%	8.05%	6.12%	24.58%	31.72	27.13
Consumer Staples	1.83%	4.47%	2.49%	10.04%	5.41%	19.40	18.66
Energy	3.26%	1.40%	9.47%	3.97%	2.43%	17.44	16.09
Financials	2.23%	2.69%	9.53%	13.47%	25.19%	17.39	15.57
Healthcare	1.54%	6.33%	7.63%	0.89%	-9.08%	26.47	21.15
Industrials	2.11%	1.65%	8.17%	10.79%	17.43%	28.96	23.71
Materials	2.10%	7.05%	14.14%	18.42%	8.85%	27.11	20.36
Real Estate	2.77%	3.29%	6.81%	5.35%	3.59%	46.29	36.15
Technology	-1.37%	0.33%	16.21%	13.15%	21.02%	44.05	31.48
Utilities	0.50%	0.11%	6.49%	13.31%	13.74%	21.16	19.26

Currencies & Commodities

- Dollar weakened slightly
- Broad commodities rose, led higher by most categories, except for Natural Gas
- Cryptocurrency prices rose, led higher by Ethereum

Data as of 8/22/25

	Currency & Commodity Movement					
	Current Rate	▲ 1wk	▲ MTD	▲ 3mo	▲ YTD	▲ 1yr
Currency Movement (US Dollar Strength Monitor)						
Dollar Index	97.72	-0.14%	-2.25%	-2.24%	-9.93%	-3.29%
USD vs. Euro	0.85	-0.13%	-2.58%	-3.73%	-11.65%	-4.85%
USD vs. Jap Yen	146.94	-0.17%	-2.53%	2.03%	-6.53%	1.19%
USD vs. Brit Pound	0.74	0.20%	-2.36%	-0.79%	-7.47%	-3.22%
USD vs. Swiss Franc	0.80	-0.66%	-1.33%	-3.32%	-11.67%	-5.89%
USD vs. Sweden	9.50	-0.61%	-3.01%	-1.46%	-14.22%	-6.76%
USD vs. Norway	10.06	-1.32%	-2.64%	-1.46%	-11.65%	-4.26%
USD vs. Hong Kong	7.82	-0.11%	-0.44%	-0.15%	0.60%	0.28%
USD vs. Can Dollar	1.38	0.05%	-0.22%	-0.22%	-3.88%	1.70%
USD vs. Aus Dollar	1.54	0.24%	-1.01%	-1.24%	-4.67%	3.91%
Broad Commodity Movement						
Commodity Index	101.63	1.25%	0.44%	-0.26%	2.91%	5.91%
WTI Crude	63.66	1.37%	-8.09%	4.02%	-11.24%	-11.50%
Natural Gas	2.70	-7.48%	-13.14%	-17.06%	-25.74%	23.93%
Gold	3,371.86	1.07%	2.49%	2.35%	28.48%	34.20%
Silver	38.89	2.34%	5.93%	17.64%	34.55%	31.38%
Copper	445.90	-0.75%	2.40%	-4.08%	10.74%	6.42%
Steel	832.00	0.00%	-1.19%	-7.86%	17.35%	23.81%
Corn	388.25	1.17%	-1.46%	-16.14%	-15.32%	3.40%
Wheat	504.75	-0.35%	-3.54%	-7.30%	-8.48%	-2.89%
Cattle	239.95	1.57%	5.35%	11.28%	23.78%	32.40%
Sugar	16.48	0.24%	0.80%	-5.29%	-14.43%	-6.63%
Soybean	1,036.50	1.39%	7.77%	-2.90%	3.83%	7.63%
Broad Commodity Movement						
BBG Galaxy Crypto Index	3,963.62	4.94%	12.84%	31.31%	25.56%	74.80%
Bitcoin	117,042.51	-0.28%	0.47%	5.36%	24.89%	91.10%
Ethereum	4,848.19	9.48%	29.81%	83.54%	44.87%	84.25%
Litecoin	123.28	3.94%	14.03%	23.79%	18.90%	92.53%
Dogecoin	0.24	4.98%	9.22%	-2.12%	-23.78%	126.37%

Key Economic Data & Events – 8/18 – 8/22

- S&P US Services and Manufacturing both beat expectations
- FOMC Chair Jerome Powell's comments leaned dovish, as he leaned into concerns around the labor market, spurring markets to anticipate more rate cuts in 2026 and almost certainty of a cut in September

Day	Event	Actual	Survey	Previous
Monday	NAHB Housing Market Index	32	34	33
Monday	NY FED Services	-11.7	---	-9.3
Tuesday	Housing Starts (MoM)	5.20%	-1.80%	5.90%
Tuesday	Building Permits (MoM)	-2.80%	-0.50%	-0.10%
Wednesday	MBA Mortgage Applications	-1.40%	---	10.90%
Wednesday	FOMC Meeting Minutes	---	---	---
Thursday	Conf Board - Leading Index	-0.10%	-0.10%	-0.30%
Thursday	S&P US Manufacturing	53.3	49.7	49.8
Thursday	S&P US Services	55.4	54.2	55.7
Thursday	Existing Home Sales (MoM)	2.00%	-0.30%	-2.70%
Thursday	Philly FED Biz Outlook	-0.3	6.5	15.9
Friday	Jackson Hole Econ Summit	---	---	---

Week Ahead in Economics

Key Economic Data & Events – 8/25 – 8/29

- Core PCE, the FED's preferred inflation measure, is expected to come in line with expectations, which will be important as the markets expect a rate cut in September
- Consumer strength will also be a key feature of the week, with Personal Income, Personal Spending, Consumer Confidence, and Housing activity all expected during the week
- Q2 US GDP Revisions are due Thursday, expecting to reaffirm the economic bounce back in Q2 that was shown in the preliminary reports

Monday

Monday	Survey	Previous
Chicago FED Nat'l Activity	-0.11	-0.10
Dallas FED Manuf Activity	-1.7	0.9
New Home Sales (MoM)	0.50%	0.60%
Building Permits (MoM)	---	-2.80%

Tuesday

Tuesday	Survey	Previous
Conf Board - Consumer Confidence	96.5	97.2
Durable Goods Orders (MoM)	-3.90%	-9.40%
Durable Goods ex Transport (MoM)	0.20%	0.20%
FHFA House Price Index	-0.10%	-0.20%
Richmond FED Manuf Index	---	-20

Wednesday

Wednesday	Survey	Previous
MBA Mortgage Applications	---	10.90%

Thursday

Thursday	Survey	Previous
Q2 GDP (Revision)	3.10%	3.00%
Q2 Pers Consump (Rev)	1.60%	1.40%
Initial Jobless Claims	230k	235k
Pending Home Sales (MoM)	-0.20%	-0.80%
Q2 Core PCE (Rev)	2.50%	2.50%

Friday

Friday	Survey	Previous
Core PCE (MoM)	0.30%	0.30%
Core PCE (YoY)	2.90%	2.80%
Personal Income	0.40%	0.30%
Personal Spending	0.50%	0.30%
Wholesale Inventories	0.10%	0.10%

Treasury Auction Data – 8/25 – 8/29

- 2, 5-, and 7-year Nominal Treasury auctions highlight the week
- 2-year Floating Rate Note (FRN) auction is the highlight of the non-nominal auction

Monday	Tuesday	Wednesday	Thursday	Friday
3 & 6-month Nominal	2-year Nominal	5-year Nominal	1 & 2-month Nominal	N/A
		2-year Floating Rate (FRN)	7-year Nominal	

Company Earnings Calendar

Key Company Earnings Watch – 8/25 – 8/29 *(+ Shareholder Meetings)*

- The S&P 500's largest constituent, NVIDIA, is the highlight of the week, as markets will listen closely to the commentary of CEO Jensen Huang to evaluate trends in AI
- Various other Technology companies and Consumer-related companies round out the week

Monday		Tuesday		Wednesday		Thursday		Friday
SMTC	Semtech	**MDB**	MongoDB	**NVDA**	NVIDIA	**DELL**	Dell Technologies	-
				CRWD	CrowdStrike	**DKS**	DICK's Sporting Goods	
				HPQ	HP Inc	**DG**	Dollar General	
				A	Agilent Tech	**BF**	Brown-Forman	
				SNOW	Snowflake	**MRVL**	Marvell Technology	
				SJM	JM Smucker	**AFRM**	Affirm Holdings	
				KSS	Kohl's	**VSCO**	Victoria's Secret	

*SM = Shareholder Meeting

Disclosure

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