

# Weekly Market Recap

June 30, 2025

Index	Price	Price Returns	
	Close	Week	YTD
S&P 500® Index	6,173	3.4%	5.0%
Dow Jones Industrial Average	43,819	3.8%	3.0%
NASDAQ	20,273	4.2%	5.0%
Russell 2000® Index	2,173	3.0%	-2.6%
MSCI EAFE Index	2,627	2.0%	16.2%
Ten-Year Treasury Yield	4.28%	-0.1%	0.4%
Oil WTI <sup>1</sup> (\$/bbl <sup>2</sup> )	\$65.14	-11.8%	-9.2%
Bonds <sup>3</sup>	\$98.80	0.6%	3.9%

<sup>1</sup>WTI = West Texas Intermediate Oil. <sup>2</sup>bbl = Barrel. <sup>3</sup>Bonds are represented by the iShares U.S. Aggregate Bond ETF. Sources: Bloomberg L.P.; FactSet.

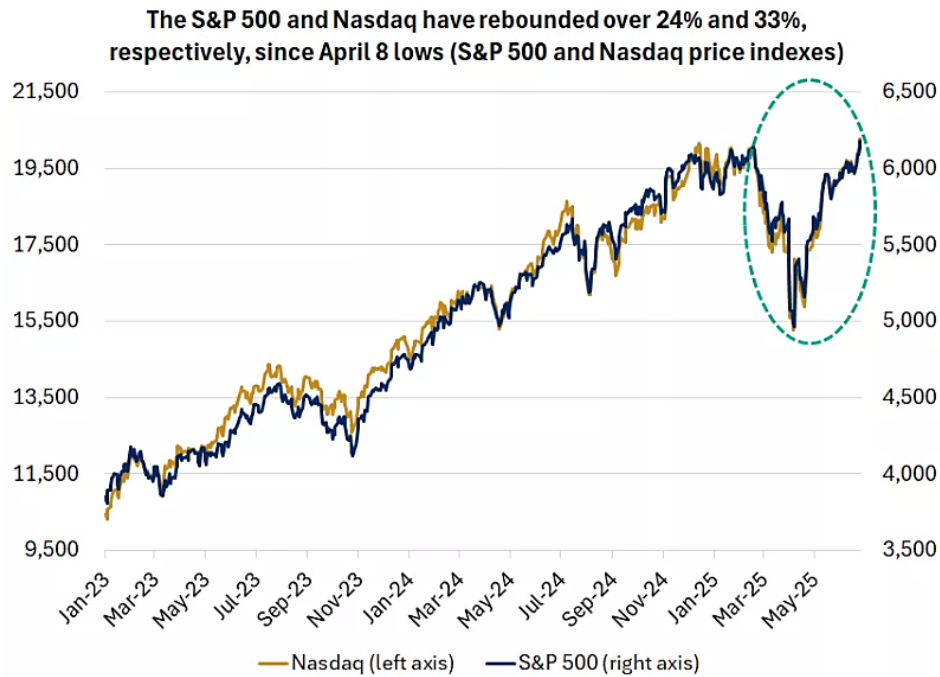
## Last Week:

### U.S. Equity Market

- U.S. large-cap equities (S&P 500 Index) rose +3.4% as Israel and Iran agreed to a ceasefire and U.S. and China trade talks continued to progress, according to President Trump and Secretary of Commerce Howard Lutnick. Secretary Lutnick also said that trade deals are imminent with ten trading partners, according to Bloomberg L.P. Federal Reserve (Fed) Chair Jerome Powell reiterated in front of the House Financial Services Committee that policy remains well positioned to wait and watch before adjusting rates. Futures markets are now pricing in rate cuts of 0.64% through the end of 2025 (up from 0.50% a week ago). May housing starts and permits were both weaker than analysts expected, which some economists said could signal a recession. The 10-year Treasury yield fell to 4.28% from 4.38%. Gold fell -2.9% and oil (WTI) fell -11.8% on the cease-fire between Israel and Iran.
- S&P 500 Index Sector Returns:
  - Communication services (+6.2%) rose, led by social media stocks, streaming, and internet search.
  - Technology (+4.7%) rose, led by software and select semiconductors.
  - Consumer discretionary (+4.4%) rose, led by travel stocks.
  - Financials (+3.4%) rose, led by banks and asset managers.
  - Industrials (+3.4%) rose, led by aerospace and defense stocks, airlines, and transports.
  - Materials (+2.3%) rose, led by chemical and paint companies.
  - Healthcare (+1.5%), utilities (+1.4%), and consumer staples (+0.3%) underperformed, as investors appeared to favor less-defensive sectors.
  - Real Estate (-0.8%) fell, with weakness from data centers.
  - Energy (-3.5%) fell, as the price of oil declined sharply due to the ceasefire between Israel and Iran.

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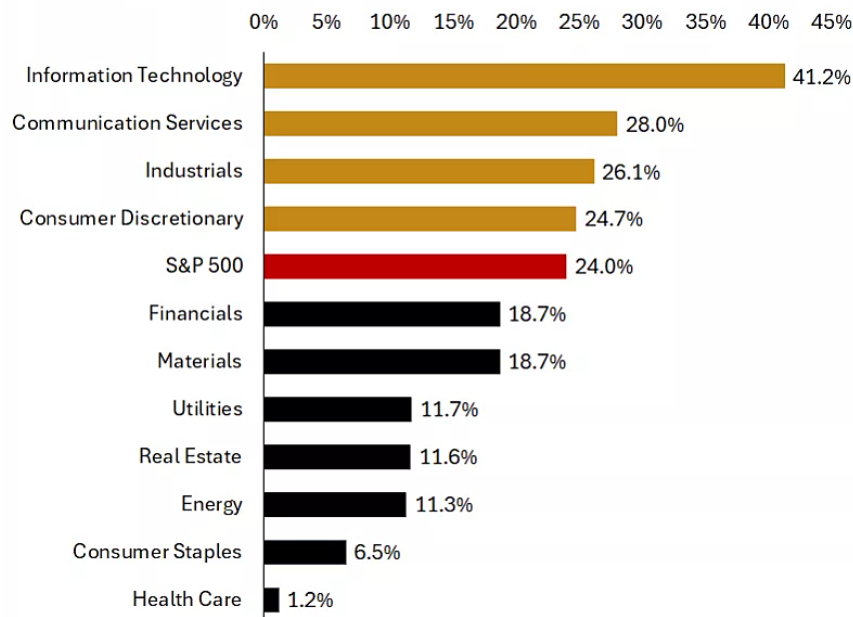
- Since the lows on April 8, the S&P 500 has risen nearly 24% and the NASDAQ is up about 33% as tariff concerns abated. S&P 500 earnings surprised to the upside and the Fed continued to signal lower interest rates, albeit gradually, by the end of 2025.



Sources: Bloomberg L.P.; S&P Global; Nasdaq; Edward Jones.

- Information technology and communication services sectors have outperformed since April 8.

**Since April 8, S&P 500 sector returns have been driven by technology sectors**  
(S&P 500 sector returns, 4/8/25 - 6/27/25)

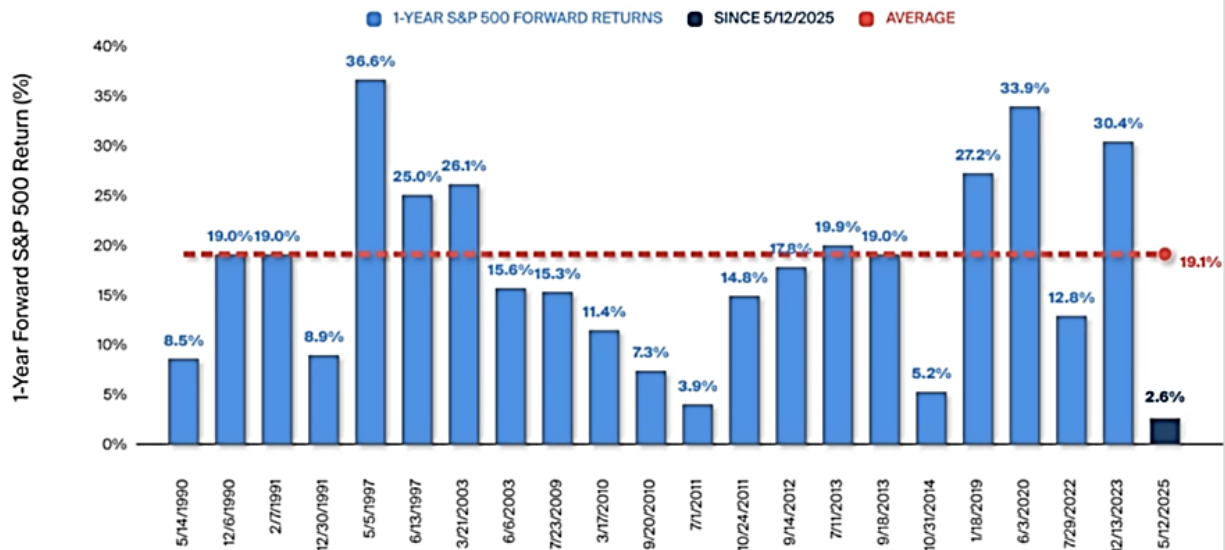


Sources: FactSet; S&P Global; Edward Jones.

- Historically, when 58% of S&P 500 equities hit a new four-week high, the index averaged a 1-year forward return of 19.1%. 58% of S&P 500 stocks hit a four-week high on May 12.

## 58% of Stocks Hit 4-Wk Highs on 5/12

### 1-Year S&P 500 Forward Returns After At Least 58% of Stocks Hit A New 4-Week High Since 1990



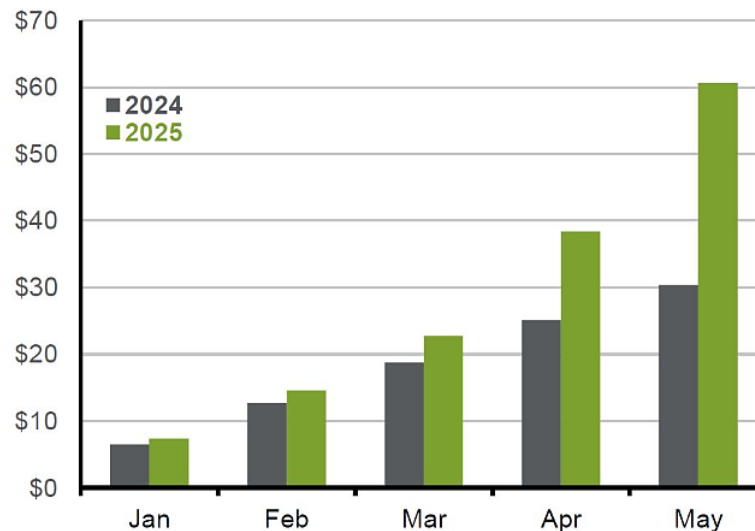
Previous Instances of At Least 58% of S&P 500 Stocks Making New 4-Week Highs

Sources: exhibit4foradvice.com; FactSet; Standard and Poor's.

- U.S. tariff revenues have reached an all-time high. How much of the tariff cost will be passed onto U.S. consumers in the form of higher prices?

### Record tariff revenues — but who's ultimately paying?

YTD cumulative totals by month, USD billions

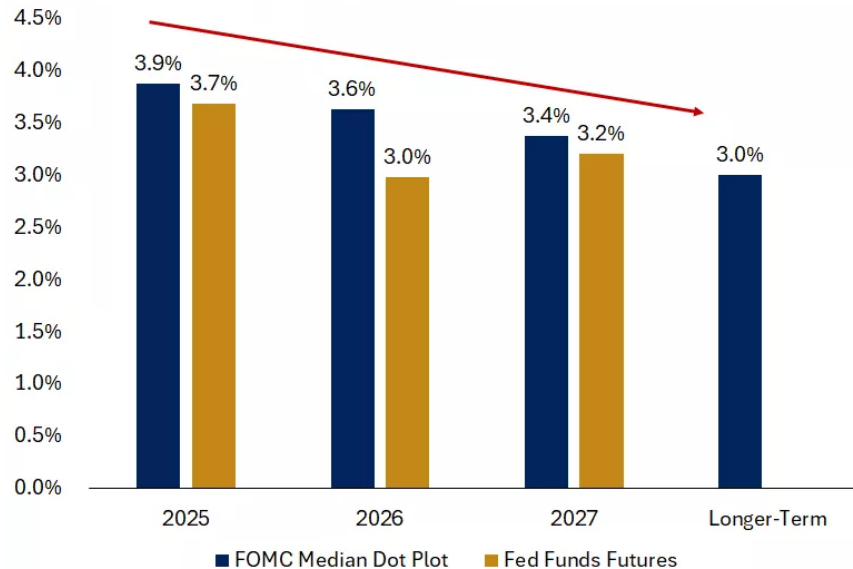


YTD: year-to-date. Sources: U.S. Treasury; Bloomberg L.P.; J.P. Morgan Asset Management.

## Fixed Income Markets

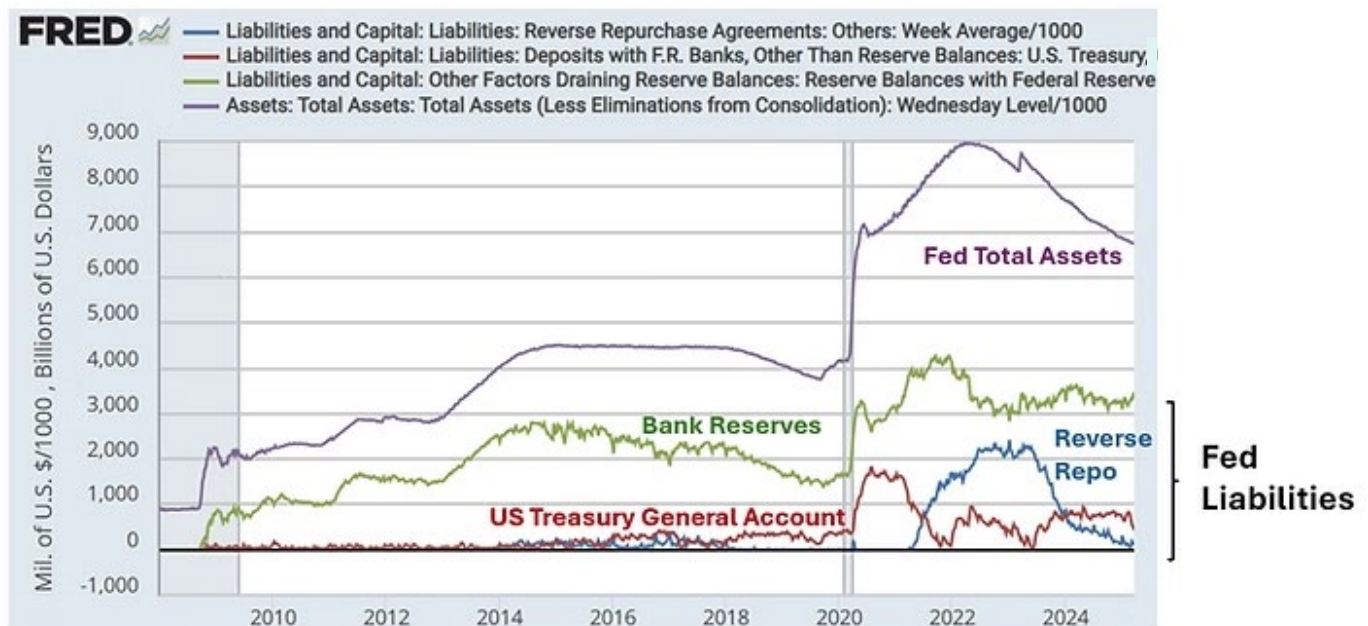
- Futures markets are now pricing in two or three rate cuts in 2025, with a gradual rate path lower in 2026 and 2027.

**Fed vs. Markets: Markets pricing in slightly lower rate path than FOMC dots, but direction is lower in both**



FOMC: Federal Open Market Committee. Sources: Bloomberg L.P.; Edward Jones.

- The Fed announced during their June meeting that they will slow the reduction of their balance sheet to a trickle, which may be the first step to eventually providing more monetary policy accommodation in the bond and mortgage markets.



F.R.: Federal Reserve. Sources: Federal Reserve; AO Wealth.

## U.S. Economic and Political News

- June Consumer Confidence missed analyst expectations.
- May's core personal consumption expenditures (PCE) were better than analysts expected, while both May's personal spending and personal income posted surprise declines.

## International Markets and News

- European markets (STOXX 600 Index) rose +1.3% as the ceasefire between Israel and Iran eased fears of a prolonged conflict and the hope of German economic stimulus and increased military spending from the North Atlantic Treaty Organization (NATO) improved sentiment for European equities.
- The Chinese stock market (Shanghai Composite) rose +1.9% as Lutnick temporarily stabilized trade relations between the U.S. and China.
- Japanese equities (Nikkei 225 Index) rose +4.6% on easing concerns related to the global trade war and the ceasefire between Iran and Israel.

## This Week:

- The volume of corporate earnings reports will be lighter this week.
- Economic data:
  - Monday: Chicago Purchasing Managers' Index (PMI), Dallas Fed Index;
  - Tuesday: PMI Manufacturing Final, Construction Spending, Institute for Supply Management (ISM) Manufacturing Index, Job Openings and Labor Turnover Survey (JOLTS), Redbook year-over-year;
  - Wednesday: Mortgage Bankers Association (MBA) Applications, MBA 30-Year Mortgage Rate, Challenger Job Cuts, Automatic Data Processing (ADP) Employment Report, Cushing O.K. Crude Inventory, Total Fuel Ethanol Inventory/Production, U.S. Refinery Utilization;
  - Thursday: Nonfarm Payrolls, Unemployment Rate, Initial Claims, Continuing Jobless Claims, Participation Rate, Average Weekly Hours, Average Hourly Earnings, PMI Services Final, Factory Orders/Inventories, ISM Non-Manufacturing Index, Baker Hughes U.S. Rotary Gas/Oil Rigs, Baker Hughes U.S. Rig Count, Trade Balance, Durable Orders/Shipments;
  - Friday: U.S. Market Holiday.

As always, thank you very much for your interest in our thoughts and support of our services.

Whitney Stewart, CFA®  
Executive Director

Griffith Jones, Jr.  
Executive Director

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## Index Definitions

Performance is compared to an index, however, the volatility of an index varies greatly. Indices are unmanaged and investments cannot be made directly in an index.

The **S&P 500® Index** is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P 500 Composite includes 500 of the largest stocks (in terms of stock market value) in the United States and covers approximately 80% of available market capitalization.

The **Russell 2000® Index** measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

The **Dow Jones Industrial Average (DJIA)** is an index that tracks 30 large, publicly-owned blue chip companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

The **NASDAQ Composite Index** is the market capitalization-weighted index of over 2,500 common equities listed on the NASDAQ stock exchange. The types of securities in the index include American depositary receipts, common stocks, real estate investment trusts (REITs) and tracking stocks, as well as limited partnership interests. The index includes all Nasdaq-listed stocks that are not derivatives, preferred shares, funds, exchange-traded funds (ETFs) or debenture securities.

The **MSCI EAFE Index** is an equity index which captures large and mid-cap representation across 21 Developed Markets countries around the world, excluding the U.S. and Canada. With 900 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The **STOXX Europe 600 Index** is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The **Nikkei 225** is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

The **Shanghai Stock Exchange Composite Index** is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange.



## Technical Terms:

**Challenger Job Cuts**, released monthly by Challenger, Gray & Christmas, refers to the number of job cuts announced by employers in the United States. The report tracks and categorizes layoff announcements, providing insight into the strength of the labor market. The **Consumer Confidence Index (CCI)** is a measure of the results from the Consumer Confidence Survey administered by the Conference Board that measures consumer attitudes about individual financial prospects. The **Core Personal Consumption Expenditure (PCE) Index** is a measure of prices that people living in the U.S., or those buying on their behalf, pay for goods and services. The **Dallas Fed Index**, specifically referring to the Texas Manufacturing Outlook Survey, is a monthly economic indicator that gauges the health of the manufacturing sector in Texas and parts of Louisiana and New Mexico. The **Federal Reserve's dot plot** is a visual representation of individual Federal Open Market Committee (FOMC) members' projections for the future federal funds rate. Each dot on the plot signifies a participant's forecast for the target federal funds rate at the end of a specific year. **Fed Funds futures** are financial contracts traded on exchanges that reflect market expectations about the future level of the Federal Reserve's target interest rate (specifically, the effective federal funds rate). These futures contracts are used by market participants to hedge against interest rate risk or to speculate on future interest rate movements. A **futures market** is an auction market in which participants buy and sell commodity and futures contracts for delivery on a specified future date. Futures are exchange-traded derivatives contracts that lock in future delivery of a commodity or security at a price set today. The **ISM Manufacturing Index**, also known as the Purchasing Managers' Index (PMI) for Manufacturing, is a key economic indicator that measures the health of the U.S. manufacturing sector. The **ISM Non-Manufacturing Index, now known as the Services PMI**, is a monthly economic indicator that gauges the health of the U.S. service sector. It reflects business activity, new orders, employment, and other factors within non-manufacturing industries. A reading above 50% indicates expansion, while below 50% indicates contraction in the service sector. The **job openings and labor turnover survey (JOLTS)** is a monthly report by the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor counting job vacancies and separations, including the number of workers voluntarily quitting employment. **Nonfarm payroll** measures the number of workers in the U.S. economy, excluding farm employees, self-employed individuals, volunteers, private household workers, sole proprietors, and active military service members. A monthly **Purchasing Managers Index (PMI)** highlighting the manufacturing sector is made available by the Institute for Supply Management (ISM), a nonprofit supply management organization. The **Services PMI** (Purchasing Managers' Index) is a key economic indicator that measures business activity in the services sector. It provides a forward-looking perspective on the health of the economy, specifically within the service industry. The **Chicago PMI** is a monthly measure of the level of business activity for the Chicago area in the manufacturing sector. A **reverse repurchase agreement (RRP)**, or reverse repo, is the sale of securities with the agreement to repurchase them at a higher price at a specific future date. (Technical definitions are sourced from Corporate Finance Institute.)

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