

# Weekly Market Recap

July 7, 2025

	Price	Price Returns	
Index	Close	Week	YTD
S&P 500® Index	6,279	1.7%	6.8%
Dow Jones Industrial Average	44,829	2.3%	5.4%
NASDAQ	20,601	1.6%	6.7%
Russell 2000® Index	2,249	3.5%	0.9%
MSCI EAFE Index	2,656	0.1%	17.4%
Ten-Year Treasury Yield	4.35%	0.1%	0.5%
Oil WTI <sup>1</sup> (\$/bbl <sup>2</sup> )	\$67.02	2.3%	-6.6%
Bonds <sup>3</sup>	\$98.47	-0.3%	3.8%

<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

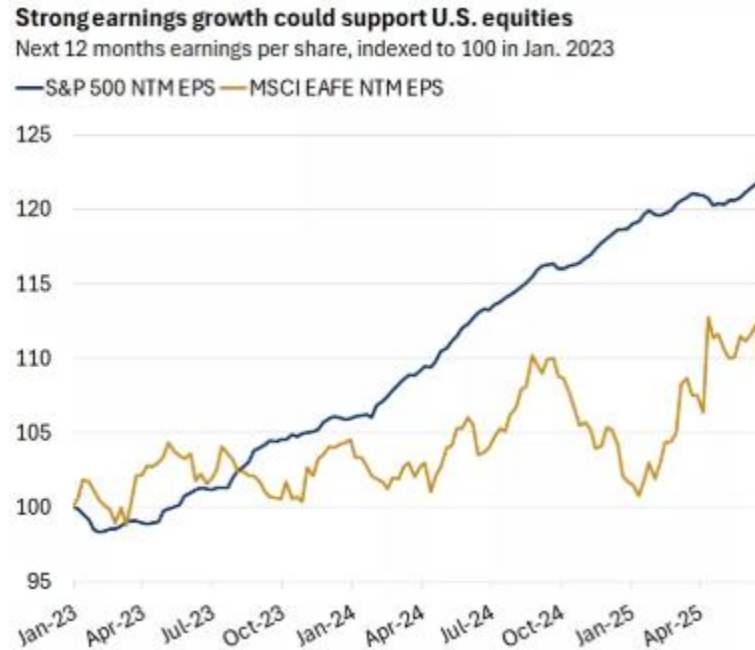
- U.S. large-cap equities (S&P 500 Index) rose, as U.S. trade developments continued with the announcement of a deal with Vietnam for a 20% base tariff and progress on an E.U./U.S. deal. Treasury Secretary Scott Bessent said “recalcitrant” countries could see their rates move back to April 2 reciprocal levels as the 90-day reciprocal tariff pause expires on July 9. June nonfarm payrolls were ahead of analysts’ expectations, and the unemployment rate unexpectedly ticked down to 4.1% from 4.3%, while average hourly earnings growth was cooler than forecast. The ISM manufacturing and services reports were more mixed. The 10-year Treasury yield rose to 4.35% from 4.28%. Gold rose 1.7%, and oil (WTI) rose 2.3%.
- S&P 500 Index Sector Returns:
  - Materials (+3.7%) rose, led by chemical companies and gold miners.
  - Technology (+2.4%) rose, led by Apple, Broadcom, NVIDIA, and select software.
  - Financials (+2.4%) rose, led by banks, and asset managers.
  - Energy (+2.1%) rose, as the price of oil rose 2.3%.
  - Industrials (+1.7%) rose, led by airlines, aerospace and defense stocks, and transports.
  - Real Estate (+1.5%) rose, with strength from office and cell towers.
  - Consumer discretionary (+0.8%) rose, led by travel stocks, home improvement stocks and Amazon.
  - Consumer staples (+1.4%), healthcare (+1.2%), and utilities (+0.6%) underperformed, as investors favored less defensive sectors.
  - Communication services (-0.2%) fell, led lower by social media stocks and streaming stocks.

Specific securities identified and described do not represent all of the securities purchased, sold or recommended to clients. There are no assurances that securities identified will be profitable investments. The securities described are neither a recommendation nor a solicitation. Security information is being obtained from resources the firm believes to be accurate, but no warrant is made as to the accuracy or completeness of the information.

All data is as of 07.03.2025 unless otherwise noted. Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful. Please reference important disclosures on pages 6-7.

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- U.S. corporate profits are expected to continue outpacing those of international companies, which could support U.S. equity prices.

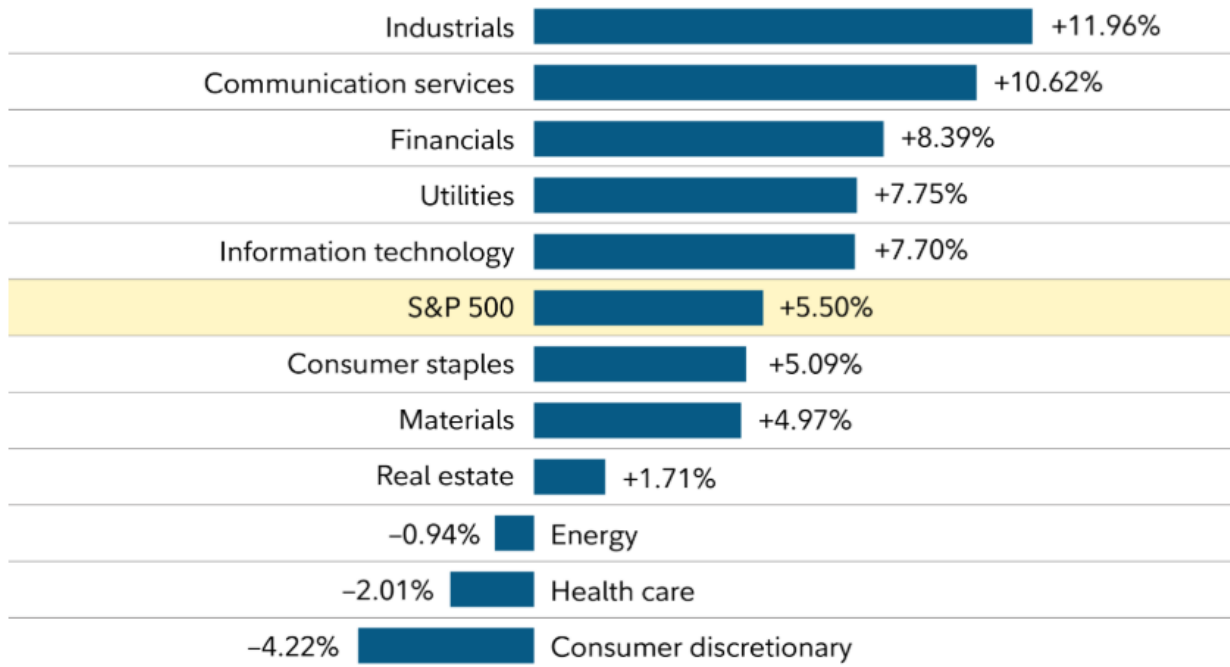


Sources: Bloomberg L.P.; S&P Global; MSCI; Edward Jones.

- In the first half of 2025, the industrials, communication services, financials, utilities, and information technology sectors have all outperformed the S&P 500 Index.

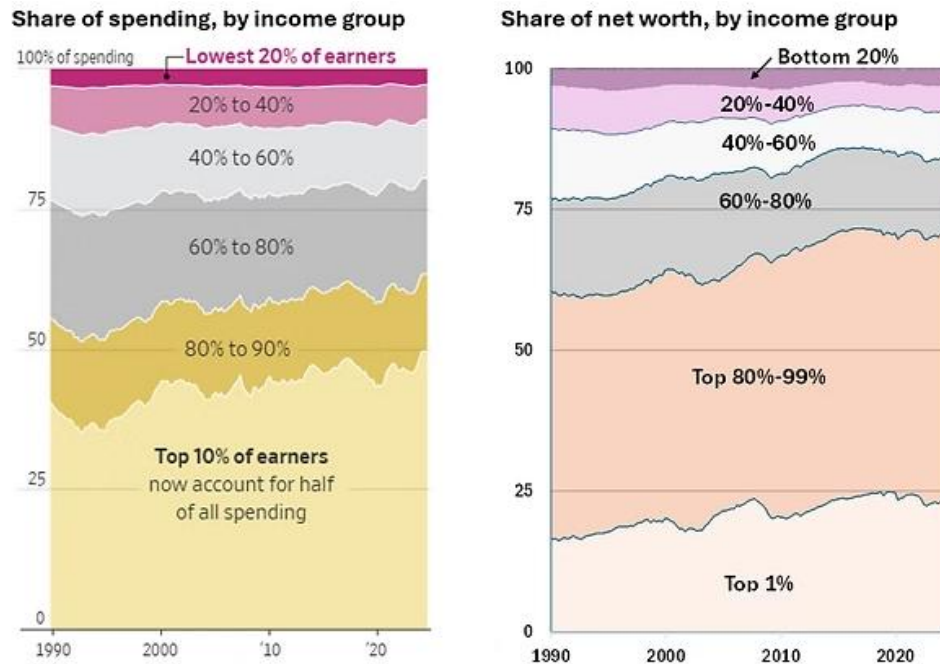
## Year-to-date S&P 500 sector performance

As of June 30, 2025



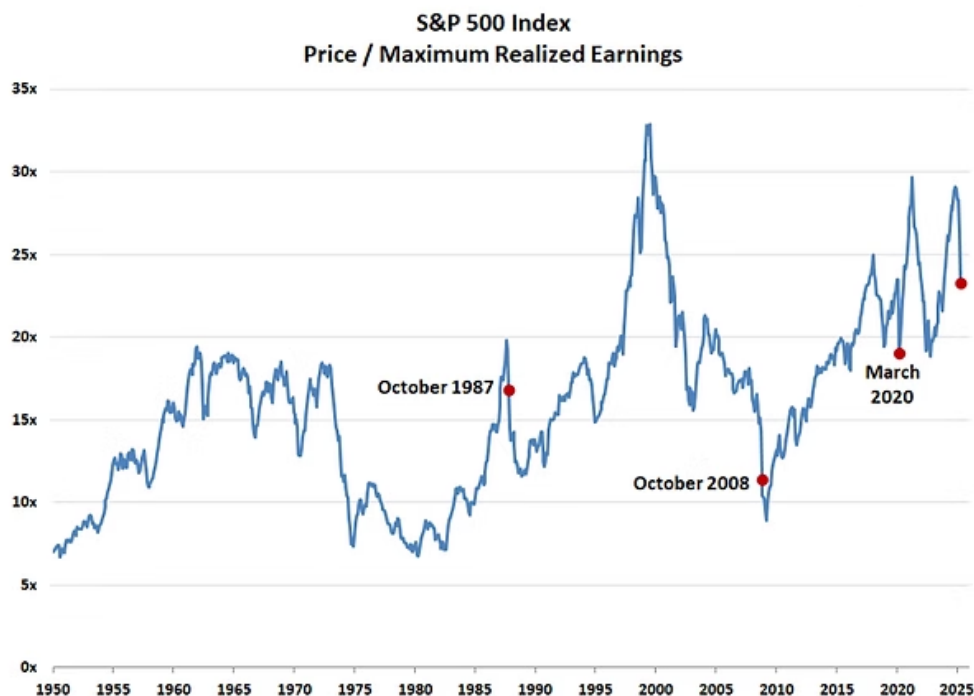
Source: Fidelity Investments.

- U.S. consumer spending continues to be driven by the top 20% of earners and net-worth, as this group has experienced less impact from elevated inflation on their consumption habits and disposable cash flow.



Sources: Moody's Analytics; WSJ; Federal Reserve; AO Wealth.

- The S&P 500 Index price/earnings ratio has declined recently, but still remains elevated compared to long-term levels.

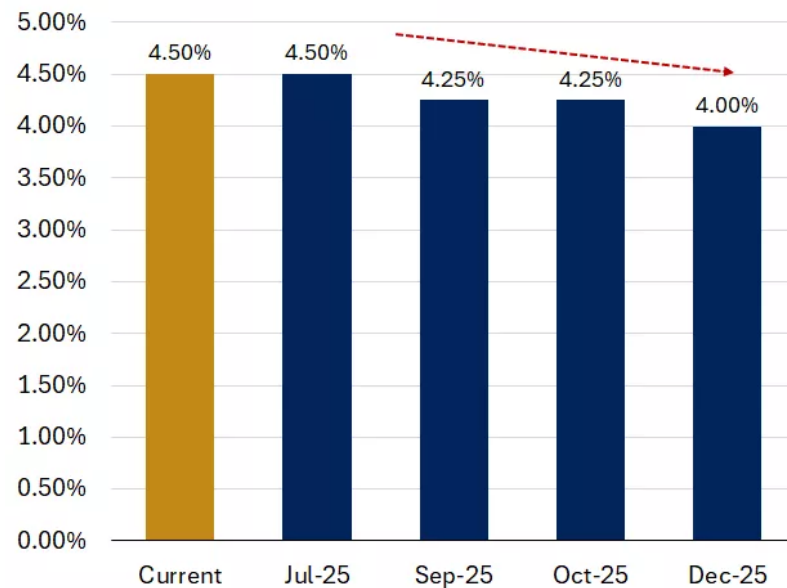


Sources: Bloomberg L.P.; AO Wealth.

## Fixed Income Markets

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

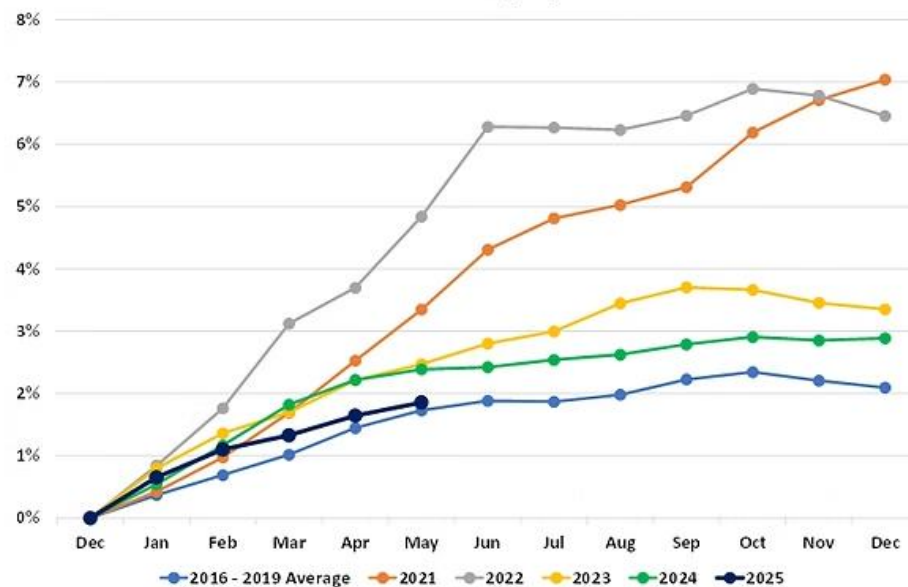
**Futures markets expect the Fed to resume rate cuts in September** (implied fed funds upper bound)



Sources: CME FedWatch; Bloomberg L.P.; Edward Jones.

- Partially due to falling energy prices, CPI inflation through May 2025 was tracking closely to the Federal Reserve's target of 2%. However, tariffs and geopolitical events may cause inflation to rise in 2H25.

**Progression of Annual Consumer Price Increases**  
CPI Not Seasonally Adjusted



Sources: Bureau of Labor Statistics; AO Wealth.

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## U.S. Economic and Political News

- Construction spending ticked lower month-over-month, largely as expected.
- June factory orders came in at an 11-year high, though driven largely by non-defense aircraft/transportation orders.

## International Markets and News

- European markets (STOXX 600 Index) were flat, as annual inflation in the Eurozone ticked up to the European Central Bank's (ECB's) 2.0% target in June after hitting an eight month low of 1.9% in May.
- The Chinese stock market (Shanghai Composite) rose 1.1%, as the Purchasing Managers Index improved in June to 49.7 from May's 49.5 data.
- Japanese equities (Nikkei 225 Index) fell 0.9%, as signs that U.S./Japan trade negotiations were stalling weighed on sentiment for Japanese equities as the reciprocal tariff deadline of July 9 approaches this week.

## This Week:

- The volume of corporate earnings reports will be lighter this week.
- Economic data:
  - Monday: Limited U.S. data;
  - Tuesday: NFIB Small Business Index, Consumer Credit, Redbook Chain Store, API Crude Inventories;
  - Wednesday: MBA Mortgage Purchase Applications, DOE Crude Inventories;
  - Thursday: Weekly Jobless Claims, EIA Natural Gas Inventories;
  - Friday: Treasury Monthly Budget.

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

## Important Information & Disclosures

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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 **S&P 500® Equal Weight Index (EWI)** is the equal-weight version of the widely-used S&P 500®. The index includes the same constituents as the capitalization-weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

The **S&P MidCap 400® Index** provides investors with a benchmark for mid-sized companies. The index, which is distinct from the large-cap S&P 500®, is designed to measure the performance of 400 mid-sized companies, reflecting the distinctive risk and return characteristics of this market segment.

The **S&P SmallCap 600®** seeks to measure the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable.

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 depository 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.

The **Bloomberg U.S. Government Bond Index** is a benchmark that measures the performance of the U.S. dollar-denominated, fixed-rate, investment-grade government bond market. It includes securities issued by the U.S. Treasury and U.S. government agencies, including those owned, sponsored, or guaranteed by the U.S. government.

The **Bloomberg U.S. Treasury Index** is a benchmark index that tracks the performance of U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury. It includes Treasury notes and bonds, but excludes Treasury bills, inflation-indexed securities, and STRIPS.



## Technical Terms:

**Assets under management (AUM)** is the market value of the investments managed by a person or entity on behalf of clients. AUM is used in conjunction with management performance and management experience when evaluating a company. The **Consumer Price Index (CPI)** measures the monthly change in prices paid by U.S. consumers. The Bureau of Labor Statistics (BLS) calculates the CPI as a weighted average of prices for a basket of goods and services representative of aggregate U.S. consumer spending. **Gross domestic product (GDP)** is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. As a broad measure of overall domestic production, it functions as a comprehensive scorecard of a given country's economic health. A **money market fund** is a type of mutual fund that invests in short-term, high-quality debt securities, cash, and cash equivalents. They are designed to be a relatively low-risk investment, often used by investors to store cash or as an alternative to bank savings vehicles. 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. 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. **Earnings per Share (EPS)** is a common measure of profitability per share of a company's common stock. **Non-farm payroll** refers to the number of jobs in the private sector and government agencies. It excludes farm workers, private household employees, proprietors, non-profit employees, and actively serving military. (Technical definitions are sourced from Corporate Finance Institute.)

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