Weekly Market Recap

August 25, 2025

	Price	Price Returns	
Index	**Close**	**Week**	**YTD**
S&P 500® Index	6,467	0.3%	10.0%
Dow Jones Industrial Average	45,632	1.5%	7.3%
NASDAQ	21,497	-0.6%	11.3%
Russell 2000® Index	2,362	3.3%	5.9%
MSCI EAFE Index	2,729	-0.4%	20.7%
Ten-Year Treasury Yield	4.26%	-0.1%	0.4%
Oil WTI[1] ($/bbl[2])	$63.81	1.6%	-11.0%
Bonds[3]	$99.40	0.5%	4.3%

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

Last Week:

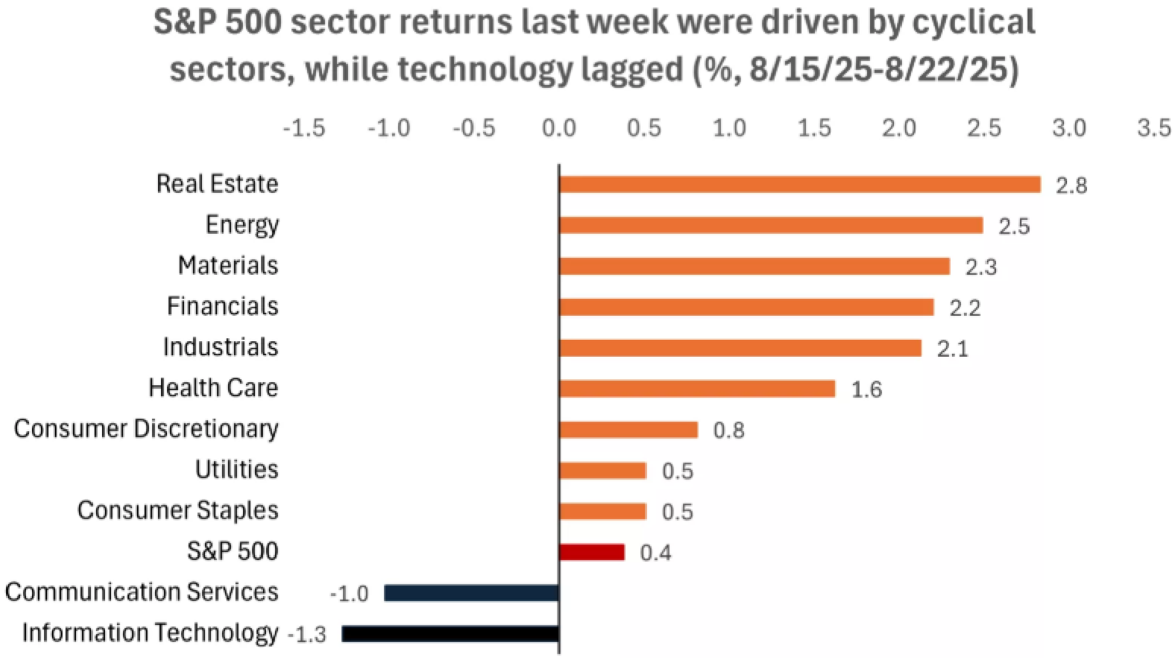
U.S. Equity Market

- U.S. large-cap equities (S&P 500 Index) edged out a modest gain of +0.3% after a volatile week finished with Federal Reserve (Fed) Chair Jerome Powell providing dovish comments that led to an increase in the probability that the Fed will cut rates in September from 75% to 89% (according to CME FedWatch). Prior to Powell's speech at Jackson Hole, the week's downside was likely due to cautious labor market data, better than expected inflation data, and fears of a reduction in mega-cap technology company spending on artificial intelligence (AI) infrastructure. Some fears around debt and deficits were reduced by S&P reaffirming its U.S. credit rating and noting that tariff revenue is expecting to offset some of the deficit impact from the "One Big Beautiful Bill Act". The 10-year Treasury yield fell modestly to 4.26% from 4.32%. Gold was up +1.1% and oil (WTI) rose +1.6%.

- S&P 500 Index Sector Returns:
  - Energy (+2.8%) rose, as the price of oil rose +1.6%.
  - Real Estate (+2.4%) rose, led by e-commerce warehouses, hotel real estate investment trusts, and cell towers.
  - Financials (+2.1%) rose, led by banks.
  - Materials (+2.1%) rose, led by mining, paint, and chemical companies.
  - Industrials (+1.8%) rose, led by transports and airlines.
  - Healthcare (+1.4%) outperformed, led by pharmaceutical stocks and managed care.
  - Consumer discretionary (+1.3%) rose, led by home improvement retailers, autos, travel stocks, and Tesla.
  - Consumer staples (+0.3%) and utilities (+0.4%) underperformed, as investors appeared to favor less defensive sectors.
  - Communication services (-0.9%) fell, with weaknesses from social media and streaming stocks.
  - Technology (-1.6%) fell, with weakness from AI software and semi-conductor stocks.

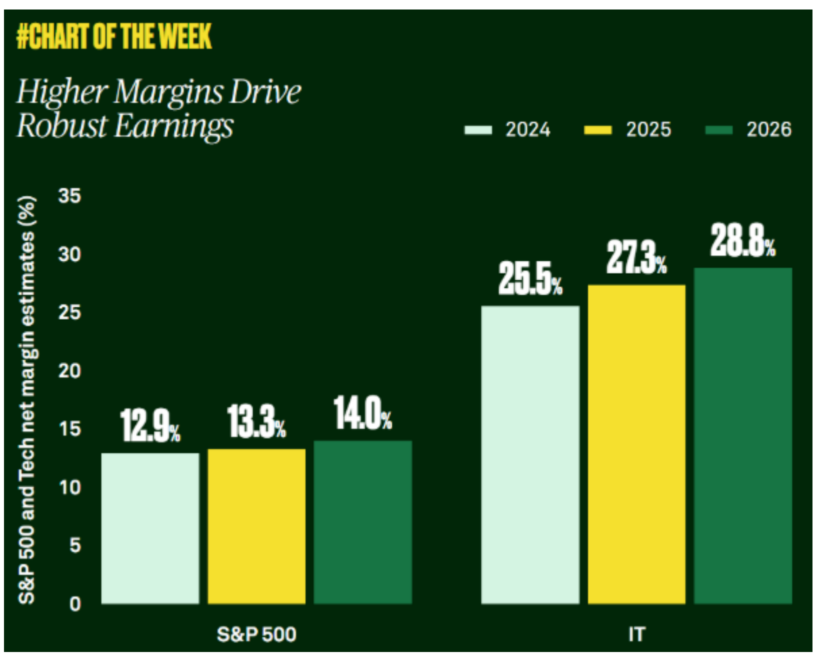
Weekly Market Recap

- The chart below shows that cyclical sectors outperformed, while information technology and communication services sectors underperformed last week.



Sources: FactSet; Edward Jones.

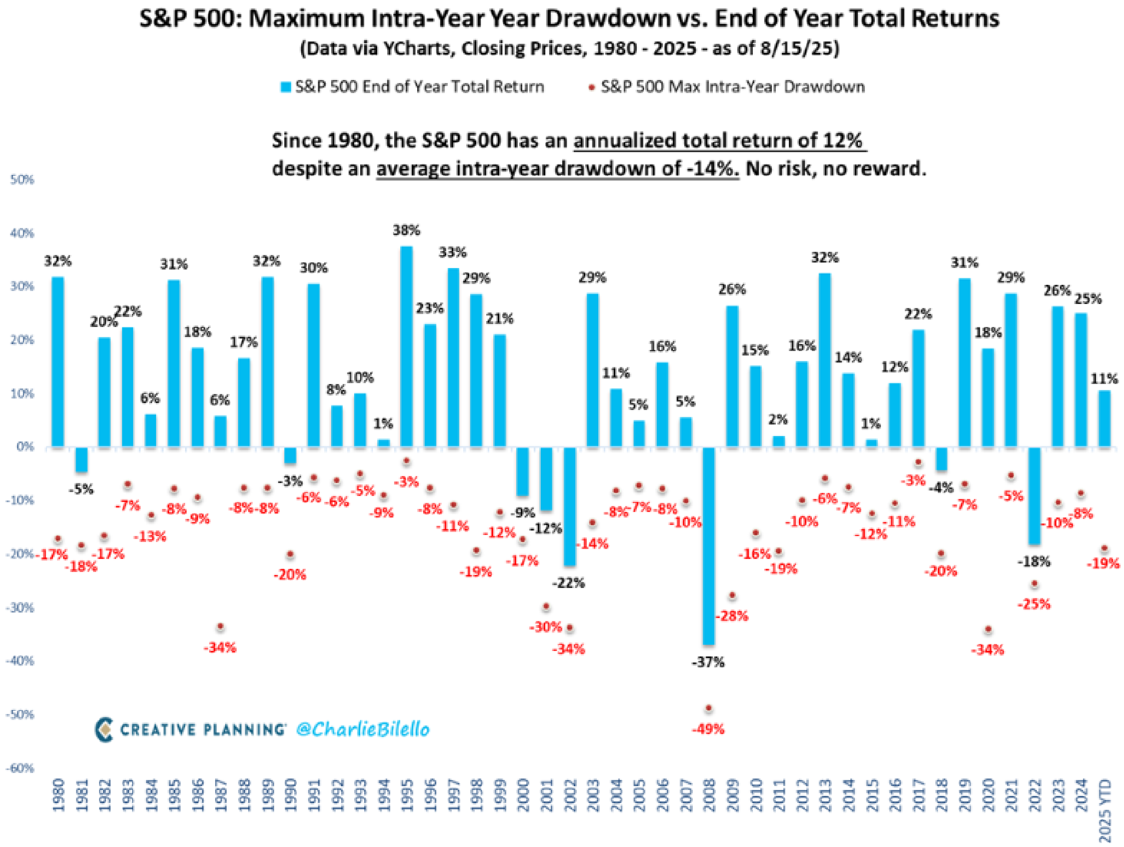
- Over the last two years the S&P 500 Index has experienced an increase in margins, which likely has contributed to higher earnings. Analysts expect this trend to continue into 2026.



Sources: FactSet; BNY Mellon. Chart data as of 08.15.2025.

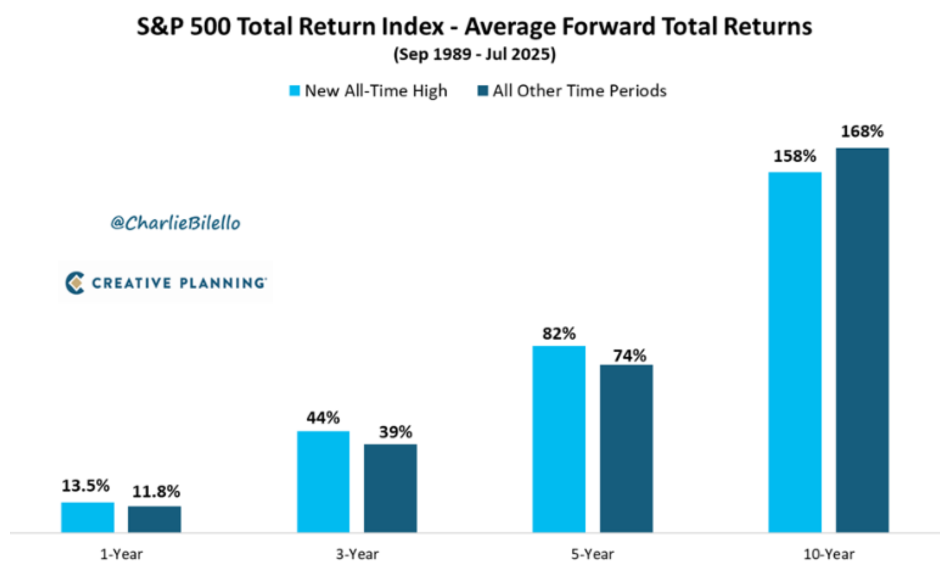
All data is as of 08.22.2025 unless otherwise noted. Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful. Please reference important disclosures on pages 6-7.

- Since 1980, the S&P 500 Index has experienced an average intra-year drawdown of -14% but also produced an annualized total return of 12%.



Sources: YCharts; S&P Dow Jones; Creative Planning.

- The chart below shows that investing in the S&P 500 Index at an all-time high has generated attractive returns on average over the following one-, three-, five-, and 10-year periods.



Sources: YCharts; S&P Dow Jones; Creative Planning.

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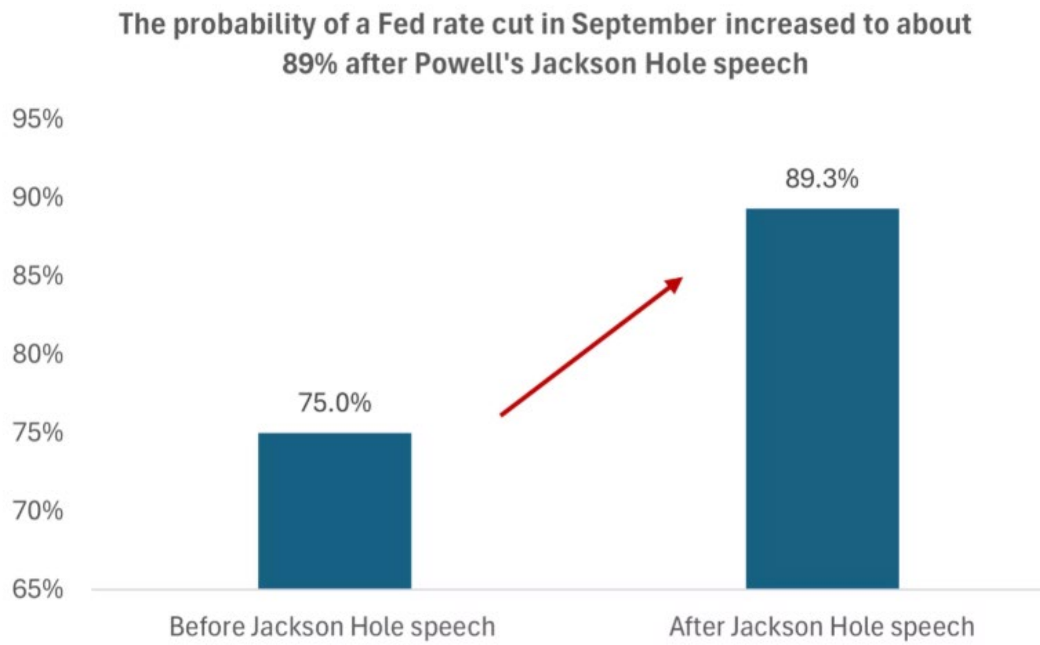
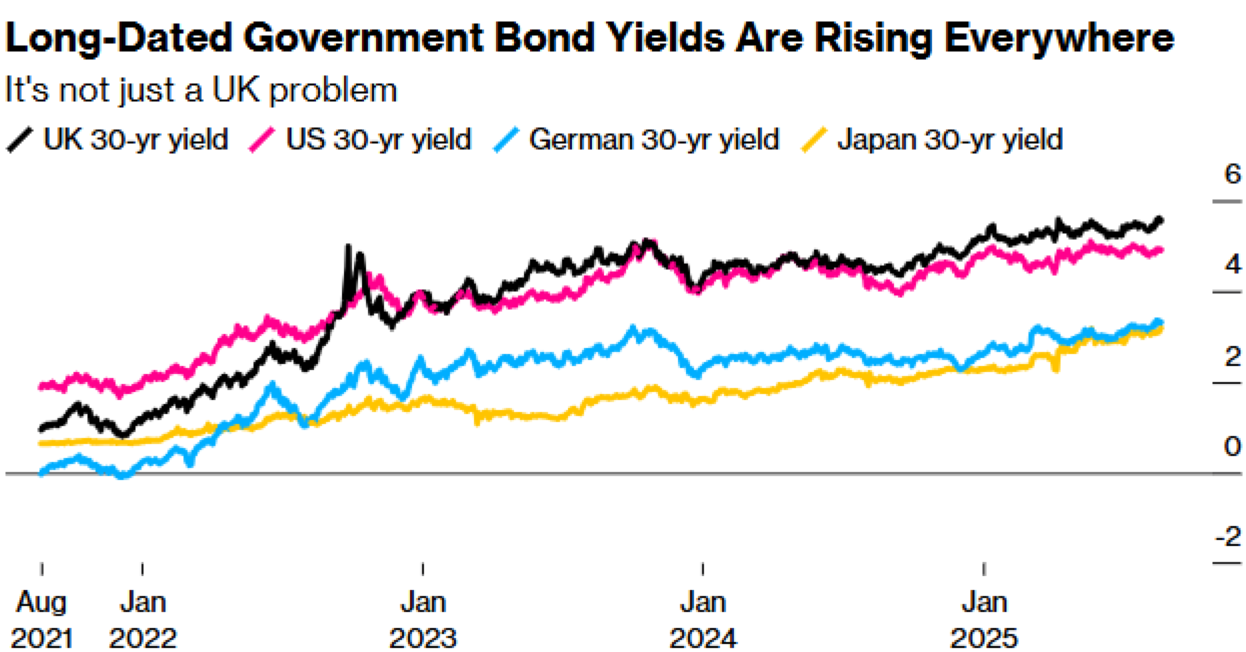
Fixed Income Markets

- The probability that the Fed will cut the short-term interest rate at its September meeting increased to approximately 89% after Powell's speech at Jackson Hole.



Sources: CME FedWatch; Edward Jones.

- The chart below shows that long-dated government bonds have risen across four of the largest government bond markets since 2021.



Y-axis represents Yield %. Source: Bloomberg L.P.

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U.S. Economic and Political News

- S&P Global flash Purchasing Managers' Indices (PMIs) were stronger than expected with manufacturing being the highest in more than three years, while services ticked lower. The report also noted that hiring rose at the fastest pace in over three years.

International Markets and News

- European markets (STOXX Europe 600 Index) rose +1.4% along with U.S. markets, and the Hamburg Commercial Bank Flash Eurozone Composite PMI Output Index (measures business activity) rose to 51.1 from 50.9 in July.
- The Chinese stock market (Shanghai Composite) rose +3.5% along with U.S. markets, and U.S.-China trade stabilization spurred risk-on sentiment for Chinese investors.
- Japanese equities (Nikkei 225 Index) fell -1.7% as Japan's July core Consumer Price Index increased +3.1% year-over-year, which reaffirmed investor expectations that the Bank of Japan could raise interest rates again in 2025.

This Week:

- The volume of corporate earnings reports will be lighter this week.
- Economic data:
  - Monday: New Home Sales;
  - Tuesday: Core Durable Orders, Durable Orders ex transport, Durable Orders, Federal Housing Finance Agency House Price Index, Consumer Confidence, Redbook Chain Store, American Petroleum Institute Crude Inventories;
  - Wednesday: Mortgage Bankers Association Mortgage Purchase Applications, Department of Energy Crude Inventories;
  - Thursday: Gross Domestic Product (GDP) Chain Price (first revision), GDP (first revision), Pending Home Sales, Initial Jobless Claims, Continuing Claims, EIA Natural Gas;
  - Friday: Core Personal Consumption Expenditures, Personal Spending, Personal Income, Wholesale Inventories, Chicago PMI, Michigan Consumer Sentiment (Final).

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 **Federal Housing Finance Agency (FHFA) House Price Index (HPI)** is a broad measure of single-family home price movement in the United States, published by the FHFA using data from mortgages purchased by Fannie Mae and Freddie Mac.

The **HCOB Flash Eurozone Composite PMI Output Index** is a leading economic indicator produced by S&P Global for the Hamburg Commercial Bank (HCOB) that measures private sector economic activity in the Eurozone.

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:

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. The **Michigan Consumer Sentiment Index (MCSI)** is a monthly survey of consumer confidence levels in the United States conducted by the University of Michigan. The survey is based on telephone interviews that gather information on consumer expectations for the economy. 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. The **Chicago PMI** is a monthly measure of the level of business activity for the Chicago area in the manufacturing sector. 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 **One Big Beautiful Bill Act (OBBBA)** includes several tax deductions for tips, overtime pay, auto loans, and creates Trump Accounts, allowing parents to create tax-deferred accounts for the benefit of their children, all set to expire in 2028.

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