

Weekly Market Recap

September 15, 2025

Index	Price	Price Returns	
	Close	Week	YTD
S&P 500® Index	6,584	1.6%	11.9%
Dow Jones Industrial Average	45,834	1.0%	7.7%
NASDAQ	22,141	2.0%	14.7%
Russell 2000® Index	2,397	0.3%	7.5%
MSCI EAFE Index	2,758	1.1%	22.0%
Ten-Year Treasury Yield	4.06%	0.0%	0.2%
Oil WTI ¹ (\$/bbl ²)	\$62.60	1.2%	-12.7%
Bonds ³	\$100.54	0.4%	6.5%

¹WTI = West Texas Intermediate Oil. ²bbl = Barrel. ³Bonds 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 +1.6% as Oracle rallied on a significant increase in backlog guidance, which supported the artificial intelligence (AI) theme. The Bureau of Labor Statistic's annual revision to nonfarm payrolls from April 2024 to April 2025 was revised down by 911k, which was a larger revision than the expected 800k. Bank of America noted a near 1M downward revision could indicate that the labor market stalled before trade uncertainty fears surfaced, which supported the narrative of a softening labor market. August Consumer Price Index (CPI) was modestly better than expected, but Core CPI was in line with analyst expectations. Shelter was the largest single factor driving CPI increase, though rent remained steady. The 10-year Treasury yield fell to 4.06% from 4.09%. Gold was up +0.9% and oil (WTI) rose +1.2%.
- S&P 500 Index Sector Returns:
 - Technology (+3.1%) rose, with strength from Oracle (robust earnings guidance driven by AI infrastructure demand) that benefitted AI semi-conductor stocks.
 - Utilities (+2.4%) rose, led by Vistra, Dominion Energy and American Electric Power Company.
 - Energy (+1.5%) rose, as the price of oil rose +1.2%.
 - Financials (+1.3%) rose, led by banks.
 - Consumer discretionary (+1.3%) rose, but was led lower by Tesla, home improvement retailers and travel stocks.
 - Communication services (+0.8%) rose, led by internet search and social media stocks.
 - Industrials (+0.4%) rose, led by electric infrastructure stocks and aerospace and defense.
 - Real Estate (+0.3%) rose, led by data centers.
 - Healthcare (+0.2%) rose and consumer staples (-0.2%) underperformed, as investors appeared to favor more defensive sectors.
 - Materials (0.0%) was flat, led by mining and chemical companies.

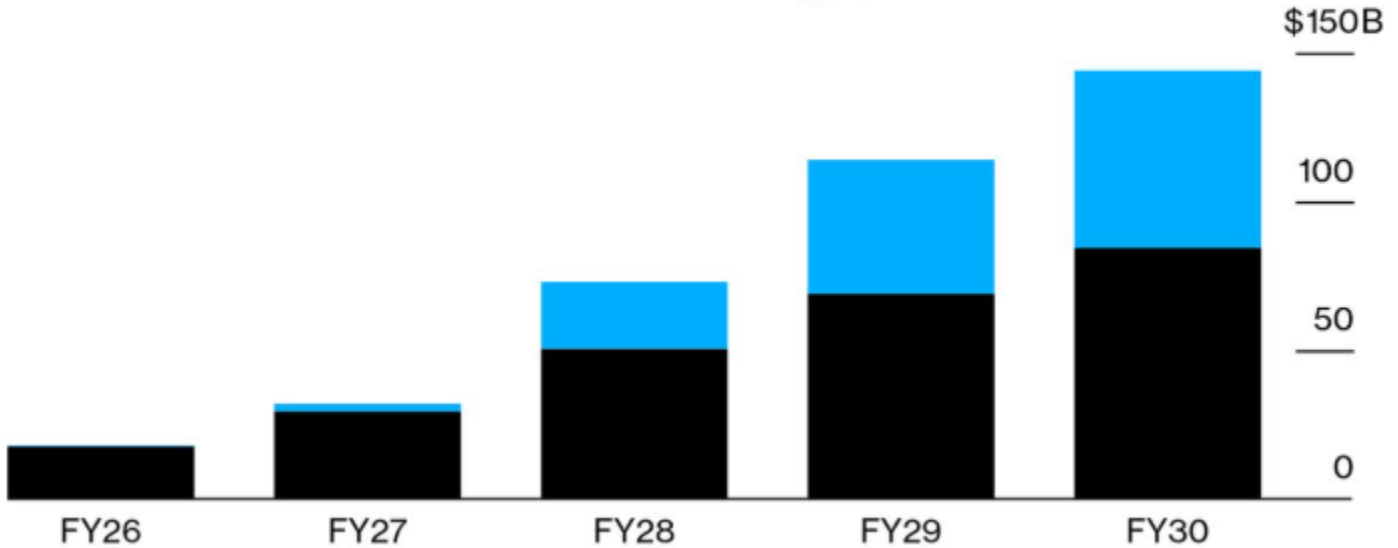
Specific securities identified and described do not represent all of the securities purchased, sold or recommended to clients. There are no assurances that securities identified will be profitable investments. The securities described are neither a recommendation nor a solicitation. Security information 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 09.12.2025 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.

- Oracle increased its remaining performance obligations (revenue backlog) by 359% (year-over-year) to hit \$455B, driven by demand for AI/cloud infrastructure.

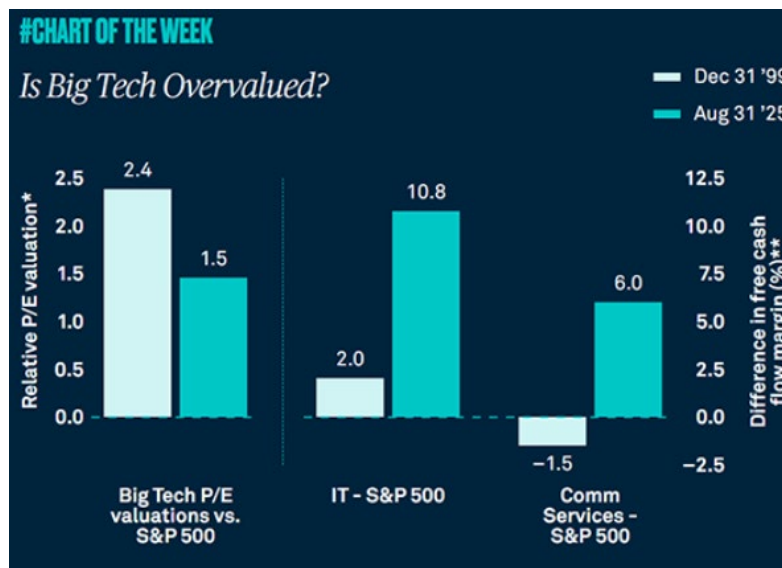
Oracle Gives Strong Cloud Infrastructure Outlook

■ Prior Wall Street estimates for annual IAAS sales ■ Upside in Oracle's outlook



FY = fiscal year. IAAS= Infrastructure as a Service. Sources: Creative Planning; YCharts; Bloomberg L.P.

- The chart below compares the technology sector vs. the S&P 500 Index in August 2025 relative to December 1999 by price-to-earnings (P/E) ratio and free cash flow margin (FCF). The technology sector today trades at a lower premium than 1999, and it has much higher FCF margins.

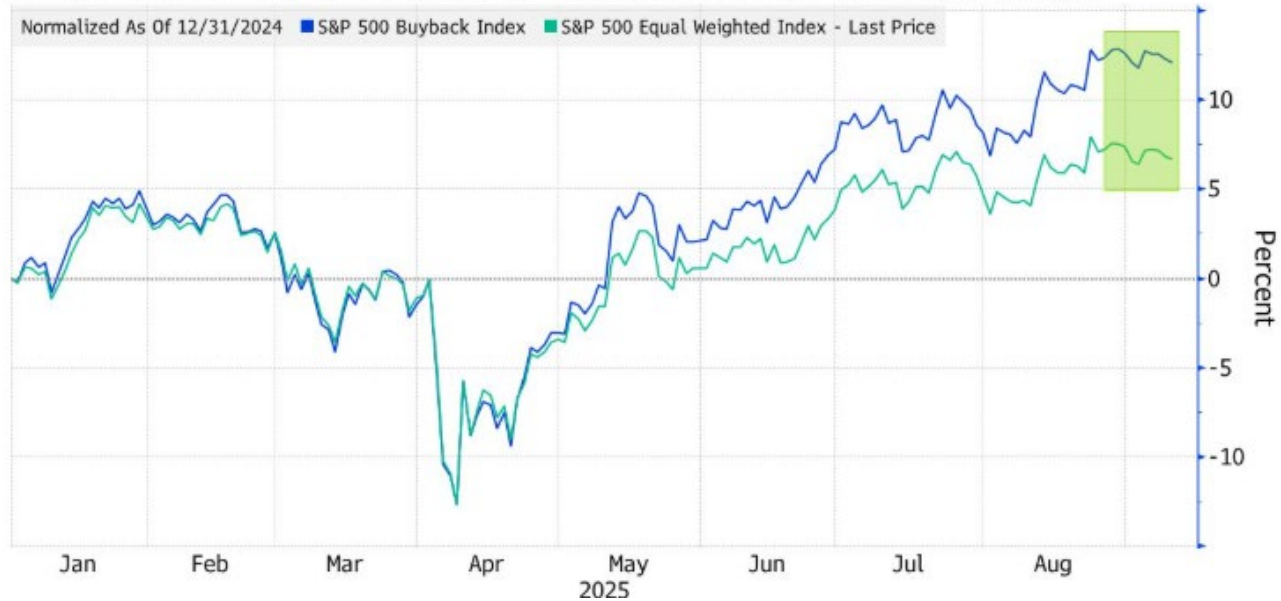


*Big tech: Top 50 companies by market cap weight in S&P 500 from information technology (IT) and communication services sectors with available 12-month forward P/E data. **Trailing 12-months used based on data availability. Data as of 09.05.2025. Sources: Creative Planning; Bloomberg L.P.

- Companies that are buying back their own stock have been outperforming the S&P 500 Equal Weight Index.

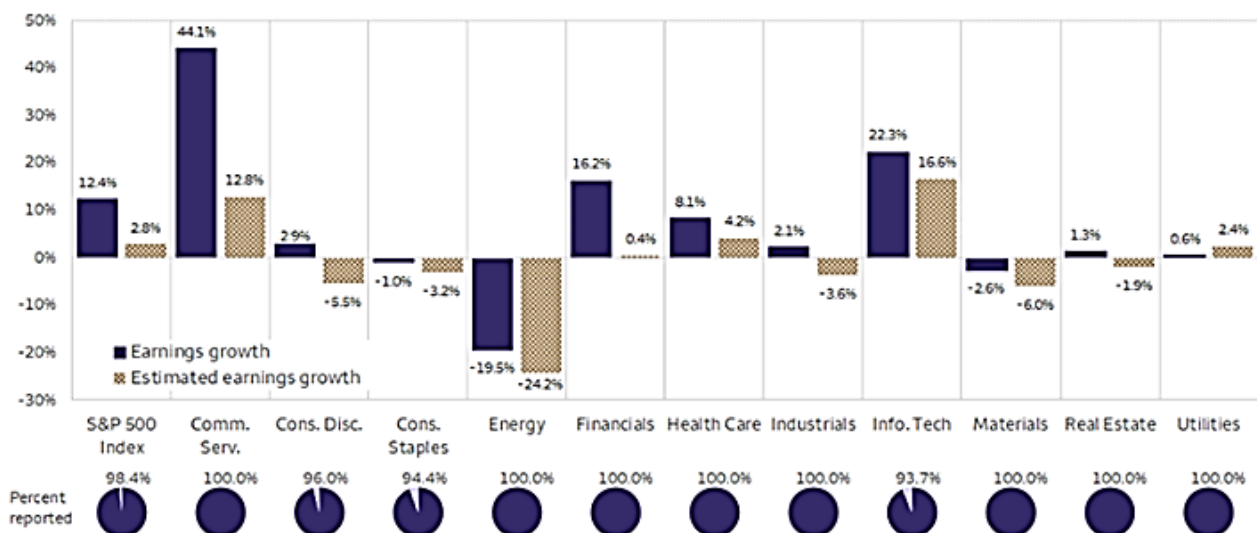
Buyback Stocks Outperform

Companies with highest buyback ratio outperform S&P 500 equal weight



- Wells Fargo suggests that the weakness in consumer sector's earnings growth may be foreshadowing a reduction in consumer spending.

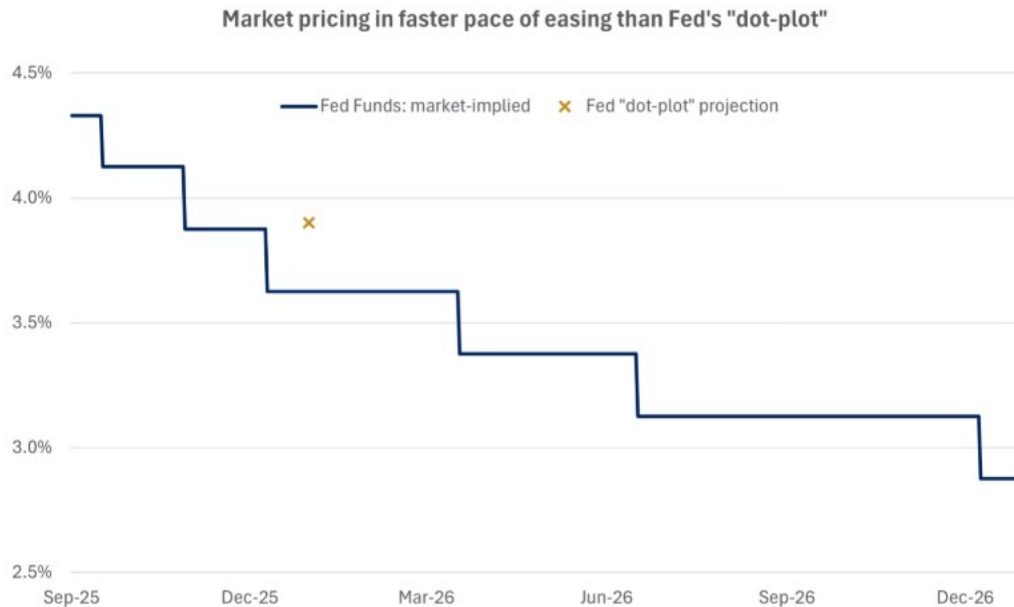
Consumer stock earnings may foreshadow spending squeeze



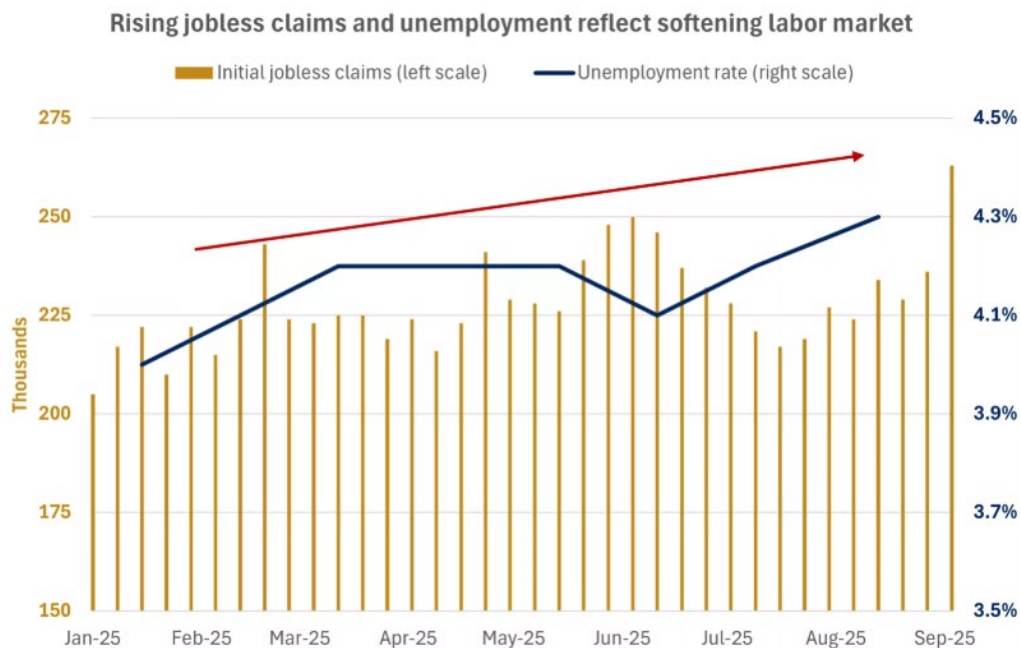
Earnings growth as of 08.29.2025. Bloomberg L.P. estimated earnings growth as of 06.27.2025. Sources: Bloomberg L.P.; Wells Fargo.

Fixed Income Markets

- The fed funds future suggests that the Federal Reserve (Fed) will cut rates by at least 0.50% before the end of 2025 and bring the fed funds rate to below 3.0% by the end of 2026.



- Rising jobless claims and unemployment suggest the labor market is softening, which will likely provide support for the Fed to cut rates at the September meeting (09.16.2025-09.17.2025). The next Fed meetings are 10.28.2025-10.29.2025 and 12.09.2025-12.10.2025.



U.S. Economic and Political News

- August core Producer Price Index came in cooler than expected with a deceleration in final demand goods. Tariff-linked categories were mixed, with some electronics and apparel categories showing stronger price increases, while other areas including furniture experienced price declines.

International Markets and News

- European markets (STOXX 600 Index) rose +1.0% as the European Central Bank (ECB) held its key deposit rate at 2% as expected by analysts, and the ECB President Christine Lagarde reiterated that the Eurozone was “in a good place” with inflation at 2%.
- The Chinese stock market (Shanghai Composite) rose +1.5% as domestic tech companies are perceived to be major beneficiaries of Beijing’s push for homegrown technology, according to Bloomberg L.P.
- Japanese equities (Nikkei 225 Index) rose +4.1% as Prime Minister Shigeru Ishiba announced his plans to resign. His ruling Liberal Democratic Party will now hold an emergency leadership election on October 4.

This Week:

- The volume of corporate earnings reports will be lighter this week.
- Economic data:
 - Monday: Empire State Manufacturing Index;
 - Tuesday: Export Prices, Import Prices, Retail Sales, Capacity Utilization, Industrial Production, Business Inventories, National Association of Home Builders Housing Market Index, Redbook Chain Store, American Petroleum Institute Crude Inventories;
 - Wednesday: Federal Open Market Committee Meeting, Fed Funds Rate, Mortgage Bankers Association Mortgage Purchase Applications, Building Permits, Housing Starts, Department of Energy Crude Inventories;
 - Thursday: Philadelphia Fed Index, Leading Indicators, Treasury International Capital Flows, Weekly Jobless Claims, Energy Information Administration Natural Gas Inventories;
 - Friday: New York Fed Director, John C. Williams, speaking engagement.

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

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. Economic charts are provided for illustrative purposes only. The information provided herein is subject to market conditions and is therefore expected to fluctuate.

The opinions contained in this presentation reflect those of Sterling Capital Management LLC (SCM), are for general information only, and are educational in nature. The opinions expressed are as of the date of publication and are subject to change without notice. These opinions are not meant to be predictions and do not constitute an offer of individual or personalized investment advice. They are not intended as an offer or solicitation with respect to the purchase or sale of any security. This information and these opinions are subject to change without notice. All opinions and information herein have been obtained or derived from sources believed to be reliable. SCM does not assume liability for any loss which may result from the reliance by any person upon such information or opinions.

Investment advisory services are available through SCM, an investment adviser registered with the U.S. Securities & Exchange Commission and an indirect, wholly-owned subsidiary of Guardian Capital Group Limited. SCM manages customized investment portfolios, provides asset allocation analysis, and offers other investment-related services to affluent individuals and businesses.

Sterling Capital does not provide tax or legal advice. You should consult with your individual tax or legal professional before taking any action that may have tax or legal implications.

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.

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 **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.

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. The **Producer Price Index (PPI)** is a measure of inflation at the wholesale level. It's compiled from thousands of indexes that measure producer prices by industry and product category. The index is published monthly by the U.S. Bureau of Labor Statistics (BLS). The **Price-to-Earnings (P/E) ratio** is a stock valuation metric that compares a company's current share price to its earnings per share (EPS). It is calculated by dividing the stock's market price by its EPS. The **Eurozone** is the economic region formed by those member countries of the European Union that have adopted the euro. The **NAHB Housing Market Index (HMI)** is a monthly survey by the National Association of Home Builders (NAHB) that measures builder sentiment in the single-family housing market, providing insight into housing market conditions. Builders are asked to rate present sales, future sales expectations over the next six months, and the traffic of prospective buyers. The **Federal Open Market Committee (FOMC)** is the primary monetary policymaking body of the U.S. Federal Reserve System. The **Philadelphia Federal Index** (or Philly Fed Survey) is a regional federal-reserve-bank index measuring changes in business growth. **Infrastructure as a Service (IaaS)** is a cloud computing model where a third-party provider offers virtualized computing resources—like servers, storage, and networking—over the internet on a pay-as-you-go basis. **Free cash flow (FCF)** is the amount of money a company has that exceeds the amount needed to sustain and grow the business. **Fed funds futures** are financial futures contracts based on the federal funds rate and traded on the Chicago Mercantile Exchange (CME) operated by CME Group Inc. (CME). The **Federal Funds Rate** is the rate banks charge each other for overnight loans of reserves on deposit with the Federal Reserve. The **FOMC Dot Plot** is a chart, released quarterly by the Federal Open Market Committee (FOMC), that shows the individual interest rate projections of each of its 19 participants for the next few years and a longer-run neutral rate. The **Empire State Manufacturing Index (ESMI)**, is a monthly report by the Federal Reserve Bank of New York that surveys manufacturers in New York State to gauge current and future business conditions.

The **Chartered Financial Analyst® (CFA)** charter is a graduate-level investment credential awarded by the CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.