

# Weekly Market Recap

September 29, 2025

Index	Price	Price Returns	
	Close	Week	YTD
S&P 500 <sup>®</sup> Index	6,644	-0.3%	13.0%
Dow Jones Industrial Average	46,247	-0.1%	8.7%
NASDAQ	22,484	-0.7%	16.4%
Russell 2000 <sup>®</sup> Index	2,434	-0.6%	9.2%
MSCI EAFE Index	2,726	-1.0%	20.5%
Ten-Year Treasury Yield	4.18%	0.1%	0.3%
Oil WTI <sup>1</sup> (\$/bbl <sup>2</sup> )	\$65.36	4.7%	-8.9%
Bonds <sup>3</sup>	\$100.07	-0.2%	5.9%

<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) fell -0.3% as investor expectations for two more 0.25% Federal Reserve (Fed) rate cuts this year lowered, with some economic data generally arguing against the economic slowdown thesis. August new-home sales came in well ahead of analyst expectations (best since January 2022) and existing-home sales were also strong. President Trump announced several sectoral tariffs on imports of patented drugs, heavy trucks, and select furniture products. There was more scrutiny on the artificial intelligence (AI) theme after NVIDIA announced a \$100B investment in OpenAI to fund datacenter buildout. Additionally, a report from Bain & Company cautioned AI compute demand is outstripping semiconductor efficiency and power supplies. The 10-year Treasury yield rose to 4.18% from 4.13%. Gold was up +2.8% and oil (WTI) rose +4.7%.
- S&P 500 Index Sector Returns:
  - Energy (+4.7%) rose, as the price of oil rose +4.7%.
  - Utilities (+2.8%) rose, led by NextEra and Southern Company.
  - Real Estate (+0.9%) rose, led by public storage and cell towers.
  - Technology (+0.3%) rose, led by Apple and AI semi-conductor stocks.
  - Industrials (+0.1%) rose, led by logistics companies and aerospace and defense stocks.
  - Financials (-0.4%) fell, led lower by fin-tech.
  - Healthcare (-0.9%) and consumer staples (-1.1%) underperformed, as investors appeared to favor less-defensive sectors.
  - Consumer discretionary (-1.2%) fell, led lower by Amazon and travel stocks.
  - Materials (-2.0%) fell, led lower by paint and chemical companies.
  - Communication services (-2.7%) fell, led lower by internet search and social media stocks.

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- Since the April 8 low, the S&P 500 Index has rebounded by over 30% without a 2% or more pullback.

The S&P 500 has rebounded over 30% since its April 8 low (S&P 500 price index)



Sources: Edward Jones; Bloomberg L.P.

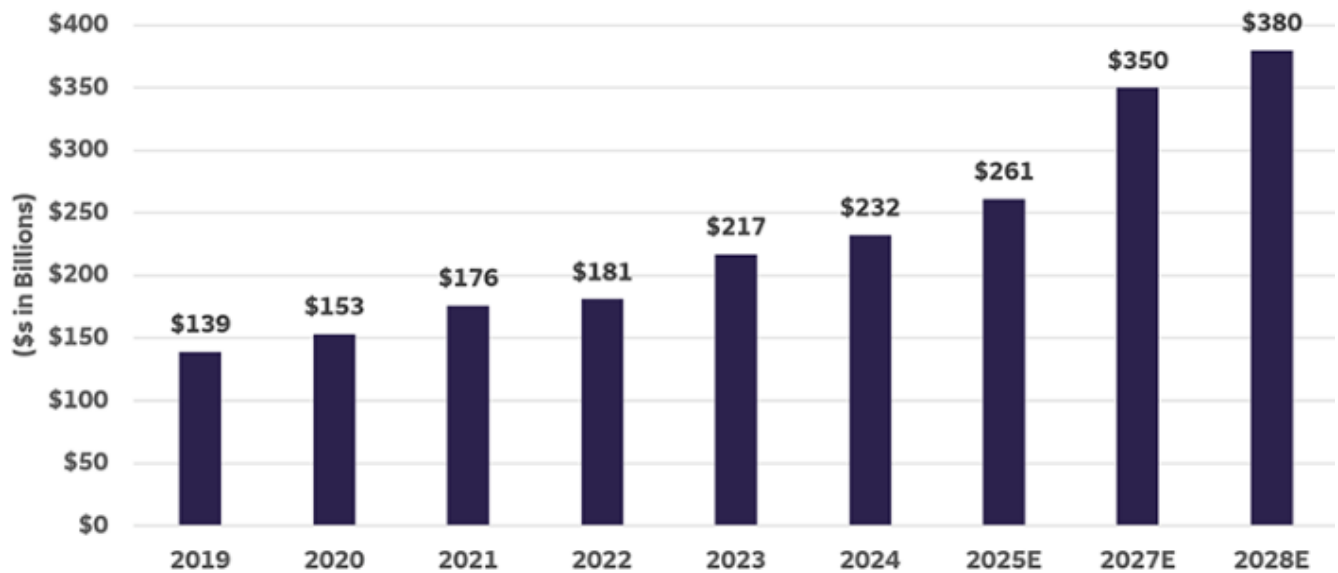
- High beta/high risk, cyclicals, information technology, and consumer discretionary stocks have outperformed the broad S&P 500 Equal Weight Index, defensive stocks, and consumer staples thus far in 2025.



\*Rebased to 100 on 12.31.2024. IT: Information Technology sector. SPX: S&P 500. Data as of 09.19.2025. Sources: BNY; Bloomberg L.P.

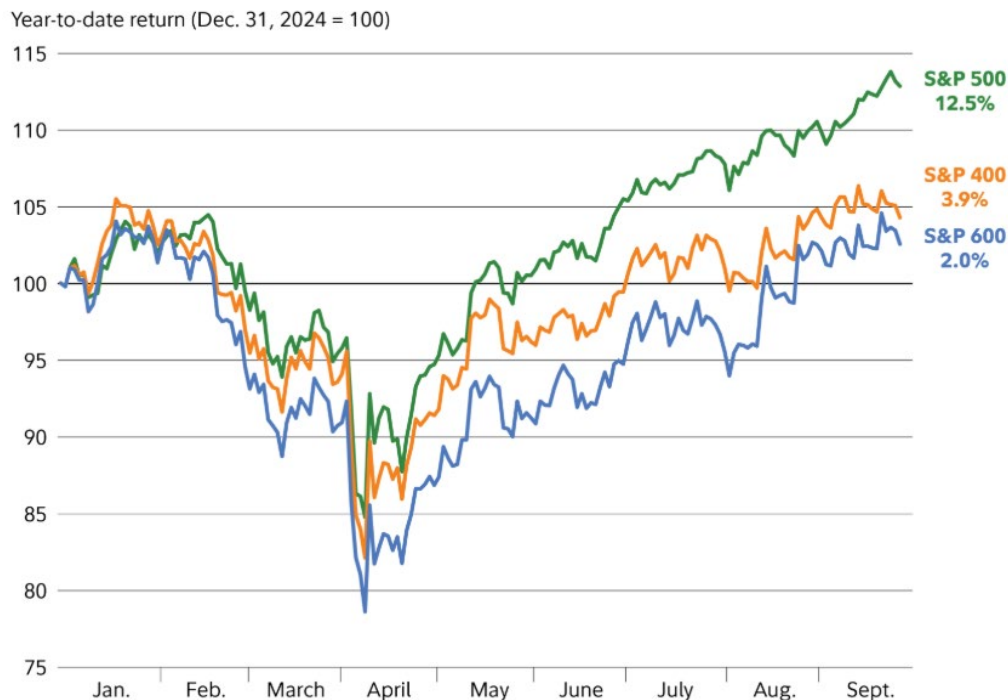
- Generative AI models are being deployed directly onto local edge-computing devices such as AI personal computers and smartphones. Edge-computing devices are hardware components that process computation locally, which is close to the source of data generation rather than sending the data to the cloud or data center.

## The rise of edge computing devices for AI



Source: The International Data Corporation. Data through March 2025. E = estimated. Worldwide edge computing market revenue as measured by a rising level of connected devices driving the need for greater computing capabilities closer to local endpoints. Excerpted from Sector Insights: "AI's double-edge impact: Software lags, hardware leads".

- After near 20% drawdowns for large caps (S&P 500 Index), mid caps (S&P 400 Index), and small caps (S&P 600 Index) in March and April, now all three indexes are positive for 2025.



Data as of 09.24.2025. Sources: Fidelity; Factset.

All data is as of 09.26.2025 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.

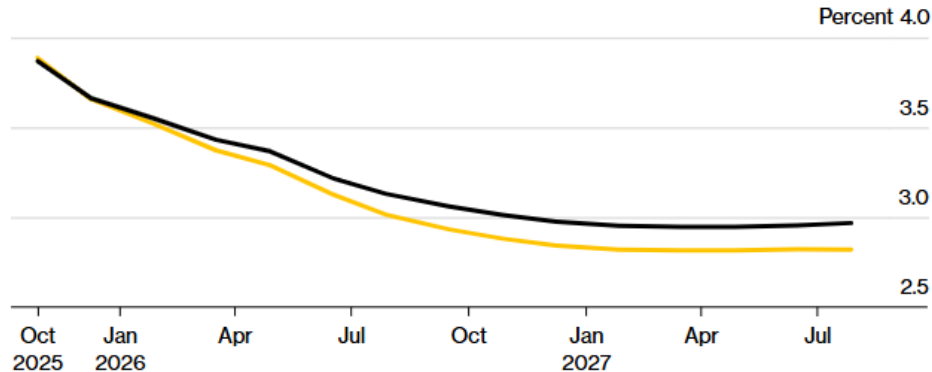
## Fixed Income Markets

- After the Fed meeting on 09.23.2025, the fed fund futures market is now predicting the Fed to cut the short-term rate by only 0.25% throughout the rest of 2025 but is still expecting the fed funds rate to reach below 3% by 2027.

### Fed Neutral Rate Edges Higher After September Meeting

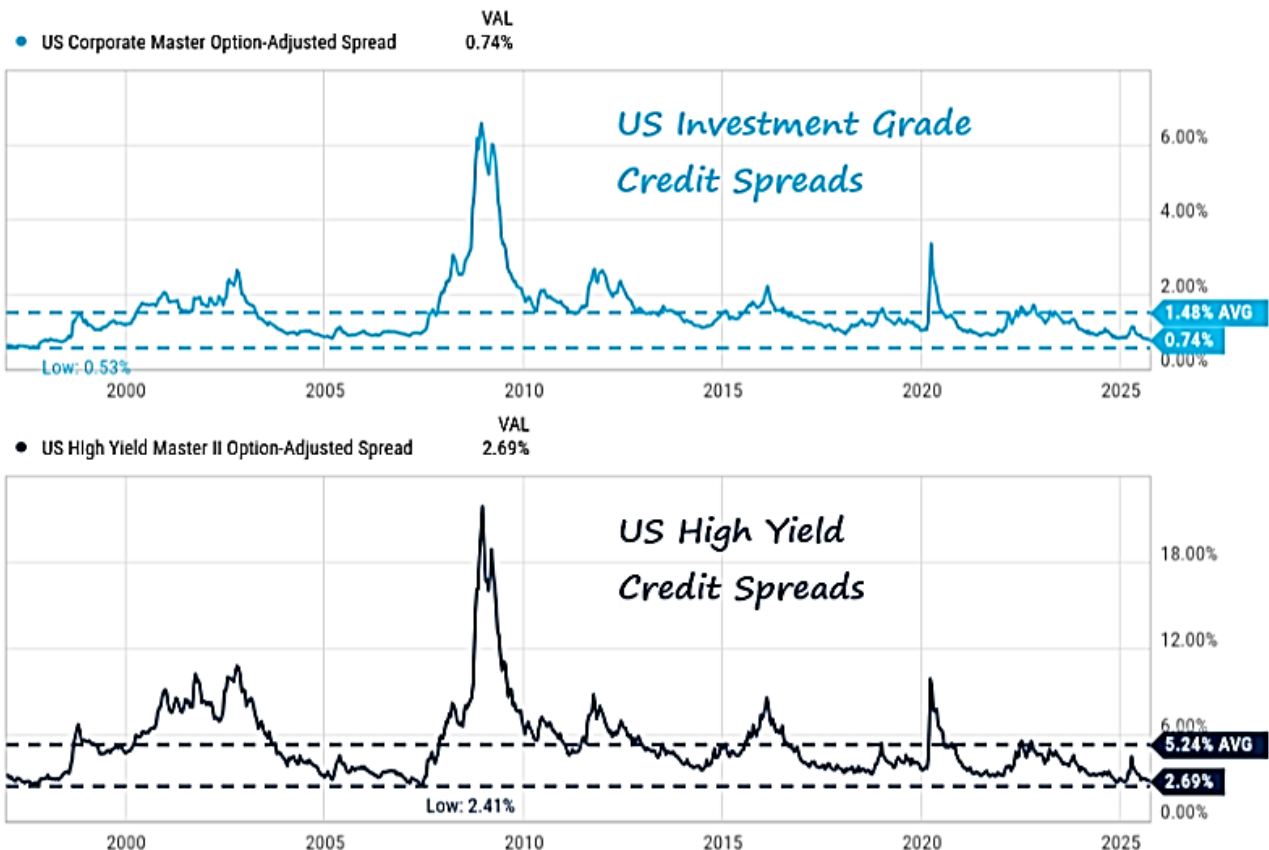
Swaps market prices a neutral rate at just below 3%

■ Fed-OIS Sept. 23    ■ Fed-OIS Pre-FOMC



OIS= Overnight Indexed Swap. FOMC = Federal Open Market Committee. Source: Bloomberg L.P.

- Investment grade (0.74%) and high yield credit spreads (2.69%) are at their tightest levels since 1998 and 2007, respectively.



Sources: Creative Planning; YCharts.

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## U.S. Economic and Political News

- August core capital goods orders expanded versus analyst expectations of a monthly decline.
- Q2 gross domestic product was revised higher to reflect better consumer spending.

## International Markets and News

- European markets (STOXX 600 Index) were roughly flat as the Eurozone economy maintained a modest pace of growth in the third quarter with the Purchasing Managers' Index (PMI) Output Index rising to a 16-month high of 51.2 in September.
- The Chinese stock market (Shanghai Composite) rose +0.2% as local liquidity continues to benefit demand for Chinese equity markets.
- Japanese equities (Nikkei 225 Index) rose +0.7% as expectations of a near-term interest rate hike by the Bank of Japan were tempered by a lower-than-expected Tokyo area consumer inflation print.

## This Week:

- The volume of corporate earnings reports will be lighter this week.
- Economic data:
  - Monday: Pending Home Sales, Fed Governor Christopher Waller Speaking Event;
  - Tuesday: Federal Housing Finance Agency House Price Index, Chicago PMI, Job Openings and Labor Turnover Survey, Consumer Confidence, Redbook Chain Store, American Petroleum Institute Crude Inventories, Fed Vice Chair Phillip Jefferson Speaking Event, NY Fed Speaking Event;
  - Wednesday: Mortgage Bankers Association Mortgage Purchase Applications, Automatic Data Processing Employment Report, PMI Manufacturing Final, Construction Spending, Institute of Supply Management Manufacturing Index, Department of Energy Crude Inventories;
  - Thursday: Challenger Job Cuts, Factory Orders, Weekly Jobless Claims, Energy Information Administration Natural Gas Inventories;
  - Friday: Nonfarm Payrolls, Unemployment Rate, Average Weekly Hours, Average Hourly Earnings, PMI Services Final, ISM Non-Manufacturing Index, NY Fed President John Williams Speaking Event.

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 **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.



## Technical Terms:

**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 **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 **PMI output index** measures changes in the volume of production (manufacturing) or business activity (services) in an economy. The **Chicago PMI** is a monthly measure of the level of business activity for the Chicago area in the manufacturing sector. The **House Price Index (HPI)** is a broad measure of the movement of single-family property prices in the United States. The HPI is published and updated by the Federal Housing Finance Agency (FHFA). **Fed funds futures** are a financial derivative used by market participants to hedge against or speculate on short-term interest rate changes, particularly those set by the Federal Reserve's Federal Open Market Committee (FOMC). The **federal funds rate** is the target interest rate that commercial banks charge each other for overnight loans to meet their reserve requirements, set by the Federal Reserve's Federal Open Market Committee (FOMC) to influence broader economic conditions and rates such as prime rates, mortgage rates, and car loan rates. **U.S. Investment Grade (IG) credit spreads** represent the difference in yield between high-quality, investment-grade corporate bonds and risk-free U.S. Treasury bonds of the same maturity. These spreads, measured in basis points (bps), serve as an indicator of perceived credit risk and overall market sentiment. **U.S. high-yield credit spreads** are the yield difference between high-yield (or junk) corporate bonds and a benchmark, typically US Treasury bonds of the same maturity. These spreads, often expressed in percentage points or basis points, compensate investors for the higher risk of default associated with high-yield bonds compared to safer Treasury securities. **Eurozone** is the economic region formed by those member countries of the European Union that have adopted the euro. **Job Openings and Labor Turnover Survey (JOLTS)** is a monthly survey of U.S. job vacancies, hiring, and job separations released by the Bureau of Labor Statistics of the U.S. Department of Labor. **The Institute for Supply Management (ISM) Manufacturing Index** is a diffusion index that measures the health of the U.S. manufacturing sector, with a reading above 50 indicating expansion and below 50 signaling contraction compared to the prior month. The **ISM Non-Manufacturing Index** (now called the Services PMI) is an index used to assess the performance of services companies in the United States. An **Overnight Indexed Swap (OIS)** is a derivative contract where two parties exchange a fixed interest rate for a floating interest rate over a specified period. The **Federal Open Market Committee (FOMC)** is the primary body of the Federal Reserve System responsible for setting national monetary policy, including influencing interest rates and the nation's money supply.

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