

Weekly Market Recap

August 18, 2025

Index	Price	Price Returns	
	Close	Week	YTD
S&P 500® Index	6,450	0.9%	9.7%
Dow Jones Industrial Average	44,946	1.7%	5.6%
NASDAQ	21,623	0.8%	12.0%
Russell 2000® Index	2,287	3.1%	2.5%
MSCI EAFE Index	2,718	1.4%	20.2%
Ten-Year Treasury Yield	4.32%	0.0%	0.4%
Oil WTI ¹ (\$/bbl ²)	\$63.13	-1.2%	-12.0%
Bonds ³	\$98.94	-0.0%	4.6%

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:

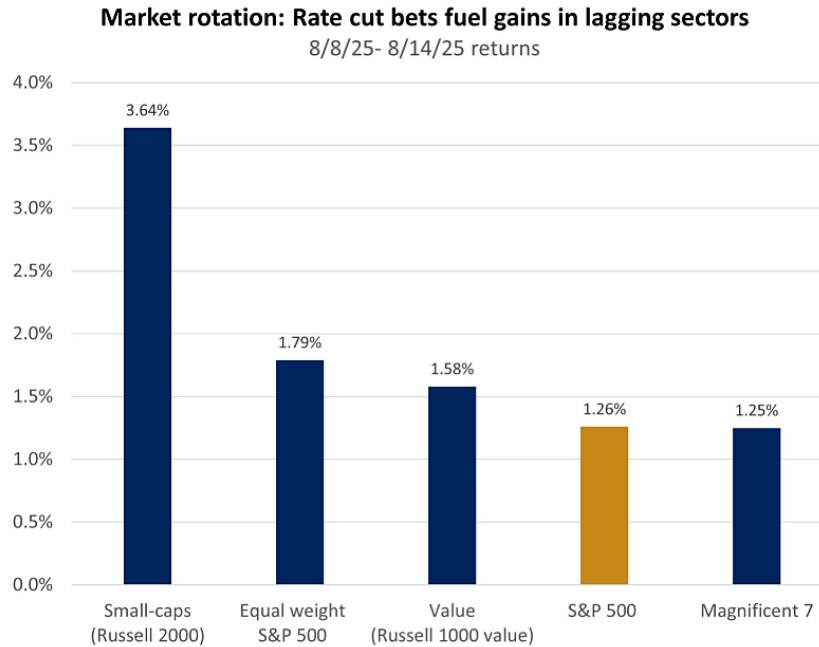
U.S. Equity Market

- U.S. large-cap equities (S&P 500 Index) rose +0.9% as the Trump administration announced another 90-day extension of China's tariff deadline, shifting it to early November. President Trump also said that the long-promised semiconductor tariffs could be announced in the next two weeks. Treasury Secretary Scott Bessent said deals with "substantial" trading partners may be wrapped up by October. July Consumer Price Index (CPI) and Core CPI data were in line with analyst estimates with limited tariff impacts to certain categories. The July Producer Price Index came in better than expected, driven largely by services prices (including trade services). The July retail sales report was largely in line, showing continued resilience by U.S. consumers. The 10-year Treasury yield rose modestly to 4.32% from 4.28%. Gold was lower and oil (WTI) fell -1.2%.
- S&P 500 Index Sector Returns:
 - Healthcare (+4.6%) outperformed, led by managed care.
 - Consumer discretionary (+2.5%) rose, but was led lower by Tesla, Amazon, and travel stocks.
 - Communication services (+2.1%) rose, with strength from social media and internet search stocks.
 - Materials (+1.8%) rose, led by mining and paint companies.
 - Financials (+1.2%) rose, led by banks.
 - Energy (+0.5%) rose, as the price of oil fell -1.2%.
 - Real Estate (+0.2%) rose, led by office and hotel real estate investment trusts.
 - Technology (-0.1%) fell, with weakness from artificial intelligence software and semiconductor stocks.
 - Industrials (-0.3%) fell, led lower by transports and logistics stocks.
 - Consumer staples (-0.8%) and utilities (-0.8%) underperformed, as investors appeared to favor less-defensive sectors.

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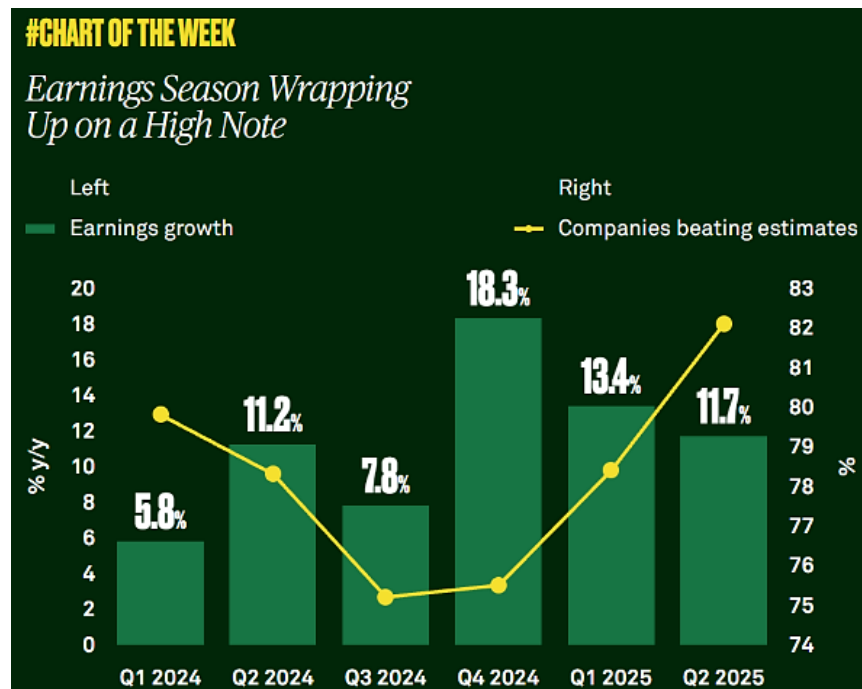
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- The chart below shows that Russell 2000 Index, S&P 500 Equal Weight Index, and Russell 1000® Value Index outperformed the S&P 500 Index and “Magnificent 7” in the past week.



Sources: Bloomberg L.P.; Edward Jones.

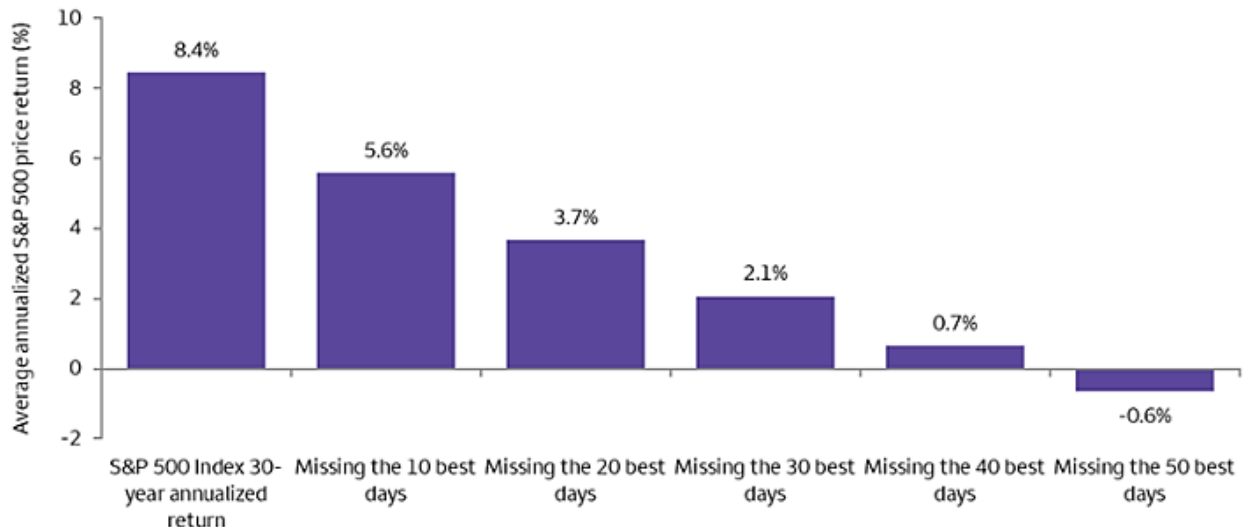
- The 2Q25 earnings reports appear to be beating estimates for 82% of companies in the S&P 500, which is well ahead of the previous five quarters.



Sources: FactSet; BNY Mellon.

- The chart below shows that if an investor were to miss the ten best days, the 20 best days, or the 30 best days, the 30-year annualized return for the S&P 500 would drop from 8.4% to 5.6%, 3.7%, or 2.1%, respectively.

Missing the market's best days

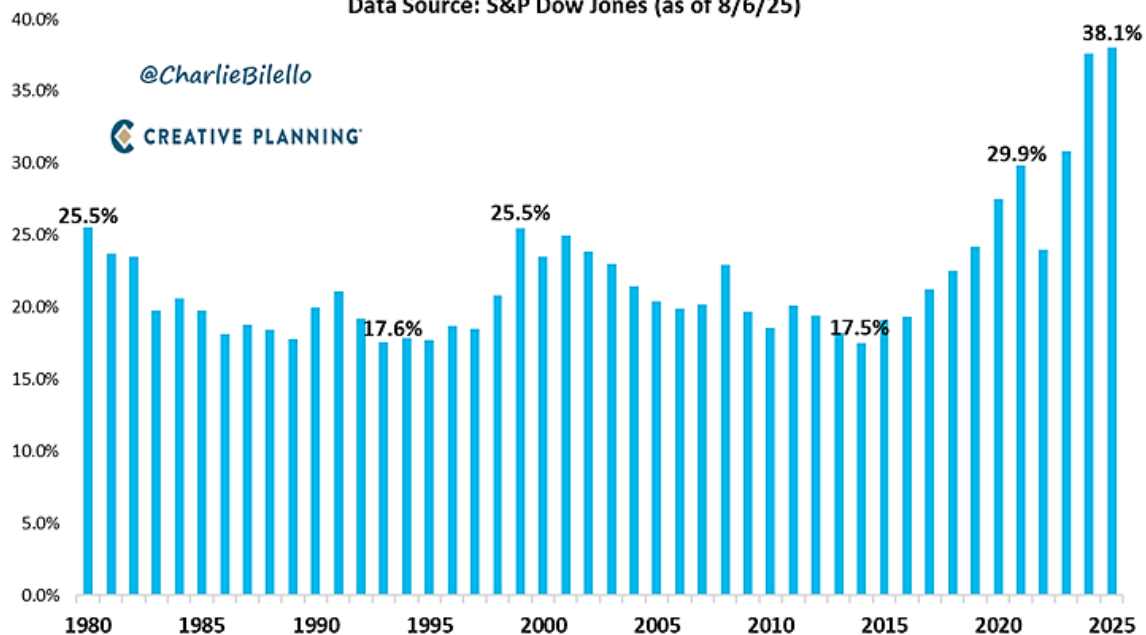


Data as of 06.30.2025. Sources: Bloomberg L.P.; Wells Fargo Investment Institute.

- The weight of the top ten holdings in the S&P 500 has reached a new high of 38.1% as of August 6.

S&P 500: Weighting of Top 10 Holdings (Annual, 1980 - 2025)

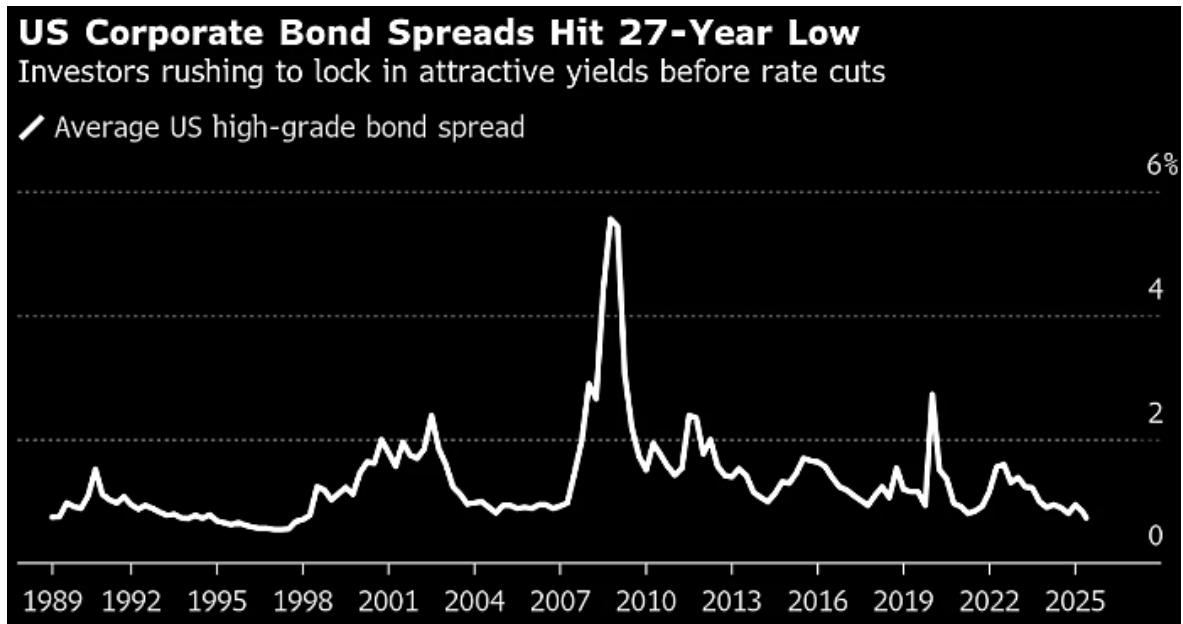
Data Source: S&P Dow Jones (as of 8/6/25)



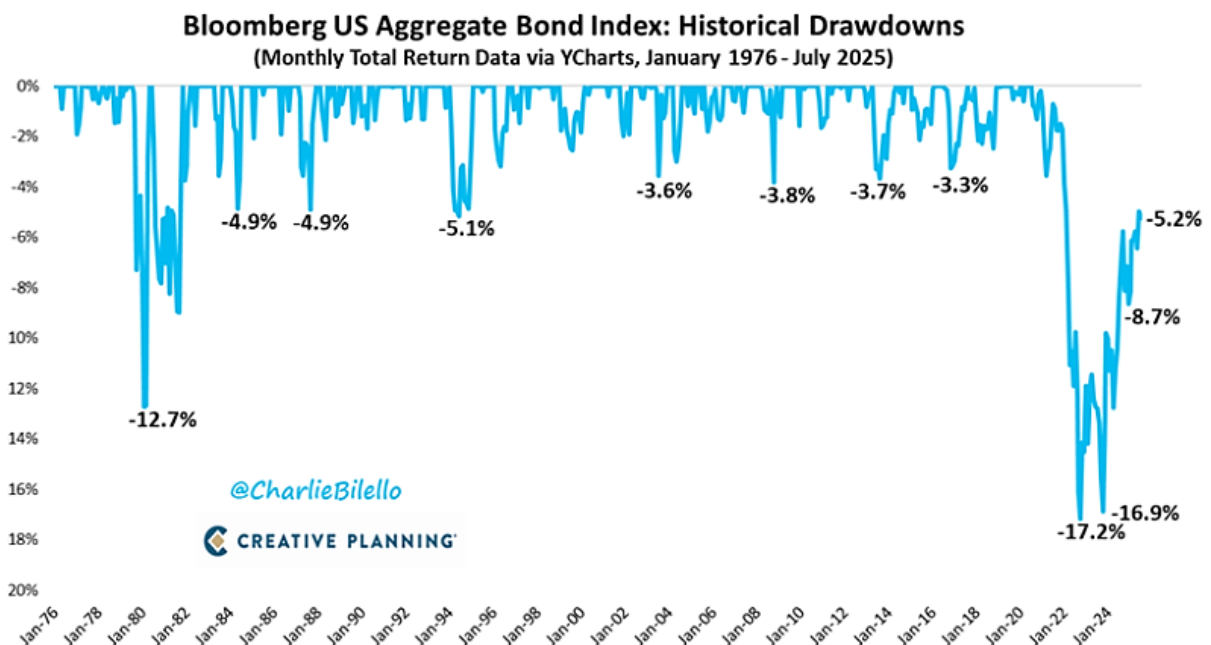
Sources: S&P Dow Jones; Creative Planning.

Fixed Income Markets

- U.S. corporate bond spreads hit a 27-year low, potentially due to investors rushing to lock in higher yields before the Federal Reserve (Fed) is expected to cut rates at their September meeting.



- The chart below shows the historical drawdowns of the Bloomberg U.S. Aggregate Bond Index.



Sources: Creative Planning; Bloomberg L.P.

U.S. Economic and Political News

- August's N.Y. Fed Empire manufacturing survey beat analyst expectations, though respondent optimism waned.
- Preliminary August University of Michigan consumer sentiment dropped for the first time in four months while year-ahead and five-year inflation expectations rose.

International Markets and News

- European markets (STOXX 600 Index) rose +1.2% on better trade discussions and hopes for a resolution of the Ukraine-Russia conflict.
- The Chinese stock market (Shanghai Composite) rose +1.7% after the U.S. and China agreed to renew a tariff pause on each other's products until November.
- Japanese equities (Nikkei 225 Index) rose +3.7% on Japan's better-than-expected economic growth in the second quarter, solid Japanese corporate earnings season, and an improving global trade outlook.

This Week:

- The volume of corporate earnings reports will be lighter this week.
- Economic data:
 - Monday: National Association of Home Builders Housing Market Index;
 - Tuesday: Building Permits, Housing Starts, Redbook year-over-year;
 - Wednesday: Mortgage Bankers Association Purchase Applications, Energy Information Administration Crude/Distillates/Gasoline, Federal Open Market Committee Minutes, Fed Governor Christopher Waller to speak at Wyoming Blockchain Symposium at Teton Village;
 - Thursday: Philadelphia Fed Index, Purchasing Managers' Index (PMI) Manufacturing Preliminary, PMI Services Preliminary, Existing Home Sales, Leading Indicators;
 - Friday: Fed Chair Jerome Powell speaking at Jackson Hole Economic Policy Symposium, Baker Hughes.

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 **Russell 1000® Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000® companies with lower price-to-book ratios and lower expected growth values. The Russell 1000® Value Index is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.

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.

The **Bloomberg US Aggregate Bond Index** is a broad-based flagship benchmark that measures the investment grade, US dollar denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, fixed rate agency MBS, ABS and CMBS (agency and non-agency). Provided the necessary inclusion rules are met, US Aggregate-eligible securities also contribute to the multi-currency Global Aggregate Index and the US Universal Index. The US Aggregate Index was created in 1986, with history backfilled to January 1, 1976.

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Technical Terms:

The Baker Hughes Rig Count is a weekly tally of active drilling rigs in the United States and Canada, primarily focusing on those that are significant users of oilfield services and supplies. The **Composite Index of Leading Indicators**, or Leading Economic Index (LEI), is a monthly index published by The Conference Board that combines ten economic components to predict the direction of the U.S. economy. 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 **Magnificent Seven stocks** are a group of high-performing technology companies in the U.S. stock market: Alphabet, Amazon, Apple, Broadcom, Meta Platforms, Microsoft, and NVIDIA. 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 **NAHB/Wells Fargo Housing Market Index (HMI)** is a monthly survey-based index that tracks the pulse of the US single-family housing market. It reflects the sentiment of homebuilders regarding the current and future outlook for new single-family home sales. The **NY Empire State Index** is a monthly economic indicator derived from a survey of manufacturers in New York state that assesses general business conditions and forecasts future manufacturing activity. The **Philly Fed Index**, formally known as the Philadelphia Fed Manufacturing Business Outlook Survey (BOS), is a monthly report that gauges the manufacturing sector's health within the Third Federal Reserve District (eastern and central Pennsylvania, southern New Jersey, and Delaware). 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). 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. (Technical definitions are sourced from Corporate Finance Institute.)

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