

Capital Markets Snapshot

Week ending August 15, 2025

Last week, markets responded to a mix of inflation data, earnings results, and geopolitical developments. The Consumer Price Index (CPI) rose 0.2% month-over-month, in line with expectations, while core CPI climbed to 3.1%, the highest since February, driven by rising service costs. However, the Producer Price Index (PPI) surprised to the upside, increasing 0.9%, raising concerns about future consumer price pressures. Despite this, equity markets remained resilient, with the S&P 500 and Nasdaq gaining around 1% and the Dow Jones 1.8% over the week. Small-cap and value stocks outperformed their large-cap and growth peers, possibly signaling a broadening of market leadership as expectations for a September Fed rate cut continue to increase. Earnings season continued to support bullish sentiment, especially in the tech sector, where mega-cap stocks drove much of the growth. Tariff developments also made headlines, with new levies on semiconductors. Overall, markets showed strength but remain sensitive to inflation trends and central bank signals.

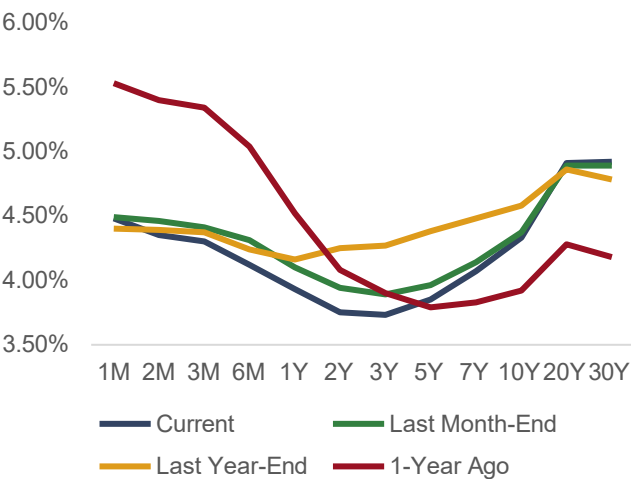
Fixed Income Markets Overview

- The yield curve continued to steepen as long-term rates rose and short-term rates fell for the week, reflecting expectations of an upcoming rate cut in the short-term while long-term uncertainty remains elevated.
- Expectations remain high for a rate cut at the September FOMC. There is some discussion over whether a 25- or 50-basis point "insurance" cut is appropriate given the softening labor market data. Market participants will be closely watching this week's Jackson Hole meeting for any signals from Fed Chair Powell on the Fed's expected path of action.
- While July's CPI was within expectations, the surprise in PPI and last week's rising PCE demonstrate inflation is not fully resolved with many expecting further impacts from US tariffs over the coming months. Sticky services and rising producer prices suggest we may see price increases begin to pass through to consumers.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.1%	3.4%	3.9%	1.7%
	Intermediate Govt/Credit	0.1%	4.6%	3.4%	0.6%
Core Plus	International Aggregate	0.0%	6.9%	2.0%	-1.7%
	US Aggregate	0.0%	4.4%	2.0%	-0.8%
	US Treasury	-0.2%	3.8%	1.3%	-1.6%
	US TIPS	-0.3%	5.3%	1.6%	1.3%
	US Corporate	0.2%	5.0%	3.5%	-0.1%
	US Corporate High Yield	0.3%	5.6%	7.6%	5.2%
Other	Emerging Markets Aggregate	0.5%	7.1%	7.1%	1.4%
Muni	US Municipals	0.0%	0.1%	1.8%	0.2%
	US Municipals High Yield	-0.1%	-1.6%	2.8%	2.2%

Source: Bloomberg as of August 15, 2025

U.S. Treasury Yield Curve



Source: Bloomberg and U.S Treasury as of August 15, 2025

Interest Rates (%)

Date	8/15/2025	7/31/2025	12/31/2024	8/15/2024
Federal Funds Rate	4.48%	4.49%	4.40%	5.53%
3 Month Treasury	4.30%	4.41%	4.37%	5.34%
6 Month Treasury	4.12%	4.31%	4.24%	5.04%
2 Year Treasury	3.75%	3.94%	4.25%	4.08%
5 Year Treasury	3.85%	3.96%	4.38%	3.79%
10 Year Treasury	4.33%	4.37%	4.58%	3.92%
30 Year Treasury	4.92%	4.89%	4.78%	4.18%
US Aggregate	4.54%	4.64%	4.91%	4.49%
US Corporate	4.95%	5.07%	5.33%	5.01%
US Corporate High Yield	6.95%	7.08%	7.49%	7.53%
US Municipal	3.91%	3.98%	3.74%	3.47%
US Municipal High Yield	5.90%	5.91%	5.52%	5.30%

Spreads Over 10-Year US Treasuries

Date	8/15/2025	7/31/2025	12/31/2024	8/15/2024
30 Year Treasury	0.59%	0.52%	0.20%	0.26%
US Aggregate	0.21%	0.27%	0.33%	0.57%
US Corporate	0.62%	0.70%	0.75%	1.09%
US Corporate High Yield	2.62%	2.71%	2.91%	3.61%
US Municipal	-0.42%	-0.39%	-0.84%	-0.45%
US Municipal High Yield	1.57%	1.54%	0.94%	1.38%

Source: Bloomberg and U.S. Treasury as of August 15, 2025

Equity Markets Overview

- All three major U.S. indexes posted gains around 1-2% for the week, led by the Dow Jones. A strong Q2 earnings season has helped sustain the recent equity rally despite concerns around inflation, geopolitical tensions, and US monetary and fiscal policies.
- Mega-cap tech stocks have recently renewed their dominant performance of recent years. In particular, the Magnificent 7's disproportionate contribution to Q2 earnings growth has helped lift broader markets despite uneven participation from smaller firms.
- Market breadth remained narrow, with only a minority of S&P 500 stocks outperforming the index, suggesting gains are concentrated in a few large names rather than broad-based.
- Small-cap and value stocks showed signs of revival, outperforming the broader market amid growing expectations of a Fed rate cut in September.
- Sector performance was mixed, with healthcare, consumer discretionary, and telecommunications posted respective gains of 4.6%, 2.5%, and 2.1%. Utilities and consumer staples posted the largest weekly losses slipping 0.8% each.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	1.1%	9.8%	15.5%	15.3%
Large-Cap	S&P 500	1.0%	10.5%	16.2%	15.6%
	S&P 500 Growth	0.6%	14.1%	18.5%	16.1%
	S&P 500 Value	1.4%	6.6%	12.7%	14.1%
Mid-Cap	S&P Midcap 400	1.6%	2.6%	8.3%	11.9%
	S&P Midcap 400 Growth	1.1%	2.9%	8.6%	9.7%
	S&P Midcap 400 Value	2.2%	2.2%	8.0%	14.1%
Small-Cap	S&P Smallcap 600	3.2%	0.1%	4.4%	10.5%
	S&P Smallcap 600 Growth	2.6%	2.0%	5.1%	9.2%
	S&P Smallcap 600 Value	3.9%	-1.9%	3.6%	11.6%
Int'l.	MSCI ACWI ex-USA	1.9%	22.2%	13.4%	9.2%
	MSCI EM	1.6%	20.4%	10.5%	5.6%

Source: Bloomberg as of August 15, 2025

Alternative Markets Overview

- Gold prices fell around 3% last week as markets awaited the results of Trump's meeting with Putin and reacted to mixed inflation data plus increased rate cut expectations.
- Oil prices fell to just under \$63 per barrel on Friday as markets awaited the results of Trump and Putin's meeting, which could lead to easing of Russian sanctions. Weakening Chinese data is fueling concerns of declining global demand.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	-0.5%	2.3%	1.0%	16.2%
Gold	-3.1%	28.1%	23.4%	11.6%
FTSE All Equity NAREIT	0.6%	1.1%	-0.7%	5.8%
Bitcoin	0.4%	25.2%	69.6%	58.1%
Ethereum	8.3%	31.5%	32.3%	58.3%

Source: Bloomberg as of August 15, 2025



Upcoming Week

- As Q2 earnings season winds down, it will be a lighter week for Q2 earnings release. Two notable releases this week include Walmart and Home Depot.
- It is also a light week for economic data. Market participants will be closely watching the outcome of this week's Jackson Hole meeting. Other noteworthy releases include a variety of housing market data throughout the week, weekly jobless claims, and the S&P Purchasing Manager's Index.

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S&P 1500 Index combines three leading indices, the S&P 500, the S&P Midcap 400, and the S&P Smallcap 600, to cover approximately 90% of U.S. equity market capitalization.

S&P 500 Index includes approximately 500 leading companies that covers approximately 80% of available U.S. equity market capitalization.

S&P 500 Growth Index is a stock index that represents the fastest-growing companies in the S&P 500 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P 500 Value Index is a stock index that represents the companies in the S&P 500 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

S&P Midcap 400 Index is distinct from the large-cap S&P 500 and designed to measure the performance of 400 U.S. mid-sized companies, which have differing liquidity and growth potential than large and small cap companies.

S&P Midcap 400 Growth Index is a stock index that represents the fastest-growing companies in the S&P Midcap 400 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P Midcap 400 Value Index is a stock index that represents the companies in the S&P Midcap 400 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

S&P Smallcap 600 Index measures the performance of 600 small-sized U.S. companies to reflect the small-cap segment of the U.S. equity market, which is typically known for less liquidity than large cap stocks.

S&P Smallcap 600 Growth Index is a stock index that represents the fastest-growing companies in the S&P Smallcap 600 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P Smallcap 600 Value Index is a stock index that represents the companies in the S&P Smallcap 600 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

MSCI ACWI ex-US Index captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 24 Emerging Markets (EM) countries.

MSCI Emerging Markets Index captures large and mid-cap representation across 24 Emerging Markets (EM) countries.

S&P GSCI is broad-based and production weighted to represent the global commodity market beta. The index is designed to be investable by including the most liquid commodity futures.

S&P GSCI Gold a sub-index of the S&P GSCI, provides investors with a reliable and publicly available benchmark tracking the COMEX gold future.

FTSE All Equity NAREIT Index contains all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property that also meet minimum size and liquidity criteria.

Bitcoin USD Spot Exchange Rate measures the last price of 1 Bitcoin in USD.

Bloomberg Galaxy Bitcoin Index is designed to measure the performance of a single bitcoin traded in USD.

Ethereum USD Spot Exchange Rate measure the last price of 1 Ethereum in USD.

Bloomberg Galaxy Ethereum Index is designed to measure the performance of a single Ethereum traded in USD.

Bloomberg Barclays 1-3 Year Govt/Credit Index is the 1-3 Yr. component of the U.S. Government/Credit index, which includes securities in the Government, which includes treasuries and agencies debt securities, and Credit Indices, which includes publicly issued U.S. corporate and foreign debt that meet specified maturity, liquidity, and quality requirements.

Bloomberg Intermediate US Government/Credit Bond Index is a broad-based flagship benchmark that measures the non-securitized component of the US Aggregate Index with less than 10 years to maturity; this includes investment grade, US dollar-denominated, fixed-rate treasuries, government-related and corporate securities

Bloomberg Barclays Global Aggregate Bond Index provides a broad-based measure of the global investment-grade fixed income markets, with three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices.

Bloomberg Barclays U.S. Aggregate Bond Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

Bloomberg Barclays U.S. Treasury Aggregate Bond Index is the U.S. Treasury component of the U.S. Government index and represents public obligations of the U.S. Treasury with a remaining maturity of one year or more.

Bloomberg US TIPS Index consists of Inflation-Protection securities issued by the U.S. Treasury.

Bloomberg Barclays US Corporate Bond Index is the Corporate component of the U.S. Credit index and represents publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements.

Bloomberg Barclays U.S. Corporate High Yield Index covers the universe of fixed rate, non-investment grade debt.

Bloomberg Barclays Emerging Markets Bond Index is broad-based with country eligibility and classification as an Emerging Market being rules-based and reviewed on an annual basis using World Bank income group and International Monetary Fund (IMF) country classifications.

Bloomberg Barclays U.S. Municipal Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market.

Bloomberg Barclays US High Yield Municipal Index is an unmanaged index of noninvestment-grade municipal debt securities, which provides a representation of the performance of US high-yield tax-exempt bonds.

Federal Funds Rate is the interest rate at which depository institutions trade federal funds (balances held at Federal Reserve Banks) with each other overnight.

U.S. Treasury Securities are issued by the federal government and are considered to be among the safest investments you can make, because all Treasury securities are backed by the "full faith and credit" of the U.S. government.

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