



August 22, 2025

U.S. equities drifted lower to begin the week as enthusiasm around the artificial intelligence trade cooled slightly. The largest declines early in the week were seen in the tech space, while defensive areas of the market such as healthcare and consumer staples generally moved higher. This was underscored by the fact that the S&P 500 equal weight index outperformed the S&P 500 index, with the declines concentrated around larger names in the market such as Nvidia and Apple. Residential housing starts unexpectedly increased in July, up 5.2% month-over-month (m/m). New apartment construction, which had been in a steep downtrend since 2022, has jumped more than 50% in the last 2 months. However, the longevity of this resurgence remains in question as total permit issuance – a guide for future activity – missed expectations and fell for the 7<sup>th</sup> time in 8 months. Initial jobless claims climbed by 11,000 to a seasonally adjusted 235,000 for the week ended August 16<sup>th</sup>, above expectations and the largest increase since late May. On Thursday, the Federal Reserve released the FOMC minutes for their July meeting. A majority of FOMC members expressed heightened concerns over inflation, viewing it as a more critical risk compared to sluggish job growth. The debate is complicated by the potential effects of tariffs, with some FOMC members anticipating tariffs to result in only temporary price increases, while others believe that shifting production away from cost-effective overseas locations could lead to longer-term inflationary pressures. On Friday, stocks recovered all losses from earlier in the week, as Fed Chair Powell alluded to a potential rate cut at the Federal Reserve's September meeting. Powell stated "the baseline outlook and the shifting balance of risks may warrant adjusting our policy stance". As of August 22<sup>nd</sup>, the market is pricing in a 90% chance that the Federal Reserve cuts interest rates by 25 basis points (bps) at their September meeting.

Stocks	Close	Wk		Div		YTD		12 Mos
		Net Change	% Change	Yield	% Change	% Change	% Change	
DJII-USA	45,631.74	685.62	1.53	1.87	7.26	12.08		
S&P 500	6,466.91	17.11	0.27	1.52	9.95	16.09		
NASDAQ	21,496.54	-126.44	-0.58	0.98	11.32	22.01		
S&P MidCap 400	3,255.98	83.49	2.63	2.34	4.33	7.46		
EAFE	93.23	1.04	1.13	3.18	23.30	14.63		
Emerging Markets	62.92	0.80	1.29	3.00	20.49	16.20		

Sector - Large Cap	Close	Wk		MTD		YTD	
		Net Change	WTD	MTD	QTD	YTD	
<b>Defensive</b>							
Staples	902.47	2.91	0.3%	3.2%	0.6%	5.7%	
Health Care	1,608.18	22.84	1.4%	5.9%	2.3%	0.2%	
CommServices	397.67	-3.52	(0.9%)	2.9%	5.2%	16.4%	

<b>Eco Sensitive</b>							
Consumer Disc	1,869.91	23.57	1.3%	3.9%	6.6%	2.1%	
Energy	669.94	18.30	2.8%	0.5%	3.3%	2.3%	
Industrials	1,294.41	22.67	1.8%	0.7%	3.6%	16.0%	
Info Tech	5,238.29	-84.98	(1.6%)	0.3%	5.5%	13.6%	
Materials	584.19	12.12	2.1%	5.6%	5.1%	10.3%	

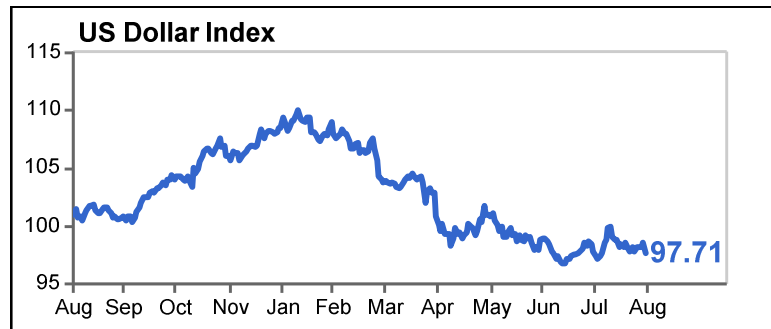
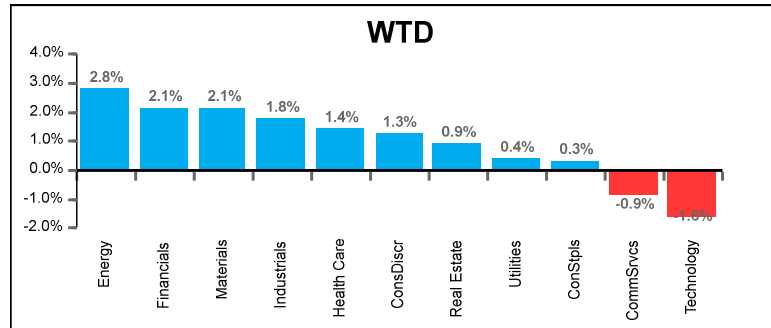
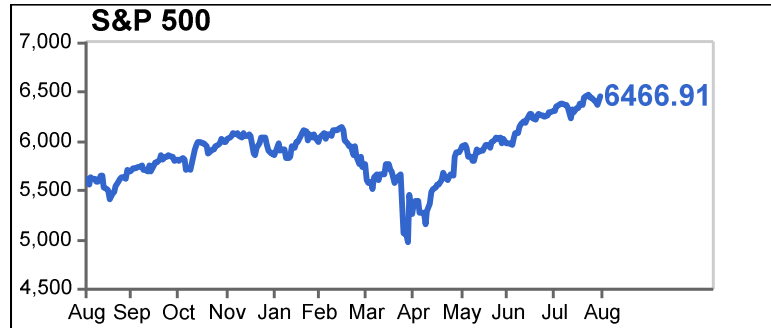
<b>Interest Rate Sensitive</b>							
Financials	889.92	18.62	2.1%	2.2%	2.1%	10.6%	
Utilities	435.36	1.87	0.4%	0.1%	5.0%	13.1%	
REIT	256.01	2.30	0.9%	0.8%	(0.5%)	0.7%	

### Russell Style Returns

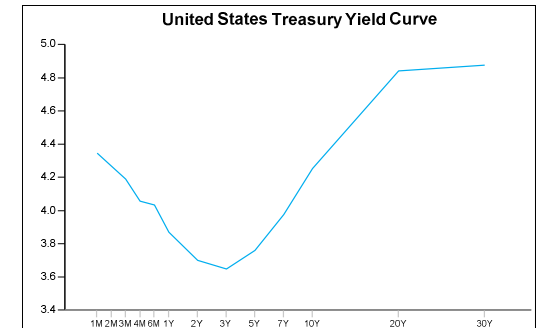
WTD	Value	Blend	Growth	YTD	Value	Blend	Growth
Large	1.76%	0.36%	-0.84%	Large	9.94%	10.63%	11.10%
Medium	2.24%	2.03%	1.28%	Medium	8.37%	9.39%	11.96%
Small	4.14%	3.39%	2.65%	Small	6.50%	6.81%	7.04%

Commodity	Price	Wk % Change	FOREX	Price	Wk % Change
Copper	4.46	-0.66	EUR/USD	1.17	0.18
Gold	3,417.00	1.02	USD/JPY	146.86	-0.18
WTI	63.81	1.61	GBP/USD	1.35	-0.20
Brent	67.32	2.23	USD/CAD	1.38	0.04
Natural Gas	2.80	-4.01			

Source: FactSet



Treasury	Current Yield	12/31/24
		Yield
1 - Year	3.86	4.15
2 - Year	3.69	4.24
5 - Year	3.76	4.38
10 - Year	4.26	4.57
30 - Year	4.88	4.78



COMING UP NEXT WEEK		Consensus	Prior
08/25	New Home Sales SAAR (Jul)	650.0K	627.0K
08/26	Durable Orders SA M/M (Preliminary) (Jul)	-3.5%	-9.4%
08/26	Consumer Confidence (Aug)	97.0	97.2
08/28	GDP Chain Price SAAR Q/Q (2 <sup>nd</sup> Preliminary) (Q2)	2.0%	2.0%
08/28	Pending Homes Sales SAAR (Jul)	0.50%	-0.80%
08/29	Core PCE Deflator M/M (Jul)	0.29%	0.26%
08/29	Core PCE Deflator Y/Y (Jul)	2.9%	2.8%
08/29	Personal Income SA M/M (Jul)	0.40%	0.30%
08/29	Chicago PMI SA (Aug)	48.3	47.1
08/29	Michigan Sentiment NSA (Final) (Aug)	60.5	58.6

For more information about our solutions: <http://peapackprivate.com>

The Weekly is a weekly market recap distributed to Peapack Private clients. Securities and mutual funds are not FDIC insured, are not obligations of or guaranteed by Peapack Private Bank & Trust, and may involve investment risk, including possible loss of principal. Information provided for educational purposes only. This should not be relied upon as tax and/or investment advice. We encourage you to consult your personal legal, tax or financial advisors for information specific to your situations.