



August 15, 2025

U.S. equities started the week on a strong note driven by growing optimism that the Federal Reserve would ease interest rates in September. Small caps benefited the most from renewed confidence in rate cuts with the Russell 2000 index soaring 2.99% on Monday. The S&P 500 and Nasdaq reached all-time highs on Wednesday after a better-than-anticipated consumer price index (CPI) was released. The widely followed measure of inflation accelerated less than expected in July, increasing 0.2% for the month and 2.7% on a 12-month basis. Breaking down the report further, food prices were flat, and energy prices fell by 1.1%. Excluding the volatile food and energy components, core CPI rose slightly above expectations with an increase of 0.3% for the month and 3.1% from a year ago. Currently, Fed fund futures indicate a 92.6% probability of a 25-basis point cut at the September meeting. Although less likely, some economists see potential for a larger 50-basis point cut given signs of a weakening labor market and the downward revisions to recent job reports. The producer price index (PPI), which measures wholesale prices, increased by 0.9% in July, significantly above the Dow Jones consensus estimate of 0.2%. This marks the biggest monthly increase since June of 2022 as services inflation remains sticky. With PPI stronger-than-expected and CPI relatively benign, the numbers suggest that businesses are absorbing much of the tariff costs instead of passing them onto consumers. As we approach the Federal Reserve's meeting on September 17th, markets will remain hyperfocused on the inflation and employment data. We will see an additional CPI and jobs report before the Federal Reserve's meeting.

Stocks	Close	Wk		Div	YTD	12 Mos
		Net Change	% Change	Yield	% Change	% Change
DJI-US	44,946.12	770.51	1.74	1.86	5.65	10.81
S&P 500	6,449.80	60.35	0.94	1.50	9.66	16.35
NASDAQ	21,622.98	172.96	0.81	0.95	11.97	22.90
S&P MidCap 400	3,172.49	48.45	1.55	2.31	1.65	5.43
EAFE	92.19	1.82	2.01	3.22	21.93	15.40
Emerging Markets	62.12	0.71	1.16	3.01	18.96	15.53

Sector - Large Cap	Close	Wk		MTD	QTD	YTD
		Net Change	WTD			
Defensive						
Staples	899.56	-6.95	(0.8%)	2.9%	0.3%	5.4%
Health Care	1,585.34	70.02	4.6%	4.4%	0.8%	(1.2%)
CommSvcs	401.19	8.37	2.1%	3.8%	6.2%	17.4%

Eco Sensitive	Close	Wk		MTD	QTD	YTD
		Net Change	WTD			
Consumer Disc	1,846.34	45.02	2.5%	2.6%	5.3%	0.8%
Energy	651.64	2.98	0.5%	(2.3%)	0.5%	(0.5%)
Industrials	1,271.74	-3.21	(0.3%)	(1.1%)	1.8%	14.0%
Info Tech	5,323.27	-7.59	(0.1%)	2.0%	7.2%	15.5%
Materials	572.07	9.87	1.8%	3.4%	2.9%	8.0%

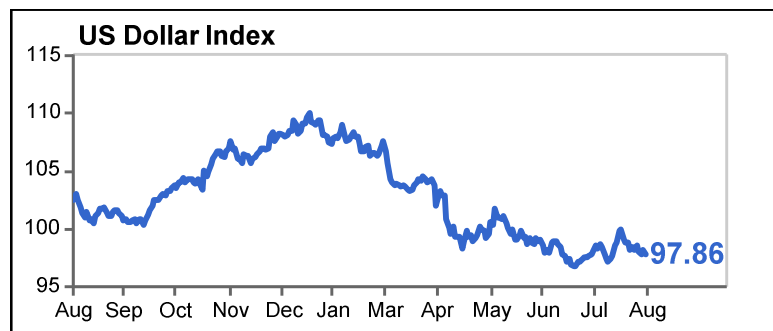
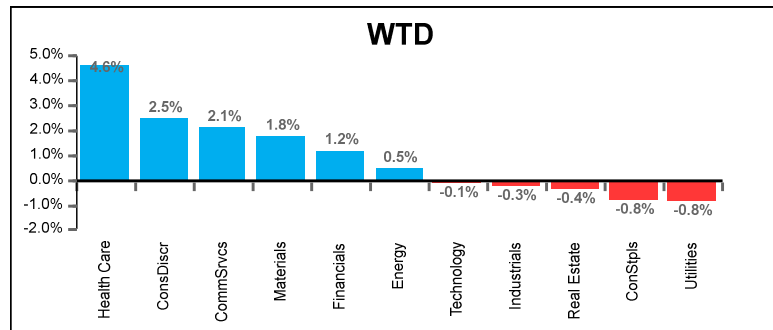
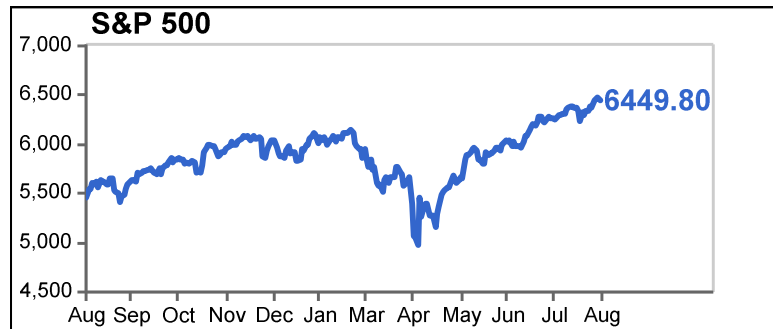
Interest Rate Sensitive	Close	Wk		MTD	QTD	YTD
		Net Change	WTD			
Financials	871.30	9.96	1.2%	0.1%	(0.1%)	8.3%
Utilities	433.49	-3.62	(0.8%)	(0.4%)	4.5%	12.6%
REIT	252.07	-0.96	(0.4%)	(0.8%)	(2.0%)	(0.9%)

Russell Style Returns

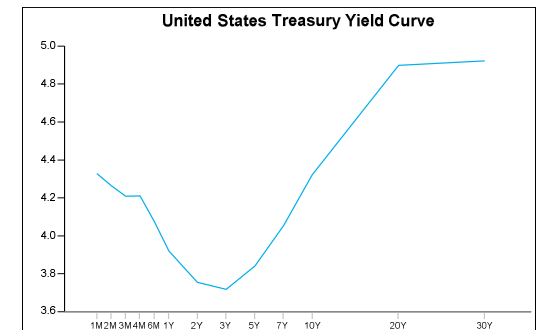
WTD	Value	Blend	Growth	YTD	Value	Blend	Growth
Large	1.34%	1.02%	0.69%	Large	8.04%	10.23%	12.04%
Medium	1.63%	1.48%	0.89%	Medium	6.00%	7.21%	10.54%
Small	3.44%	3.09%	2.68%	Small	2.27%	3.31%	4.28%

Commodity	Price	Wk % Change	FOREX	Price	Wk % Change
Copper	4.49	0.39	EUR/USD	1.17	0.50
Gold	3,382.20	-3.12	USD/JPY	146.87	-0.34
WTI	63.14	-1.16	GBP/USD	1.36	0.77
Brent	66.16	-0.65	USD/CAD	1.38	0.41
Natural Gas	2.92	-2.37			

Source: FactSet



Treasuries	Current Yield	12/31/24 Yield
1 - Year	3.91	4.15
2 - Year	3.75	4.24
5 - Year	3.84	4.38
10 - Year	4.32	4.57
30 - Year	4.92	4.78



COMING UP NEXT WEEK			Consensus	Prior
08/19	Housing Starts SAAR	(Jul)	1,326K	1,321K
08/20	FOMC Minutes	-	-	-
08/21	Philadelphia Fed Index SA	(Aug)	5.0	15.9
08/21	Markit PMI Manufacturing SA (Preliminary)	(Aug)	50.0	49.8
08/21	Markit PMI Services SA (Preliminary)	(Aug)	54.0	55.7
08/21	Existing Home Sales SAAR	(Jul)	3,910K	3,930K
08/21	Leading Indicators SA M/M	(Jul)	-0.05%	-0.30%
08/22	FED Governor Powell speaks at the 2025 Jackson Hole Economic Policy Symposium, Moran	-	-	-

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