

Key weekly points:

August 25, 2025

- U.S. Housing data were mixed: July housing starts rose 5.2% to 1.428 million (strongest level since Feb 2025), but building permits fell 2.8%.
- PMIs beat expectations: August composite PMI hit 55.4, manufacturing rose to 53.3, and services eased slightly to 55.4 but remained in expansion.
- Fed Powell's speech at Jackson Hole was the key event of the week. Powell acknowledged that tariffs may be inflationary, but stressed these effects will likely be short-term, not lasting. He also mentioned that balance of risks had shifted and the labor market has deteriorated which likely warrants an adjustment to the interest rate reference.
- Upcoming data this week include the July PCE price index, Q2 GDP revision, and new/pending home sales, all key inputs ahead of the next Fed decision.
- Retail earnings were mixed: Home Depot missed slightly but saw strong U.S. comps; Lowe's beat and raised guidance; Target was in line but guided cautiously; Walmart missed and warned about tariffs impacting consumer behavior. Meta Platforms' AI division restructuring and weak monetization outside key sectors contributed to weakness.
- The S&P 500 rose 0.3% for the week, now up 2% in August and nearly 10% year-to-date; NASDAQ fell 0.58% while the Russell 2000 jumped 3.3%, and MSCI ACWI ex-US gained 0.52%.
- Friday's rally, sparked by Powell's dovish remarks at Jackson Hole, put the S&P 500, Dow Jones Industrial Average, and Russell 2000 on track to snap multi-day losing streaks; NASDAQ also rebounded Friday.
- Sector leaders for the week included Energy (+2.8%), Real Estate (+2.4%), and Financials/Materials (+2.1%), while Technology (-1.6%) and Communication Services (-0.9%) lagged.
- Rotation out of momentum/growth stocks continued mid-week, pressuring the "Magnificent Seven" and AI-linked names such as Palantir Technologies and Meta Platforms.
- U.S. Treasury yields moved lower on Friday, especially on the short end, as Powell's speech reinforced expectations for a September rate cut.
- Interest-rate futures now price a ~90% chance of a September cut (up from 75%) and anticipate ~53 bps of easing in 2025.
- US investment-grade spreads widened 2 bps and high-yield spreads rose 3 bps this week amid risk-off positioning ahead of Jackson Hole, but are still trading at record lows supported by a healthy earnings season in large-cap companies.
- US high-yield issuance paused after over \$25 billion was priced in August, marking the busiest August since 2021. Spreads remain resilient but haven't made record prints as earnings season in small-mid cap showed mixed results.
- Crude oil futures rose, supporting Energy sector outperformance, gaining 1.4% during the week amid talks between U.S., Russia, Ukraine and EU to put an end to the Russia/Ukraine war.

Global Equity Markets

Major Equity Indexes

United States	Value	WTD	MTD	YTD
S&P 500	6,466.9	0.27%	2.01%	9.95%
Dow Jones	45,631.7	1.53%	3.40%	7.26%
Nasdaq	21,496.5	-0.58%	1.77%	11.32%
Russell 2000 (US Small Cap)	2,361.9	3.30%	6.80%	5.91%
Europe	Value	WTD	MTD	YTD
Euro Stoxx (Euro)	5,488.2	0.73%	3.16%	12.10%
FTSE 100 (UK)	9,321.4	2.00%	2.06%	14.05%
CAC 40 (France)	7,969.7	0.58%	2.54%	7.98%
DAX (Germany)	24,363.1	0.02%	1.24%	22.37%
Ibex 35 (Spain)	15,396.8	0.78%	6.94%	32.79%
Asia	Value	WTD	MTD	YTD
Nikkei (Japan)	42,633.3	-1.72%	3.81%	6.86%
Hang Seng (Hong Kong)	25,339.1	0.27%	2.28%	26.32%
CSI 300 (China)	4,378.0	4.18%	7.42%	11.26%
Latam	Value	WTD	MTD	YTD
Brazil Bovespa	137,968.2	1.19%	3.68%	14.70%
Mexico	59,225.5	1.55%	3.18%	19.62%
Volatility	Value	7d	30d	Start of Year
VIX	14.2	15.1	15.4	17.9

Global Fixed Income Markets

Government Bonds Yields

United States	Value	7d	30d	Start of Year
FED Rate (Effective Rate)	4.33	4.33	4.33	4.33
US Treasury 2y	3.70	3.75	3.88	4.24
US Treasury 10y	4.25	4.32	4.38	4.56
International	Value	7d	30d	Start of Year
Germany 10y	2.72	2.79	2.64	2.38
France 10y	3.42	3.47	3.30	3.23
UK 10y	4.69	4.70	4.63	4.59
LatAm (USD)	Value	7d	30d	Start of Year
Brazil 10y	6.40	6.33	6.56	7.15
Mexico 10y	5.90	5.89	6.22	6.68
Colombia 10y	7.33	7.36	7.65	7.72
Dom Rep 10y	6.15	6.16	6.37	6.66
Panama 10y	6.35	6.44	6.88	7.71
Salvador 10y	7.82	7.88	8.21	8.05
Corporate Spreads	Value	7d	30d	Start of Year
US Investment Grade (IG)	0.75	0.73	0.77	0.80
US High Yield (HY)	2.79	2.79	2.73	2.82
EM Latam	2.81	2.73	2.91	3.30
CDX EM*	98.14	98.03	97.80	97.03

Commodities

	Value	WTD	MTD	YTD
Oil (WTI)	63.7	1.37%	-8.09%	-11.24%
Gold (Spot - USD/Oz)	3,371.9	1.07%	2.49%	28.48%
Silver (Spot - USD/Oz)	39.6	2.83%	6.36%	29.37%
Copper (USD/MT)	9,796.5	0.24%	1.93%	11.73%
Zinc (USD/MT)	2,818.0	0.82%	2.08%	-5.39%
Bitcoin	117,042.5	-0.28%	0.47%	24.89%

Foreign Exchange Markets

	Value	WTD	MTD	YTD
Dollar Index (DXY)	97.72	-0.14%	-2.25%	-9.93%
Euro	1.17	0.13%	2.65%	13.17%
UK Pound	1.35	-0.21%	2.41%	8.06%
Brazilian Real	5.43	-0.49%	3.19%	13.77%
Mexican Peso	18.58	0.96%	1.57%	12.08%
Colombian Peso	Requesting D	0.10%	4.38%	9.84%
Chilean Peso	958.78	0.51%	1.42%	3.92%
Dominican Peso	62.65	-1.16%	-2.61%	-2.47%
Costa Rican Colon	503.73	0.20%	0.51%	1.33%

Source: Bloomberg. As of August 22, 2025. *Markit CDX Emerging Markets Index is quoted in price.

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