

Key weekly points:

August 18, 2025

- U.S. July's Consumer Price Index (CPI) rose 0.2% month-over-month, in line with expectations and softer than June's 0.3%, while core inflation held steady. However, Producer Price Index (PPI) surprised to the upside with a 0.9% monthly jump, it's sharpest since March 2022, creating mixed inflation signals.
- Labor market data remained resilient, with initial jobless claims at 224,000, below consensus. However, University of Michigan consumer sentiment dropped to 58.6 in August, with inflation expectations climbing to their highest levels since 2022.
- Odds of a September Fed Funds rate cut fluctuated widely during the week—peaking at 99.9% after the CPI release, falling to 92% after the PPI report, and settling at 89% by Friday as inflation risks persisted.
- Investors will be watching the upcoming Jackson Hole Symposium, where Fed Chairman Powell may signal the start of policy easing in September. Fed officials remain divided, with some advocating for a cautious 25-basis-point cut and others pushing for more aggressive action.
- Key economic reports include retail sales data, July housing numbers, existing home sales, and the release of the Federal Open Market Committee (FOMC) minutes. Earnings season will also feature results from Home Depot, Walmart, Lowe's, and other retail stocks.
- Treasury Secretary Bessent reiterated that rates should be cut by as much as 175 basis points from current levels, while other Federal Reserve officials continued to emphasize a more gradual approach.
- The S&P 500 gained 0.94% for the week, closing at a new record high, with quarter-to-date gains of 4% and year-to-date growth of 10.5%. The NASDAQ advanced 0.81% for the week, while the small-cap Russell 2000 outperformed with a 3.07% weekly gain.
- Healthcare was by far the best performing sector, up 4.65% for the week, boosted by strong momentum in pharmaceutical and biotechnology companies. Eli Lilly rose 12% after announcing international expansion of its Mounjaro drug and pursuing inclusion of treatments in China's commercial health insurance catalog.
- Communication services and consumer discretionary sectors also posted weekly gains, while consumer staples underperformed as the weakest sector.
- U.S. Treasury yields experienced increased volatility, first falling after soft Consumer Price Index data raised expectations of easing, then rising following a hotter-than-expected Producer Price Index report. The yield curve bear-steepened late in the week as investors repriced cut expectations.
- U.S. corporate investment-grade issuance reached \$31.2 billion for the week, below the \$40 billion forecast, though spreads remained at year-to-date lows. Companies remained cautious ahead of key inflation data releases.
- Emerging markets' new bond issuance in Latam has been slow these past weeks as earnings season continues while spreads stand at year lows.

Global Equity Markets

Major Equity Indexes

United States	Value	WTD	MTD	YTD
S&P 500	6,449.8	0.94%	1.74%	9.66%
Dow Jones	44,946.1	1.74%	1.85%	5.65%
Nasdaq	21,623.0	0.81%	2.37%	11.97%
Russell 2000 (US Small Cap)	2,286.5	3.07%	3.39%	2.53%
Europe	Value	WTD	MTD	YTD
Euro Stoxx (Euro)	5,448.6	1.89%	2.42%	11.29%
FTSE 100 (UK)	9,138.9	0.47%	0.07%	11.82%
CAC 40 (France)	7,923.5	2.33%	1.95%	7.35%
DAX (Germany)	24,359.3	0.81%	1.22%	22.35%
Ibex 35 (Spain)	15,277.2	3.05%	6.11%	31.76%
Asia	Value	WTD	MTD	YTD
Nikkei (Japan)	43,378.3	3.73%	5.62%	8.73%
Hang Seng (Hong Kong)	25,270.1	1.65%	2.01%	25.97%
CSI 300 (China)	4,202.4	2.37%	3.11%	6.80%
Latam	Value	WTD	MTD	YTD
Brazil Bovespa	136,340.8	0.31%	2.46%	13.35%
Mexico	58,320.5	0.43%	1.61%	17.79%
Volatility	Value	7d	30d	Start of Year
VIX	15.1	15.2	17.2	17.9

Commodities

	Value	WTD	MTD	YTD
Oil (WTI)	62.8	-1.69%	-9.33%	-12.44%
Gold (Spot - USD/Oz)	3,336.2	-1.81%	1.41%	27.12%
Silver (Spot - USD/Oz)	38.5	-1.48%	3.43%	25.81%
Copper (USD/MT)	9,773.5	0.12%	1.69%	11.47%
Zinc (USD/MT)	2,795.0	-1.13%	1.25%	-6.16%
Bitcoin	117,370.8	0.39%	0.76%	25.24%

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	3.75	3.76	3.89	4.24
US Treasury 10y	4.32	4.28	4.46	4.56
International	Value	7d	30d	Start of Year
Germany 10y	2.79	2.69	2.69	2.38
France 10y	3.47	3.35	3.38	3.23
UK 10y	4.70	4.60	4.64	4.59
LatAm (USD)	Value	7d	30d	Start of Year
Brazil 10y	6.33	6.38	6.63	7.15
Mexico 10y	5.89	6.00	6.18	6.68
Colombia 10y	7.36	7.56	7.88	7.72
Dom Rep 10y	6.16	6.22	6.46	6.66
Panama 10y	6.44	6.68	7.07	7.71
Salvador 10y	7.88	8.11	8.33	8.05
Corporate Spreads	Value	7d	30d	Start of Year
US Investment Grade (IG)	0.73	0.78	0.79	0.80
US High Yield (HY)	2.79	2.83	2.88	2.82
EM Latam	2.73	2.84	2.93	3.30
CDX EM*	98.03	97.78	97.49	97.03

Foreign Exchange Markets

	Value	WTD	MTD	YTD
Dollar Index (DXY)	97.85	-0.33%	-2.12%	-9.80%
Euro	1.17	0.53%	2.52%	13.03%
UK Pound	1.36	0.76%	2.63%	8.29%
Brazilian Real	5.40	0.65%	3.70%	14.32%
Mexican Peso	18.76	-1.00%	0.60%	11.02%
Colombian Peso	4014.70	0.89%	4.27%	9.72%
Chilean Peso	#N/A N/A	0.22%	0.90%	3.39%
Dominican Peso	61.93	-1.15%	-1.47%	-1.33%
Costa Rican Colon	504.88	0.15%	0.30%	1.12%

Source: Bloomberg. As of August 15, 2025. *Markit CDX Emerging Markets Index is quoted in price.

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