

## Key weekly points:

August 4, 2025

- The July employment report showed clear signs of cooling. Only 73,000 jobs were added, well short of the ~105,000 expected. May and June were revised down by a combined 258,000. Unemployment ticked up to 4.2%, reflecting a modest deterioration in labor conditions.
- U.S. GDP in the second quarter surprised to the upside, growing at an annualized 3.0% pace versus the 2.6% forecast. Strong personal consumption and a decline in imports helped lift the overall reading, despite a mixed inflation backdrop.
- Other data points were mostly positive: ADP private payrolls exceeded expectations (104,000 vs. 76,000), consumer confidence rose to 97.2, and the trade deficit narrowed more than expected. However, housing and job opening data signaled some underlying softness.
- U.S. equities had losses for the week, with the S&P 500 down 2.36%, the NASDAQ off 2.17%, and the Russell 2000 falling 4.17%. Small-cap stocks lagged significantly as investors rotated out of higher-risk assets.
- Sector performance was skewed: Materials led to the downside with a 5.4% loss, followed by Consumer Discretionary (-4.5%) and Healthcare (-3.9%). Utilities (+1.5%) and Communications (+0.01%) were the only sectors to post gains for the week, driven by select company-specific strength (Meta Platforms and Vistra).
- Major technology companies delivered strong earnings, helping temper broader market weakness. Meta, Microsoft, Apple and Amazon exceeded expectations on both earnings and revenues.
- The Federal Open Market Committee left interest rates unchanged, with two dissenting votes in favor of a cut. The policy statement noted that “economic activity moderated,” softening previous language on growth. However, market-implied odds of a September rate cut fell back to 50% after Chair Powell struck a more hawkish tone in his press conference.
- U.S. Treasury yields fell sharply by the end of the week due to the weak labor report which fueled expectations of a potential rate cut in the upcoming FOMC September meeting. The 2y rate fell to 3.70% area (from 3.95%) while the 10y reached 4.20% (from 4.40%). During the week, the 2-year U.S. Treasury auction drew strong demand, while the 5-year auction was met with softer interest.
- U.S. Corporate debt spreads rose sharply as the risk-off sentiment dominated markets on Friday. \$6.4 billion in investment-grade debt was issued Monday, while July high-yield issuance approached levels not seen since 2006.
- Emerging Markets Fixed income spreads also increased as risks of a slowdown in the U.S. labor market might impact global economic growth.
- OPEC+ oil producers agreed on another 550k b/d increase for September while geopolitical pressure on Russia and Iran remains, which is an upside risk to monitor.

## Global Equity Markets

### Major Equity Indexes

United States	Value	WTD	MTD	YTD
S&P 500	6,238.0	-2.36%	-1.60%	6.06%
Dow Jones	43,588.6	-2.92%	-1.23%	2.45%
Nasdaq	20,650.1	-2.17%	-2.24%	6.94%
Russell 2000 (US Small Cap)	2,166.8	-4.17%	-2.03%	-2.84%
Europe	Value	WTD	MTD	YTD
Euro Stoxx (Euro)	5,165.6	-3.49%	-2.90%	5.51%
FTSE 100 (UK)	9,068.6	-0.57%	-0.70%	10.96%
CAC 40 (France)	7,546.2	-3.68%	-2.91%	2.24%
DAX (Germany)	23,426.0	-3.27%	-2.66%	17.66%
Ibex 35 (Spain)	14,126.7	-0.78%	-1.88%	21.83%
Asia	Value	WTD	MTD	YTD
Nikkei (Japan)	40,799.6	-1.58%	-0.66%	2.27%
Hang Seng (Hong Kong)	24,507.8	-3.47%	-1.07%	22.17%
CSI 300 (China)	4,054.9	-1.75%	-0.51%	3.05%
Latam	Value	WTD	MTD	YTD
Brazil Bovespa	132,437.4	-0.81%	-0.48%	10.10%
Mexico	56,900.1	-0.74%	-0.87%	14.92%
Volatility	Value	7d	30d	Start of Year
VIX	20.4	14.9	16.6	17.9

### Commodities

	Value	WTD	MTD	YTD
Oil (WTI)	67.3	3.33%	-2.79%	-6.12%
Gold (Spot - USD/Oz)	3,363.5	0.78%	2.24%	28.16%
Silver (Spot - USD/Oz)	36.9	-3.74%	0.59%	22.43%
Copper (USD/MT)	9,630.5	-1.42%	0.20%	9.84%
Zinc (USD/MT)	2,727.0	-3.42%	-1.21%	-8.44%
Bitcoin	113,905.4	-2.73%	-2.22%	21.55%

## 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	3.68	3.92	3.78	4.24
US Treasury 10y	4.22	4.39	4.28	4.56
International	Value	7d	30d	Start of Year
Germany 10y	2.68	2.72	2.66	2.38
France 10y	3.35	3.39	3.32	3.23
UK 10y	4.53	4.63	4.61	4.59
LatAm (USD)	Value	7d	30d	Start of Year
Brazil 10y	6.52	6.59	6.47	7.15
Mexico 10y	6.06	6.23	6.03	6.68
Colombia 10y	7.70	7.65	7.89	7.72
Dom Rep 10y	6.37	6.39	6.45	6.66
Panama 10y	6.80	6.86	6.85	7.71
Salvador 10y	8.26	8.23	7.96	8.05
Corporate Spreads	Value	7d	30d	Start of Year
US Investment Grade (IG)	0.80	0.76	0.80	0.80
US High Yield (HY)	3.01	2.74	2.77	2.82
EM Latam	2.99	2.89	2.98	3.30
CDX EM*	97.40	97.75	97.59	97.03

### Foreign Exchange Markets

	Value	WTD	MTD	YTD
Dollar Index (DXY)	99.14	1.53%	-0.83%	-8.61%
Euro	1.16	-1.32%	1.51%	11.91%
UK Pound	1.33	-1.18%	0.55%	6.10%
Brazilian Real	5.54	0.39%	1.01%	11.36%
Mexican Peso	18.86	-1.67%	0.08%	10.44%
Colombian Peso	4127.20	0.33%	1.39%	6.69%
Chilean Peso	968.90	-0.61%	0.33%	2.80%
Dominican Peso	60.99	-0.24%	0.04%	0.18%
Costa Rican Colon	506.10	-0.15%	0.05%	0.87%

Source: Bloomberg. As of August 1, 2025. \*Markit CDX Emerging Markets Index is quoted in price.

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