# Weekly Commentary

GAMMA ASSET MANAGEMENT

**Key weekly points:** **September 2, 2025**

- The Bureau of Economic Analysis (BEA) revised U.S. Q2 GDP growth to 3.3%, the strongest pace in nearly two years, driven by consumer spending and business investment.
- U.S. consumer spending climbed at the fastest pace since March, showing resilience despite tariff-related price pressures.
- U.S. July PCE inflation rose 0.2% month-over-month and core PCE increased 0.3%, matching analysts' estimates, and pushed annual core inflation to 2.9%, its highest since February
- The Univ of Michigan sentiment index fell to 58.2 (from 58.6) while the 1y and 5-10y inflation expectations fell to 4.8% and 3.5%.
- The S&P 500 slipped 0.10% for the week but posted a 1.91% gain in August, its fourth consecutive monthly advance, now up 9.84% year-to-date.
- The Russell 2000 rose 0.20% for the week and surged 7.0% in August, its best monthly performance relative to the index in nine months.
- The MSCI ex-US index declined 0.95% for the week but gained 3.52% in August, reflecting improved global equity participation despite near-term weakness.
- Sector performance was mixed: energy gained 2.5%, while utilities fell 2.1%, consumer staples dropped 1.7%, and industrials slipped 0.8%. NVIDIA's earnings were up big and beat expectations, although its Data Center segment underwhelmed, resulting in a modest decline in its share on the day of the announcement.
- September and October have historically brought higher volatility and softer equity returns as investors continue assessing recent earnings results.
- Upcoming earnings reports include Salesforce, Broadcom, Hewlett Packard Enterprise, Dollar Tree, and Lululemon Athletica.
- Also, investors will look for the labor data and inflation prints in the first two weeks of September as they will be key for the Fed to assess if an adjustment in the reference rate is imminent.
- U.S. Treasury yields steepened after US President Trump said he wants Fed Governor Cook dismissed, as it seen as undermining Fed independence. The 30-year yield rose to about 4.95%.
- Interest rate futures markets are pricing an 85% probability of a Fed rate cut in September, with expectations for about two cuts total this year.
- Investment-grade spreads remain resilient, while high-yield spreads have stabilized after tightening earlier in the summer. Corporate debt issuance slowed ahead of Labor Day, with ~$5B expected in new deals.
- The first two weeks of September are expected to be a busy month for new debt issuance as issuers will take advantage of this time window before volatility increases ahead of Fed FOMC meeting.
- Over the weekend, a federal appeals court ruled U.S. Trump tariffs as illegal and now the next stage will be an appeal to the U.S. Supreme court. This has increased volatility levels in fixed income markets.

## Global Equity Markets

| *Major Equity Indexes* | | | | |
|---|---|---|---|---|
| United States | Value | WTD | MTD | YTD |
| S&P 500 | 6,460.3 | -0.10% | 1.91% | 9.84% |
| Dow Jones | 45,544.9 | -0.19% | 3.20% | 7.05% |
| Nasdaq | 21,455.6 | -0.19% | 1.58% | 11.11% |
| Russell 2000 (US Small Cap) | 2,366.4 | 0.19% | 7.00% | 6.11% |
| Europe | Value | WTD | MTD | YTD |
| Euro Stoxx (Euro) | 5,351.7 | -2.49% | 0.60% | 9.31% |
| FTSE 100 (UK) | 9,187.3 | -1.44% | 0.60% | 12.41% |
| CAC 40 (France) | 7,703.9 | -3.34% | -0.88% | 4.38% |
| DAX (Germany) | 23,902.2 | -1.89% | -0.68% | 20.06% |
| Ibex 35 (Spain) | 14,935.8 | -2.99% | 3.74% | 28.81% |
| Asia | Value | WTD | MTD | YTD |
| Nikkei (Japan) | 42,718.5 | 0.20% | 4.01% | 7.08% |
| Hang Seng (Hong Kong) | 25,077.6 | -1.03% | 1.23% | 25.01% |
| CSI 300 (China) | 4,496.8 | 2.71% | 10.33% | 14.28% |
| Latam | Value | WTD | MTD | YTD |
| Brazil Bovespa | 141,422.3 | 2.50% | 6.28% | 17.57% |
| Mexico | 58,708.9 | -0.87% | 2.28% | 18.57% |

| Volatility | Value | 7d | 30d | Start of Year |
|---|---|---|---|---|
| VIX | 15.4 | 14.2 | 15.5 | 17.9 |

| Commodities | Value | WTD | MTD | YTD |
|---|---|---|---|---|
| Oil (WTI) | 64.0 | 0.55% | -7.58% | -10.75% |
| Gold (Spot - USD/Oz) | 3,448.0 | 2.26% | 4.80% | 31.38% |
| Silver (Spot - USD/Oz) | 40.7 | 2.95% | 9.50% | 33.19% |
| Copper (USD/MT) | 9,902.0 | 1.08% | 3.03% | 12.93% |
| Zinc (USD/MT) | 2,819.0 | 0.04% | 2.12% | -5.36% |
| Bitcoin | 107,800.3 | -7.90% | -7.46% | 15.03% |

## 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 | 3.62 | 3.70 | 3.94 | 4.24 |
| US Treasury 10y | 4.23 | 4.25 | 4.37 | 4.56 |
| International | Value | 7d | 30d | Start of Year |
| Germany 10y | 2.72 | 2.72 | 2.70 | 2.38 |
| France 10y | 3.51 | 3.42 | 3.36 | 3.23 |
| UK 10y | 4.72 | 4.69 | 4.60 | 4.59 |
| LatAm (USD) | Value | 7d | 30d | Start of Year |
| Brazil 10y | 6.33 | 6.40 | 6.59 | 7.15 |
| Mexico 10y | 5.88 | 5.90 | 6.15 | 6.68 |
| Colombia 10y | 7.27 | 7.33 | 7.63 | 7.72 |
| Dom Rep 10y | 6.19 | 6.15 | 6.38 | 6.66 |
| Panama 10y | 6.43 | 6.35 | 6.81 | 7.71 |
| Salvador 10y | 7.84 | 7.82 | 8.24 | 8.05 |

| Corporate Spreads | Value | 7d | 30d | Start of Year |
|---|---|---|---|---|
| US Investment Grade (IG) | 0.79 | 0.75 | 0.76 | 0.80 |
| US High Yield (HY) | 2.72 | 2.79 | 2.78 | 2.82 |
| EM Latam | 2.89 | 2.81 | 2.82 | 3.30 |
| CDX EM* | 98.07 | 98.14 | 97.69 | 97.03 |

| Foreign Exchange Markets | Value | WTD | MTD | YTD |
|---|---|---|---|---|
| Dollar Index (DXY) | 97.77 | 0.06% | -2.20% | -9.88% |
| Euro | 1.17 | -0.27% | 2.37% | 12.86% |
| UK Pound | 1.35 | -0.16% | 2.25% | 7.89% |
| Brazilian Real | 5.43 | -0.05% | 3.14% | 13.70% |
| Mexican Peso | 18.66 | -0.39% | 1.17% | 11.64% |
| Colombian Peso | 4017.05 | -0.24% | 4.12% | 9.57% |
| Chilean Peso | 966.88 | -0.82% | 0.59% | 3.07% |
| Dominican Peso | 63.10 | -0.71% | -3.30% | -3.17% |
| Costa Rican Colon | 505.45 | -0.35% | 0.15% | 0.97% |

Source: Bloomberg. As of August 29, 2025. *Markit CDX Emerging Markets Index is quoted in price.


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