Weekly Commentary

Key weekly points: **September 8, 2025**

- U.S. August nonfarm payrolls increased by just 22K, far below expectations of 77K, while prior months saw mixed revisions. The unemployment rate edged up to 4.3%, and labor force participation was higher.
- ISM manufacturing new orders returned to expansion, while ISM services hit a six-month high, led by strong new orders. Productivity was revised higher, and unit labor costs were revised lower, pointing to easing inflationary pressure.
- The Fed's Beige Book** indicated little overall change in activity, but noted consumer spending pressure, slower hiring, and ongoing tariff-related disruptions.
- In U.S. Equity markets, sector rotation was evident: Communication Services and Consumer Discretionary outperformed, while Energy fell 3.5% as crude declined on OPEC+ production increases and a surprise U.S. inventory build.
- S&P index rebalancing changes were announced: AppLovin Corporation (APP) and Robinhood (HOOD), both ITB holdings, will join the S&P 500.
- After the labor market data was released, interest rate futures market adjusted their expectations of rate cuts and there is ~98% probability of a cut at the September 16-17 FOMC meeting
- Major U.S. equity indexes ended higher for the week: S&P 500 +0.37%, Russell 2000 +1.07%, and NASDAQ +1.21%. The S&P 500 marked its fourth gain in five weeks, while the NASDAQ logged its first weekly increase in three weeks.
- Alphabet was up more than 9% on a favorable antitrust ruling, boosting the Communication Services as the best-performing sector for the week. Apple also gained nearly 4% on its revenue-sharing agreement with Google, while Amazon rallied on reports of data center expansion for Anthropic. Energy was by far the worst-performing sector for the week.
- Broadcom jumped 14.7% after raising AI-driven guidance and securing $10B in new custom chip orders. Consumer resilience boosted retail stocks, highlighted by Macy's rallying 20%, and JetBlue raising guidance on strong travel demand.
- U.S. Treasury yields fell sharply late in the week on softer labor data, with the 2-year yield dropping to 3.51% and the 10-year to 4.08% in a bull=steepening move while interest rate futures markets are pricing in ~70 bps of Fed cuts this year.
- Earlier in the week, long term yields moved higher on fiscal sustainability and supply concerns globally, briefly pushing the 30-year yield above 5% before reversing on weak economic reports.
- Last week was very active for new corporate bond issuance, with ~$67B in new issuance last week across investment-grade and high-yield markets, exceeding dealer forecasts.

Global Equity Markets

Major Equity Indexes				
United States	Value	WTD	MTD	YTD
S&P 500	6,481.5	0.33%	0.33%	10.20%
Dow Jones	45,400.9	-0.32%	-0.32%	6.71%
Nasdaq	21,700.4	1.14%	1.14%	12.37%
Russell 2000 (US Small Cap)	2,391.0	1.04%	1.04%	7.21%
Europe	Value	WTD	MTD	YTD
Euro Stoxx (Euro)	5,318.2	-0.63%	-0.63%	8.62%
FTSE 100 (UK)	9,208.2	0.23%	0.23%	12.67%
CAC 40 (France)	7,674.8	-0.38%	-0.38%	3.98%
DAX (Germany)	23,597.0	-1.28%	-1.28%	18.52%
Ibex 35 (Spain)	14,850.9	-0.57%	-0.57%	28.08%
Asia	Value	WTD	MTD	YTD
Nikkei (Japan)	43,018.8	0.70%	0.70%	7.83%
Hang Seng (Hong Kong)	25,418.0	1.36%	1.36%	26.71%
CSI 300 (China)	4,460.3	-0.81%	-0.81%	13.35%
Latam	Value	WTD	MTD	YTD
Brazil Bovespa	142,640.1	0.86%	0.86%	18.59%
Mexico	60,479.8	3.02%	3.02%	22.15%

Volatility	Value	7d	30d	Start of Year
VIX	15.2	15.4	16.8	17.9

Commodities	Value	WTD	MTD	YTD
Oil (WTI)	61.9	-3.34%	-3.34%	-13.73%
Gold (Spot - USD/Oz)	3,586.7	4.02%	4.02%	36.66%
Silver (Spot - USD/Oz)	41.6	2.04%	2.04%	35.90%
Copper (USD/MT)	9,897.5	-0.05%	-0.05%	12.88%
Zinc (USD/MT)	2,861.0	1.49%	1.49%	-3.94%
Bitcoin	111,644.5	3.57%	2.31%	19.13%

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	3.51	3.62	3.71	4.24
US Treasury 10y	4.07	4.23	4.23	4.56
International	Value	7d	30d	Start of Year
Germany 10y	2.66	2.72	2.65	2.38
France 10y	3.45	3.51	3.31	3.23
UK 10y	4.64	4.72	4.52	4.59
LatAm (USD)	Value	7d	30d	Start of Year
Brazil 10y	6.21	6.33	6.44	7.15
Mexico 10y	5.78	5.88	6.02	6.68
Colombia 10y	6.97	7.27	7.59	7.72
Dom Rep 10y	6.06	6.19	6.25	6.66
Panama 10y	6.27	6.43	6.72	7.71
Salvador 10y	7.80	7.84	8.17	8.05

Corporate Spreads	Value	7d	30d	Start of Year
US Investment Grade (IG)	0.77	0.79	0.79	0.80
US High Yield (HY)	2.72	2.72	2.88	2.82
EM Latam	2.91	2.89	2.91	3.30
CDX EM*	98.14	98.07	97.66	97.03

Foreign Exchange Markets	Value	WTD	MTD	YTD
Dollar Index (DXY)	97.77	0.00%	0.00%	-9.88%
Euro	1.17	0.27%	0.27%	13.16%
UK Pound	1.35	0.04%	0.04%	7.93%
Brazilian Real	5.41	0.33%	0.33%	14.07%
Mexican Peso	18.72	-0.32%	-0.32%	11.29%
Colombian Peso	3959.51	1.54%	1.54%	11.25%
Chilean Peso	965.89	0.08%	0.08%	3.15%
Dominican Peso	63.71	-0.95%	-0.95%	-4.08%
Costa Rican Colon	506.96	-0.25%	-0.25%	0.71%

Source: Bloomberg. As of September 05, 2025. *Markit CDX Emerging Markets Index is quoted in price.
**The Biege Book is a report published 8 times per year where each Federal Reserve bank gathers and publishes information on current economic conditions.