



# Weekly Market Recap

## The week in review

- New home sales rose to 652k, beating consensus of 635k
- Consumer confidence fell to 97.4 from 98.7
- Headline and core PCE rose by 0.2% and 0.3% m/m

## The week ahead

- Mfg. and services PMIs
- August nonfarm payrolls

## Thought of the week

Consumers are often considered to be the engine driving the U.S. economy. However, that has not been the case in recent quarters. In fact, much like the U.S. equity market, technology and AI have lately been the key drivers. In 1H25, on average, consumption was responsible for 0.7% of total economic growth compared to an average of 1.7% from 2000-2024. At the same time, business investment in information processing equipment, software and R&D contributed 1.1% compared to an average of 0.4%.

Why has the U.S. economy grown more reliant on tech investments to sustain growth? While policy uncertainty has caused consumers to turn increasingly cautious, major tech firms have continued to deploy record levels of capital in order to build out their AI capabilities. This remained a key theme during the 2Q25 earning season, which was rounded out by Nvidia last Wednesday. The chipmaker was optimistic, expecting roughly \$3 to \$4 trillion in AI infrastructure spend by the end of the decade.

This shift in economic drivers presents both opportunities and challenges. The broad adoption of AI capabilities could drive significant productivity gains over the next decade. In the short-term, however, reliance on secular tailwinds for economic growth, like AI investment spending, could mask underlying weaknesses in the cyclical parts of the economy. As secular and cyclical forces continue to shape the economic landscape, investors should focus on long-term strategies and diversify into alternative assets to capture tech and AI growth, while safeguarding against potential weaknesses that may lie ahead.

Please see important disclosures on next page.

## Weekly Data Center

Equities	Level	1 week	Index Returns (%)			
			QTD	YTD	1 year	3-yr. Cum.
S&P 500	6460	-0.08	4.32	10.79	17.07	67.66
Dow Jones 30	45545	-0.11	3.59	8.30	12.13	50.54
Russell 2000	5881	0.22	9.00	7.06	8.91	31.38
Russell 1000 Growth	2963	0.04	4.94	11.33	23.97	91.75
Russell 1000 Value	1222	-0.11	3.78	10.01	10.28	41.27
MSCI EAFE	2722	-1.43	2.82	23.31	14.72	62.02
MSCI EM	1258	-0.62	3.51	19.63	18.20	38.57
NASDAQ	21456	-0.18	5.43	11.60	23.33	82.73

Fixed Income	Yield	1 week	Levels (%)			
			QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.44	0.16	0.93	4.99	2.89	8.93
U.S. Corporates	4.92	-0.08	1.08	5.30	3.62	13.88
Municipals (10yr)	3.61	0.22	1.02	2.07	1.62	8.38
High Yield	7.14	0.45	1.71	6.35	8.29	29.14

Key Rates	Levels (%)					
	8/29/25	8/22/25	6/30/25	12/31/24	8/29/24	8/29/22
2-yr U.S. Treasuries	3.59	3.68	3.72	4.25	3.87	3.42
10-yr U.S. Treasuries	4.23	4.26	4.24	4.58	3.87	3.12
30-yr U.S. Treasuries	4.92	4.88	4.78	4.78	4.15	3.25
10-yr German Bund	2.71	2.73	2.60	2.35	2.26	1.51
SOFR	4.34	4.36	4.45	4.49	5.33	2.28
3-mo. EURIBOR	2.06	2.02	1.94	2.71	3.51	0.58
6-mo. CD rate	1.91	1.91	1.91	2.29	2.27	0.90
30-yr fixed mortgage	6.62	6.65	6.80	7.28	6.79	5.94
Prime Rate	7.50	7.50	7.50	7.50	8.50	5.50

Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
22.21	5.01	1.15	54777	
20.31	5.40	1.69	20395	
24.42	1.90	1.26	2706	
30.11	12.83	0.48	30824	
17.17	2.82	1.84	28671	
15.10	1.94	2.73	19238	
13.33	1.85	2.09	9069	
27.89	6.74	0.59	35256	

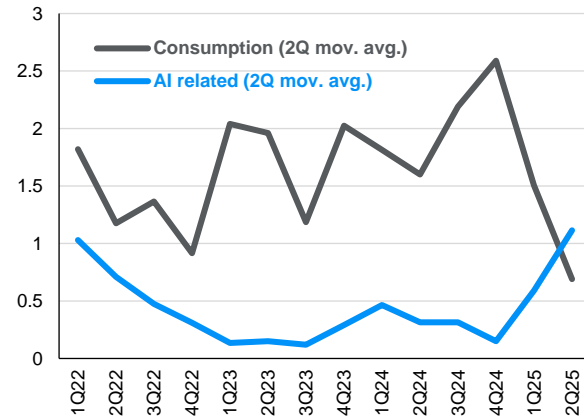
Currencies	Levels		
	8/29/25	12/31/24	8/29/24
\$ per €	1.17	1.04	1.11
\$ per £	1.35	1.25	1.32
¥ per \$	146.83	157.16	145.39

Commod.	Levels		
	8/29/25	12/31/24	8/29/24
Oil (WTI)	64.62	72.44	76.90
Gasoline	3.15	3.01	3.31
Natural Gas	2.94	3.40	1.85
Gold	3429	2609	2518
Silver	38.80	28.91	29.49
Copper	9805	8706	9116
Corn	4.07	4.53	3.69
BBG Idx	255.49	238.62	230.73

## Chart of the Week

### AI investment and consumer spending contributions to GDP

Two quarter average, %pt



## Style Returns

	V	B	G
L	-0.1	-0.1	0.0
M	-0.4	-0.1	0.8
S	0.3	0.2	0.1
	V	B	G
L	10.0	10.8	11.3
M	8.1	9.4	13.1
S	6.9	7.1	7.2

## S&P 500 Sector Returns

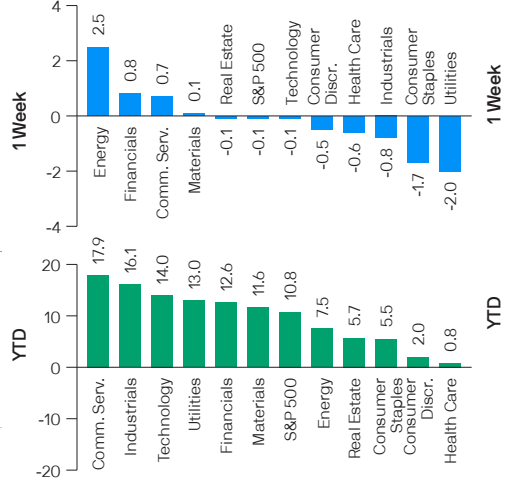




Chart of the Week: BEA, J.P. Morgan Private Bank, J.P. Morgan Asset Management.

Thought of the week: BEA, J.P. Morgan Asset Management.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.) ; provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI - EAFE; provided by: MSCI - gross official pricing. Index: MSCI - EM; provided by: MSCI - gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Bloomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share

information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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**Diversification does not guarantee investment returns and does not eliminate the risk of loss.**

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