



Weekly Market Recap

The week in review

- Initial claims fell to 227k

The week ahead

- CPI
- Retail sales
- Consumer sentiment

Thought of the week

Economic forecasting has been an increasingly tough job due to the ever-evolving tariff landscape. A major source of confusion has been the difference between statutory (or announced) and effective tariff rates. For example, the tariff paid by importers may be 25%, but when you calculate the effective rate by dividing tariff revenues by import values, it often appears lower. This happens due to real-world complexities such as exemptions, quotas, shipping delays, and product mix shifts.

This week's chart illustrates the significant changes in both statutory and effective tariff rates since the start of the year. The gap between these rates is wide due to implementation delays and a dramatic shift in import share composition, both by product and country. Imports from China, which are subject to the highest tariffs at an estimated effective rate of 40%, have plummeted, decreasing by 24% y/y from March to May 2025. In contrast, imports from the Eurozone, now facing an effective tariff of approximately 10%, have surged, largely driven by the frontloading of products like pharmaceuticals. The data show that importers are actively seeking substitutes from other countries to circumvent these tariffs.

The terminal tariff rate is still uncertain, but a rate in the high teens is becoming more likely. The Section 232 investigations are almost complete, indicating more sectoral tariffs could be introduced, along with the already announced 50% copper tariff. Also, recent negotiations with Vietnam, which initially raised hopes for lower rates, ended with a 20% tariff on products originating in Vietnam, higher than the previously announced 10% during the 90-day pause. This outcome makes other negotiations look less promising. As a result, investors may need to be more cautious and actively manage their exposure to affected companies.

Please see important disclosures on next page.

Weekly Data Center

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	6260	-0.29	0.92	7.18	13.59	69.96
Dow Jones 30	44372	-1.01	0.67	5.25	13.58	51.04
Russell 2000	5554	-0.62	2.78	0.94	6.61	34.86
Russell 1000 Growth	2847	-0.16	0.74	6.87	14.92	94.39
Russell 1000 Value	1193	-0.57	1.06	7.13	12.96	43.72
MSCI EAFE	2648	-0.23	-0.22	19.66	13.72	59.45
MSCI EM	1229	-0.15	0.73	16.42	12.39	37.14
NASDAQ	20586	-0.07	1.07	6.99	13.38	85.33

Fixed Income	Yield	1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.67	-0.37	-0.81	3.18	3.86	6.74
U.S. Corporates	5.14	-0.62	-0.83	3.31	4.44	11.94
Municipals (10yr)	3.63	0.21	0.33	1.38	2.20	7.41
High Yield	7.39	-0.22	-0.02	4.55	9.28	30.65

Key Rates	Levels (%)					
	7/11/25	7/4/25	6/30/25	12/31/24	7/11/24	7/11/22
2-yr U.S. Treasuries	3.90	3.88	3.72	4.25	4.50	3.07
10-yr U.S. Treasuries	4.43	4.35	4.24	4.58	4.20	2.99
30-yr U.S. Treasuries	4.96	4.86	4.78	4.78	4.41	3.18
10-yr German Bund	2.72	2.59	2.60	2.35	2.47	1.23
SOFR	4.31	4.35	4.45	4.49	5.34	1.53
3-mo. EURIBOR	2.03	1.98	1.94	2.71	3.69	-0.07
6-mo. CD rate	1.89	1.88	1.91	2.29	2.30	0.50
30-yr fixed mortgage	6.74	6.75	6.80	7.28	7.20	5.72
Prime Rate	7.50	7.50	7.50	7.50	8.50	4.75

Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
22.22	4.95	1.18	52992
20.07	5.36	1.73	19612
23.85	1.85	1.34	2575
30.47	12.62	0.49	29607
17.15	2.78	1.88	28015
14.86	1.91	2.71	18750
12.95	1.79	2.03	8814
28.17	6.58	0.62	33825

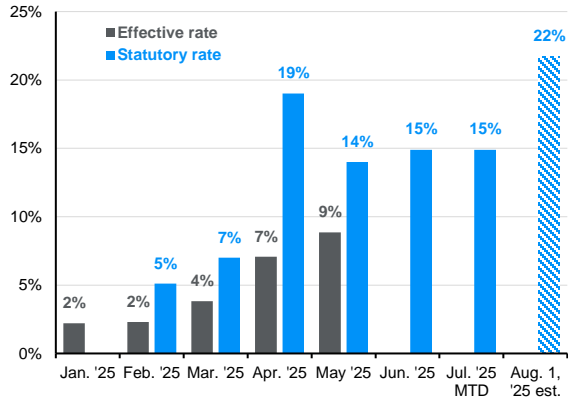
Levels			
Currencies	7/11/25	12/31/24	7/11/24
\$ per €	1.17	1.04	1.09
\$ per £	1.35	1.25	1.29
¥ per \$	147.37	157.16	158.55

Levels			
Commod.	7/11/25	12/31/24	7/11/24
Oil (WTI)	66.59	72.44	83.92
Gasoline	3.13	3.01	3.49
Natural Gas	3.33	3.40	2.23
Gold	3352	2609	2409
Silver	37.50	28.91	31.02
Copper	9638	8706	9694
Corn	4.09	4.53	4.01
BBG Idx	256.60	238.62	238.00

Chart of the Week

Effective vs. statutory tariff rates

Weighted averages, month-end estimates



Style Returns

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	B		
	G		
	L	M	S
1 Week	-0.6	-0.3	-0.2
1 Month	-0.1	-0.5	-1.8
3 Months	-0.1	-0.6	-1.1
1 Year	7.1	7.2	6.9
3 Years	5.2	6.2	8.9
5 Years	1.3	0.9	0.6

S&P 500 Sector Returns

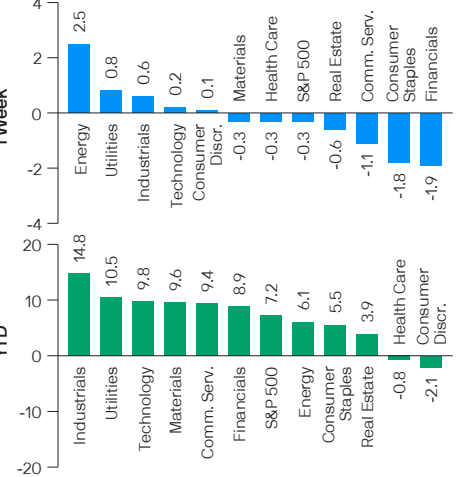


Chart of the Week: U.S. ITC, JPMAM. Statutory rates are JPMAM estimates based on implemented tariffs as of each month's end, based on '24 imports. Jan. '25 statutory rate is excluded due to no new tariffs that month. Effective rates are based on historical data and are not available for Jun.-Aug. "Aug. 1, '25 est." includes 50% copper tariffs, 50% on Brazil, 30% on Mexico and the EU, 10% extra on BRICS, 35% on non-USMCA Canadian goods, and new reciprocal rates on many countries.

Thought of the week: U.S. ITC, 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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