



Weekly Market Recap

The week in review

- Headline CPI rose 0.3% m/m
- Headline PPI was unchanged m/m
- Consumer sentiment ticked up slightly to 61.8

The week ahead

- PMIs
- New/existing home sales

Thought of the week

The 2Q25 earnings season kicked into high gear this week with reports from the biggest banks. Currently, analysts are expecting earnings per share (EPS) to grow 4.4% y/y. Looking at the three main sources of EPS growth, revenues, margins and buybacks are expected to contribute 3.8, 1.4 and -0.8 percentage points, respectively.

While the economy sailed smoothly through the second quarter, storm clouds are on the horizon. In June, the U.S. government earned \$28bn in tariff revenue, up from \$10bn in March. Even though these costs aren't yet visible in consumer or company inflation data, analysts revised their estimates for 2Q25 EPS growth down by 1.5x more than average: from 7.8% on April 8 to 3.8% on June 30. If that move was too pessimistic too early, earnings beat and surprise rates could be elevated, while estimates for subsequent quarters are lowered.

For the full year of 2025, consensus is calling for 8.8% EPS growth, down from 10.5% on April 8. While tariffs represent significant downside, tech could provide a floor. The Mag 7 alone are expected to drive 41% of the year's earnings growth. Together, the information technology and communication services sectors are responsible for 65%. Increasing depreciation costs from AI capex are a risk, but early monetization results are promising. For the financials sector, which is expected to contribute 15% of the index's 2025 EPS growth, deregulation is a significant driver. As the 2Q25 earnings season progresses, investors should be evaluating whether the positives of these growth opportunities can mitigate the negatives of tariffs.

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 | 6297 | 0.61 | 1.54 | 7.83 | 15.10 | 72.02 |
| Dow Jones 30 | 44342 | -0.05 | 0.62 | 5.20 | 10.98 | 51.45 |
| Russell 2000 | 5567 | 0.24 | 3.03 | 1.19 | 3.30 | 34.67 |
| Russell 1000 Growth | 2891 | 1.55 | 2.30 | 8.53 | 20.10 | 98.61 |
| Russell 1000 Value | 1191 | -0.19 | 0.86 | 6.92 | 10.54 | 44.24 |
| MSCI EAFE | 2641 | -0.29 | -0.51 | 19.31 | 14.34 | 57.41 |
| MSCI EM | 1249 | 1.70 | 2.45 | 18.40 | 16.18 | 39.43 |
| NASDAQ | 20896 | 1.51 | 2.60 | 8.60 | 17.74 | 88.33 |

| Fixed Income | Yield | Index Returns (%) | | | | |
|-------------------|-------|-------------------|-------|------|--------|------------|
| | | 1 week | QTD | YTD | 1 year | 3-yr. Cum. |
| U.S. Aggregate | 4.67 | 0.04 | -0.77 | 3.22 | 3.75 | 6.51 |
| U.S. Corporates | 5.12 | 0.16 | -0.67 | 3.48 | 4.48 | 11.76 |
| Municipals (10yr) | 3.80 | -0.87 | -0.53 | 0.50 | 1.10 | 6.16 |
| High Yield | 7.38 | 0.14 | 0.13 | 4.70 | 8.82 | 30.08 |

| Key Rates | Levels (%) | | | | | |
|-----------------------|------------|---------|---------|----------|---------|---------|
| | 7/18/25 | 7/11/25 | 6/30/25 | 12/31/24 | 7/18/24 | 7/18/22 |
| 2-yr U.S. Treasuries | 3.88 | 3.90 | 3.72 | 4.25 | 4.46 | 3.15 |
| 10-yr U.S. Treasuries | 4.44 | 4.43 | 4.24 | 4.58 | 4.20 | 2.96 |
| 30-yr U.S. Treasuries | 5.00 | 4.96 | 4.78 | 4.78 | 4.41 | 3.14 |
| 10-yr German Bund | 2.69 | 2.72 | 2.60 | 2.35 | 2.41 | 1.21 |
| SOFR | 4.34 | 4.31 | 4.45 | 4.49 | 5.34 | 1.54 |
| 3-mo. EURIBOR | 2.00 | 2.03 | 1.94 | 2.71 | 3.69 | 0.05 |
| 6-mo. CD rate | 1.88 | 1.89 | 1.91 | 2.29 | 2.33 | 0.54 |
| 30-yr fixed mortgage | 6.78 | 6.74 | 6.80 | 7.28 | 7.16 | 5.73 |
| Prime Rate | 7.50 | 7.50 | 7.50 | 7.50 | 8.50 | 4.75 |

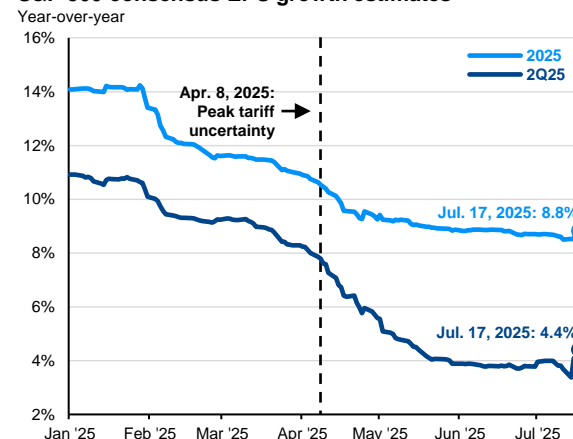
| Index Characteristics | | | | |
|-----------------------|-------|-----------|---------------|--|
| NTM P/E | P/B | Div. Yld. | Mkt. Cap (bn) | |
| 22.23 | 4.96 | 1.18 | 53330 | |
| 19.90 | 5.34 | 1.73 | 19612 | |
| 23.64 | 1.85 | 1.34 | 2567 | |
| 30.73 | 12.71 | 0.49 | 30067 | |
| 17.02 | 2.77 | 1.89 | 27939 | |
| 14.86 | 1.91 | 2.77 | 18695 | |
| 13.20 | 1.81 | 2.09 | 8959 | |
| 28.45 | 6.63 | 0.62 | 34302 | |

| Levels | | | |
|------------|---------|----------|---------|
| Currencies | 7/18/25 | 12/31/24 | 7/18/24 |
| \$ per € | 1.16 | 1.04 | 1.09 |
| \$ per £ | 1.34 | 1.25 | 1.30 |
| ¥ per \$ | 148.50 | 157.16 | 156.77 |

| Levels | | | |
|-------------|---------|----------|---------|
| Commod. | 7/18/25 | 12/31/24 | 7/18/24 |
| Oil (WTI) | 67.55 | 72.44 | 84.17 |
| Gasoline | 3.13 | 3.01 | 3.50 |
| Natural Gas | 3.54 | 3.40 | 2.00 |
| Gold | 3355 | 2609 | 2464 |
| Silver | 38.27 | 28.91 | 30.47 |
| Copper | 9667 | 8706 | 9342 |
| Corn | 4.19 | 4.53 | 3.94 |
| BBG Idx | 260.01 | 238.62 | 234.02 |

Chart of the Week

S&P 500 consensus EPS growth estimates



Style Returns

| | V | B | G |
|---|------|-----|-----|
| L | -0.2 | 0.6 | 1.5 |
| M | 0.3 | 0.8 | 2.2 |
| S | -1.0 | 0.2 | 1.4 |

| | V | B | G |
|---|-----|-----|------|
| L | 6.9 | 7.8 | 8.5 |
| M | 5.6 | 7.1 | 11.3 |
| S | 0.3 | 1.2 | 2.0 |

S&P 500 Sector Returns

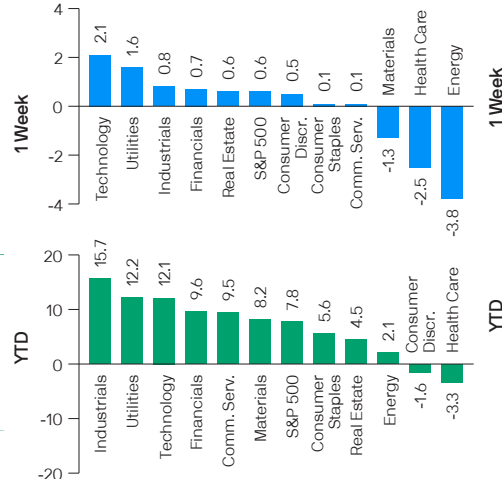




Chart of the Week: FactSet, S&P Global, J.P. Morgan Asset Management. Data are as of July 17, 2025.

Thought of the week: FactSet, S&P Global, J.P. Morgan Asset Management. Data are as of July 17, 2025.

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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