



PACIFIC GLOBAL
Investment Management Company

Weekly Recap

June 6, 2025

Market Returns

INDEX ¹	CLOSE	WEEKLY CHANGE		YTD CHANGE
Dow Jones Industrial Avg.	42,762.87	492.80	/ 1.17%	0.51%
S&P 500 [®]	6,000.36	88.67	/ 1.50%	2.02%
Nasdaq	19,529.95	416.18	/ 2.18%	1.13%
Russell 2000 [®]	2,132.25	65.96	/ 3.19%	-4.39%

	06/06/25 CLOSE	06/06/24 CLOSE
10-Year U.S. Treasury	4.51%	4.28%

Data: The Wall Street Journal, Federal Reserve

The Bottom Line

A better-than-expected jobs reports, and President Trump's announcement of China/U.S. trade talks on Monday boosted investor optimism. The Russell 2000[®] Index, a recognized bellwether for the U.S. economy, led the major indices with a 3.19% gain. The Nasdaq (2.18%), the S&P 500[®] Index (1.50%) and the Dow Jones Industrial Average (1.17%) also gained with the S&P 500[®] closing only 3% below its February high. The yield on the 10-Year U.S. Treasury Note rose to 4.51% from 4.40%, last week. Treasury yields rose this week due, in part, to investors' renewed preference for equities following the favorable jobs reports.

In May, the addition of 139,000 new jobs exceeded estimates of 130,000, although numbers for April and March were revised downward by a total of 97,000 jobs. Areas of job creations included healthcare and leisure/hospitality while federal hiring declined. Unemployment remained at 4.2%; hourly wages rose 0.4% month-over-month, for a better-than-inflation annual increase of 3.9%. In April, job openings, at 7.391 million, outpaced consensus estimates (7.100 million). Initial jobless claims rose to 247,000 compared to estimates of 237,000 even as continuing claims (1.904 million) were lower than projections (1.910 million). The May **ISM Manufacturing** (48.5) and **Services** (49.9) **Indices** were both below consensus of 49.5 and 52.2, respectively.

On Thursday, President Trump announced that he and President Xi agreed, during a 90-minute phone call, on a framework to continue trade negotiations. Earlier in the week, the Office of the U.S. Trade Representative sent "friendly reminders" to other countries urging them to submit their "best offers" on trade agreements ahead of the administration's self-imposed, July 9th deadline. The U.S. Court of Appeals for the Federal Circuit will hear arguments on June 9th for and against the President's authority to impose tariffs; the initial rulings, which blocked the tariffs, are on pause. At issue is the lack of Congressional authorization for the President's recently imposed tariffs limbo.

The robust jobs report bolstered those who anticipate continued economic growth with no recession on the immediate horizon. Tariffs uncertainties continue yet companies and investors believe that tariffs

may be less onerous than initially forecast. Negotiations on the controversial “One, Big Beautiful Bill” continue in the Senate as the President pushes for approval of a final Bill prior to the 4th of July. The equity and fixed income markets have responded favorably to recent economic developments even as budget deficits and tariff risks remain unclear.

¹The Dow Jones Industrial Average is an unmanaged, price weighted measure of 30 U.S. stocks selected by the Averages Committee to represent the performance of all U.S. stocks outside the Transportation and Utilities sectors. The S&P 500® Index is an unmanaged, market capitalization weighted index which measures the performance of the large cap segment of the U.S. equities market, covering approximately 75% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy. The Nasdaq Composite Index is an unmanaged, market capitalization weighted measure of all domestic and international common stocks listed on The Nasdaq Stock Market. The Russell Midcap® Index measures the 800 smallest companies within the Russell 1000® Index based on a combination of their market cap and current index membership. The Russell 2000® Index is an unmanaged, market-weighted measure of stock market performance. It contains stocks of the 2,000 smallest publicly traded companies of the Russell 3000® Index. It is not possible to invest in the Indices.

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