PACIFIC GLOBAL
Investment Management Company

Weekly*Recap*

July 11, 2025

INDEX[1]	CLOSE	WEEKLY CHANGE	YTD CHANGE
Dow Jones Industrial Avg.	44,371.51	-457.02 / -1.02%	4.30%
S&P 500®	6,259.75	-19.60 / -0.31%	6.43%
Nasdaq	20,585.53	-15.57 / -0.08%	6.60%
Russell 2000®	2,234.83	-14.21 / -0.63%	0.21%

	07/11/25 CLOSE	07/11/24 CLOSE
10-Year U.S. Treasury	4.42%	4.20%

Data: The Wall Street Journal, Federal Reserve

The*Bottom*Line

Positive and negative tariff developments continue to impact investor sentiment; on Friday, the major indices gave back the week's modest gains after President Trump threatened to impose a 35% tariff on Canada. The Nasdaq (0.08%) fared best with a fractional loss followed by the S&P 500® Index (-0.31%), the Russell 2000® Index (-0.63%) and the Dow Jones Industrial Average (-1.02%). The yield on the 10-Year U.S. Treasury Note closed at 4.42%, up from 4.35% last Thursday.

The equity markets had advanced earlier in the week on news of several pending trade agreements and some Federal Reserve commentary suggesting that a September interest rate cut might be appropriate. On Thursday, however, the President expressed dissatisfaction with some of Canada's trade barriers on dairy products and other goods; he also repeated unsupported claims on fentanyl trafficking. His threatened tariff would be imposed on goods or services not covered under the existing U.S.-Mexico-Canada Agreement. The President also announced a 50% tariff on copper imports. The lack of response by the equity markets suggests either a sense that these tariffs will be less onerous than feared or that the August 1 implementation date suggests room for negotiation.

The One Big Beautiful Bill, which the President signed last Friday, makes permanent tax rates otherwise slated to sunset. The Bill also restores the immediate expensing of research and development ("R&D") costs and reinstates the net interest component in calculating corporate tax deductions. Additional features include incentives to stimulate investments and eliminate or restrict various clean energy programs. The Bill's removal of uncertainties (over tax and other changes) may offset some of the potential burdens relating to pending tariffs.

June payroll data released last week surprised analysts; the creation of 147,000 jobs significantly exceeded estimates of 118,000. The unemployment rate declined 0.1% to 4.1%. Initial jobless claims unexpectedly fell from 232,000 to 227,000; continuing claims of 1.965 million were below projections of 1.980 million.

Next week, the major U.S. banks will report earnings; their accompanying commentaries will provide current assessments of corporate and consumer spending and savings trends. Tariff updates and corporate earnings news and commentaries will provide the near-term market catalysts.

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[1]The 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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