PACIFIC GLOBAL
Investment Management Company

# Weekly*Recap*

**July 25, 2025**

## Market*Returns*

| INDEX[1] | CLOSE | WEEKLY CHANGE | | YTD CHANGE |
|---|---|---|---|---|
| Dow Jones Industrial Avg. | 44,901.92 | 559.73 / | 1.26% | 5.54% |
| S&P 500® | 6,388.64 | 91.85 / | 1.46% | 8.62% |
| Nasdaq | 21,108.32 | 212.66 / | 1.02% | 9.31% |
| Russell 2000® | 2,261.07 | 21.06 / | 0.94% | 1.39% |

| | 07/25/25 CLOSE | 07/25/24 CLOSE |
|---|---|---|
| 10-Year U.S. Treasury | 4.39% | 4.27% |

Data: The Wall Street Journal, Federal Reserve

## The*Bottom*Line

The S&P 500® Index and the Nasdaq reached multiple new highs this week on the strength of better-than-expected corporate earnings reports and several completed trade agreements. The S&P 500® (1.46%) led the major indices followed by the Dow Jones Industrial Average (1.26%), the Nasdaq (1.02%) and the Russell 2000® Index (0.94%). The yield on the 10-Year U.S. Treasury Note ended the week at 4.39%, three basis points below last Friday.

Trade agreements dominated investor attention as the White House announced new tariff rates on imports from Indonesia (19%), the Philippines (19%) and Japan (15%). Treasury Secretary Bessent anticipates a deadline extension for China as negotiations continue. Also, President Trump will be meeting this weekend with EU representatives in Scotland; a tariff rate of 15% seems likely. Talks with both Canada and Mexico are ongoing regarding imports not covered under current trade agreements.

Earnings results have thus far exceeded analysts' expectations. Many companies, while acknowledging tariff uncertainties, believe that their impact will be less severe than first anticipated. Also, positive economic data have provided confidence that consumer spending may remain resilient; and, companies are exploring alternatives, such as cost-sharing and changes to supply-chains, to minimize the cost of tariffs.

*Alphabet* reported better-than-expected earnings on the strength of cloud computing and search even as increased **AI** spending impacted results. Other companies reporting robust earnings and revenues included *Northrop Grumman* (defense industry), *SAIA* (trucking), *Deckers* (Uggs and HOKA), *PACCAR* (truck manufacturer), *Sonic Automotive* (auto dealerships) and *Solaris Energy Infrastructure* (sand logistics and back-up electrical equipment). Employment data, including initial jobless claims (217,000) and continuing claims (1.955 million) were each modestly better-than-anticipated.

The trade agreements and better-than-feared earnings results have buoyed market sentiment. Looking ahead, next week's updates on inflation and interest rates (following the Federal Reserve's meeting) may, along with possible tariff surprises and other geopolitical issues, impact market momentum.

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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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