PACIFIC GLOBAL
Investment Management Company

Weekly*Recap*

August 8, 2025

Market*Returns*

INDEX[1]	CLOSE	WEEKLY CHANGE		YTD CHANGE
Dow Jones Industrial Avg.	44,175.61	587.03	1.35%	3.83%
S&P 500®	6,389.45	151.44	2.43%	8.63%
Nasdaq	21,450.02	799.89	3.87%	11.08%
Russell 2000®	2,218.42	51.64	2.38%	-0.53%

	08/08/25 CLOSE	08/08/24 CLOSE
10-Year U.S. Treasury	4.29%	3.99%

Data: The Wall Street Journal, Federal Reserve

The*Bottom*Line

Last week's disappointing employment report and rising jobless claims increased expectations that the Federal Reserve will begin lowering rates in September. In response, the equity markets rebounded from last week's selloff. For the week, the Nasdaq (3.87%) led the major indices, and closed at another record high, followed by the S&P 500® Index (2.43%), the Russell 2000® Index (2.38%) and the Dow Jones Industrial Average (1.35%). The yield on the 10-Year U.S. Treasury Note rose to 4.29%, up from last Friday's close at 4.22%.

Tariff news, including revisions to rates for certain countries and extensions for others, remains a central focus for the equity markets; overall though, the various, and frequent, industry and firm carve outs leave investment decisions for companies and individuals in limbo. For example, on Wednesday, President Trump after announcing a 100% tax on imported computer chips then exempted *Apple* after the company committed to purchase, over four years, $100 billion in components from U.S. suppliers. Further, deregulation and the tax law changes may influence the effect of tariffs on inflation and the U.S. economy.

July **ISM services** index declined from 50.8 to 50.1, below estimates of 51.3; survey participants attributed the lower numbers to tariff uncertainty. Initial jobless claims rose to 226,000 versus projections of 219,000; continuing claims rose to 1.974 million, the highest level since November 2023, compared to consensus of 1.950 million. Investors often focus on Fed actions to lower interest rates, but the fixed income markets, which reflect real-time outlooks for economic growth, inflation and government debt level trends, ultimately determine interest rate levels. Thus, even as recent employment data fueled expectations for lower fed funds rates, this week's poorly received Treasury auctions, for 3-, 10- Notes and 30-year Bonds, pushed interest rates higher.

Against the backdrop of tariff uncertainties, though, companies are developing contingency plans. Earnings season is nearly complete with reports from over 90% of companies in the S&P 500®; the blended growth rate of 11.7% was well above projections of 4.9%. The favorable economic data have supported a the recent ‘buy on the dip’ investment strategy.

[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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Pacific Global • 500 N Brand Blvd • Suite 2160 • Glendale, California 91203 • (800) 404-6693 • www.pacificglobal.us