



PACIFIC GLOBAL
Investment Management Company

Weekly Recap

August 15, 2025

Market Returns

INDEX ¹	CLOSE	WEEKLY CHANGE		YTD CHANGE
Dow Jones Industrial Avg.	44,946.12	770.51	/ 1.74%	5.65%
S&P 500 [®]	6,449.80	60.35	/ 0.94%	9.66%
Nasdaq	21,622.98	172.96	/ 0.81%	11.97%
Russell 2000 [®]	2,286.52	68.10	/ 3.07%	2.53%

	08/08/25 CLOSE	08/15/24 CLOSE
10-Year U.S. Treasury	4.32%	3.92%

Data: The Wall Street Journal, Federal Reserve

The Bottom Line

The equity market advance continued despite somewhat mixed economic data and higher interest rates. The Russell 2000[®] Index (3.07%) led the major indices followed by the Dow Jones Industrial Average (1.74%), the S&P 500[®] Index (0.94%) and the Nasdaq (0.81%). The yield on the 10-Year U.S. Treasury Note rose to 4.32%, up from 4.29% last Friday.

Tariffs remained a central theme for the markets as President Trump announced a 90-day extension for reciprocal tariffs on Chinese products as trade negotiations continue. The President also announced that his tariff policy on semiconductor chips may be announced in the upcoming weeks. A study by Barclays estimated that the impact of tariffs was more modest than anticipated; for May, the 'weighted average tariff rate' was 9.0%, below estimates of 12% as approximately half of imports were duty-free and consumers purchased less from countries with higher tariffs. Still, the overall effect of tariffs, given the variabilities in rates and exemptions, will remain unclear over the short-term.

The July **Consumer Price Index (CPI)** increased 0.2%, in line with estimates. The **Core CPI** rose 0.3%, also in line with estimates, while the annual Core CPI rose 3.1%, up from 2.9% in June. The July **Producer Price Index (PPI)** rose 0.9%, the highest increase since June 2022, and well above expectations for a 0.2% increase following June's 0.0%; year-over-year, the **PPI** rose 3.3%. The monthly **Core PPI** also rose 0.9% for a 3.7% annual increase, well above June's 2.6%. Consumer spending remained in July with retail sales up 0.5% following an upwardly revised 0.9% increase in June. The **University of Michigan** consumer sentiment index unexpectedly fell from 61.7 in July to 58.6 as participants anticipated worsening inflation and higher unemployment ahead. Initial jobless claims (224,000) and continuing claims (1.953 million) both fell modestly.

The latest headline news will likely continue to determine market momentum in the run-up to the Labor Day holiday. The outperformance of the Russell 2000[®] this week suggests that growing confidence in

a September interest rate cut is encouraging some investors to diversify from the recent concentration in the *Technology* sector.

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