



PACIFIC GLOBAL
Investment Management Company

Weekly Recap

September 5, 2025

Market Returns

INDEX ¹	CLOSE	WEEKLY CHANGE		YTD CHANGE
Dow Jones Industrial Avg.	45,400.86	-144.02	/ -0.32%	6.71%
S&P 500 [®]	6,481.50	21.24	/ 0.33%	10.20%
Nasdaq	21,700.39	244.84	/ 1.14%	12.37%
Russell 2000 [®]	2,391.05	24.63	/ 1.04%	7.21%

	09/05/25 CLOSE	09/05/24 CLOSE
10-Year U.S. Treasury	4.09%	3.73%

Data: The Wall Street Journal, Federal Reserve

The Bottom Line

The equity and fixed income markets continue to anticipate a rate cut when the Federal Reserve meets in mid-September. For the week, the Nasdaq (1.14%) led the major indices, primarily due to the favorable ruling on *Alphabet's* search engine. The Russell 2000[®] Index gained 1.04% followed by the S&P 500[®] Index (0.33%) while the Dow Jones Industrial Average (-0.32%) declined. The yield on the 10-Year U.S. Treasury Note declined to 4.09% from 4.23% last Friday.

The non-farm payroll jobs report for August fell well below estimates of 75,000: the addition of 22,000 jobs, along with revisions to June (-13,000, the first decline since December 2020) and July (to 79,000) yielded a three-month average 29,000 new jobs. The unemployment rate rose 4.3%, the highest rate since October 2021. Initial jobless claims (237,000) were higher than consensus estimates (231,000) while continuing claims (1.940 million) were below estimates (1.963 million). The JOLTS report of new job openings (7.181 million) was below projections of 7.373 million. **ISM Services** Index rose to 52.0, above consensus 51.0 and 50.3 in July. **ISM Manufacturing** Index rose from 48.0 to 48.7.

This week, a District Judge announced limited punishment for the 'remedies' portion of last year's antitrust ruling against *Google*. The court's decision, which required the company to share search data, did not require the company to sell its Chrome browser. Shares of *Alphabet* surged 9% following the ruling. Meanwhile, the Trump Administration requested an expedited hearing by the Supreme Court in appealing last week's Appeals Court decision on tariffs.

The weak jobs report increases the likelihood for lower interest rates while raising concerns about a slowing U.S. economy. Long-term Treasury yields fell in anticipation of an upcoming decision by the Fed although the timing and extent of rate cuts is unknown. Many participants in the **ISM Manufacturing** index overwhelmingly cited higher costs, supply chain disruptions and reduced competitiveness in pointing to tariffs as a drag on business conditions. Even so, assessing the overall health of the economy is complicated due to the stock-piling by companies and consumers to avoid or delay tariffs. The market's recent gains

suggest that the expectation of lower rates has overshadowed the uncertainties about an economic slowdown.

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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