



PACIFIC GLOBAL
Investment Management Company

Weekly Recap

September 12, 2025

Market Returns

INDEX ¹	CLOSE	WEEKLY CHANGE		YTD CHANGE
Dow Jones Industrial Avg.	45,834.22	433.36	/ 0.95%	7.73%
S&P 500 [®]	6,584.29	102.79	/ 1.59%	11.95%
Nasdaq	22,141.10	440.71	/ 2.03%	14.66%
Russell 2000 [®]	2,397.06	6.01	/ 0.25%	7.48%

	09/12/25 CLOSE	09/12/24 CLOSE
10-Year U.S. Treasury	4.07%	3.68%

Data: The Wall Street Journal, Federal Reserve

The Bottom Line

Investments in **AI** continue to reward *Technology* stocks: this week, *Oracle* gained 36% after announcing an anticipated \$500 billion backlog in orders by year-end. Nasdaq (2.03%) led the major indices, and closed at a record high, followed by the S&P 500[®] Index (1.59%), the Dow Jones Industrial Average (0.95%) and the Russell 2000[®] Index (0.25%). The yield on the 10-Year U.S. Treasury Note closed at 4.07% down from 4.09% last Friday as strong demand at the Treasury auctions, notably from foreign buyers, supported the decline in yields.

In other **AI** news, *Microsoft* and *OpenAI* announced a 'memorandum of understanding' regarding the continuing partnership for developing product and applications revenue streams. Together, the demand for data centers, power generation and chip technology have contributed significantly to economic growth even as tariffs challenge other sectors. The Supreme Court has agreed to an expedited hearing in early November on the legality of President Trump's reciprocal tariffs which were imposed without Congressional approval.

As expected, August **core CPI** increased 0.3% month-over-month and 3.1% annually, unchanged from July. The **Headline CPI** rose 0.4% month-over-month, exceeding consensus of 0.3%; the 2.9% annual increase was in line with estimates, although higher than July's 2.7%. August **core PPI** declined 0.1%, notably below projections for a 0.3% increase; annualized **core PPI** rose 2.8%, below consensus of 3.5%.

Initial jobless claims jumped to 263,000, the highest since October 2021, compared to estimates of 231,000; continuing claims were unchanged at 1.939 million. The Bureau of Labor Statistics' preliminary benchmark revision for the April 2024-March 2025 period revised new job gains downward by 911,000, well above expectations of an 800,000 revision. The softening labor market, with somewhat tame inflation, is refocusing attention on the employment portion of Federal Reserve mandate. Most analysts now assume that the Federal Reserve will cut interest rates by at least 25 basis points next week, with additional cuts anticipated through year-end; if so, the fed funds rate would be within the 3.50% to 3.75% range.

The equity markets, including broad sectors in addition to Technology, have moved higher on the expectation of an interest rate cut. Investors will closely watch the Fed's post-meeting commentary for insight into the health of the economy, and inflation expectations, while awaiting the Supreme Court decision.

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