Investment Weekly

For the week ended Aug 29, 2025

Commentary

Weekly summary: Tariffs took a backseat as Fed independence moved to the forefront.

Markets review

- **U.S. equities were mostly lower this week**, with small caps outperforming large caps. Energy was the best performer while utilities were the worst. Overseas markets also fell.
- **Treasury yields fell on the short end but rose on the long end**, steepening the curve. The Bloomberg U.S. Agg increased, bringing YTD returns to 5%.
- The **dollar declined**, and gold advanced.

Economic review

- **Retail earnings highlighted manageable but rising tariff risks**. High-end consumers continued to spend, while middle- and lower-income consumers faced ongoing pressure.
- **Fed independence came under scrutiny** after Trump's attempted firing of Governor Cook over alleged mortgage fraud, which she plans to contest.
- **July core and headline PCE were in-line**, while personal spending met expectations, though personal income was soft.
- **Jobless claims moved lower**.
- **2Q25 GDP was revised higher**.
- July durable goods orders declined but were still better than expected.
- **July new home sales were in-line**, slightly down from June, while July pending home sales posted a surprise decline.

Earnings review

- **2Q25 earnings:** 98% of S&P 500 companies reported. **The blended earnings growth rate was 13.2% and the revenue growth rate was 6.3%.** 80% of S&P 500 companies beat consensus EPS expectations.

Market data

Index prices ($)	08/29/25	12/31/24
Dow Jones Industrial Average	45,545	42,544
S&P 500	6,460	5,882

Returns (%)	1wk	QTD	YTD	3mo
Equities				
S&P 500	-0.10	4.32	10.79	9.62
S&P Mid Cap 400	-0.06	5.07	5.28	8.45
S&P Small Cap 600	-0.35	8.06	3.23	12.06
Russell 1000	-0.05	4.37	10.76	9.68
Russell MidCap	-0.16	4.40	9.45	8.49
Russell 2000	0.19	9.00	7.06	14.48
Dow Jones Industrial Average	-0.19	3.59	8.30	8.41
NASDAQ Composite	-0.19	5.43	11.60	12.07
Fixed income				
Bloomberg U.S. Aggregate	0.16	0.93	4.99	2.70
Bloomberg Global Aggregate	0.15	-0.06	7.21	1.98
Bloomberg High Yield Bond	0.45	1.71	6.35	3.59
S&P / LSTA Senior Loan	0.19	1.37	4.63	2.14
JPM EMBI+ Emerging Markets Bond	0.01	2.48	8.83	5.02
S&P 500 sectors				
Technology	-0.07	5.55	14.04	15.37
Materials	0.07	5.29	11.64	7.93
Consumer discretionary	-0.52	6.13	2.02	7.87
Health care	-0.56	1.94	0.81	4.30
Utilities	-2.00	3.28	13.00	4.72
Consumer staples	-1.67	-0.81	5.54	-1.54
Energy	2.46	6.67	7.50	11.08
Financials	0.77	3.07	12.59	6.59
Industrials	-0.76	3.01	16.12	6.84
Communication services	0.71	6.09	17.91	14.39
Real Estate	-0.12	2.08	5.67	2.40
Equity style performance				
Large cap value	-0.15	3.78	10.01	7.41
Large cap growth	0.04	4.94	11.33	11.60
Mid cap value	-0.48	4.85	8.12	8.42
Mid cap growth	0.82	3.05	13.14	8.56
Small cap value	0.27	10.39	6.90	15.30
Small cap growth	0.11	7.72	7.20	13.71
International equities				
MSCI EAFE	-1.43	2.82	23.31	5.15
MSCI U.K.	-1.47	4.55	24.70	6.78
MSCI Europe ex-U.K.	-2.14	0.80	26.02	3.18
MSCI Japan	-0.90	5.46	18.07	6.74
MSCI AC Asia ex-Japan	-0.45	3.96	19.33	9.38
MSCI Emerging Markets	-0.62	3.51	19.63	8.68
MSCI ACWI	-0.37	3.93	14.67	8.56

Source: FactSet.

VOYA INVESTMENT MANAGEMENT

Economic calendar

Date	Country/Region	Event
09/01/25	Germany	Markit PMI Manufacturing (Aug)
	Eurozone	Markit PMI Manufacturing (Aug)
	U.K.	CIPS Manufacturing PMI (Aug)
	Eurozone	Unemployment Rate (Jul)
09/02/25	Eurozone	CPI (Aug)
	U.S.	Markit PMI Manufacturing (Aug)
	U.S.	ISM Manufacturing (Aug)
	Japan	PMI Services (Aug)
	China	Markit/ Caixin Services PMI (Aug)
09/03/25	Germany	Markit PMI Services (Aug)
	Eurozone	Markit PMI Composite (Aug)
	U.K.	CIPS Services PMI (Aug)
	Eurozone	PPI (Jul)
	U.S.	Factory Orders (Jul)
	U.S.	JOLTS Job Openings (Jul)
09/04/25	Germany	PMI Construction (Aug)
	U.K.	CIPS Construction PMI (Aug)
	Eurozone	Retail Sales (Jul)
	U.S.	ADP Employment Survey (Aug)
	U.S.	Initial Claims (08/30)
	U.S.	Markit PMI Services (Aug)
	U.S.	ISM Services PMI (Aug)
	Japan	Real Household Consumption Expenditure (Jul)
09/05/25	Germany	Manufacturing Orders (Jul)
	U.K.	Retail Sales (Jul)
	Eurozone	GDP (2Q25)
	U.S.	Nonfarm Payrolls (Aug)
	U.S.	Unemployment Rate (Aug)

Source: FactSet.

Market data, cont'd

As of:	Last close	Prior week	Year end	3 mos ago
U.S. bond rates (%)				
U.S. federal funds target rate	4.50	4.50	4.50	4.50
U.S. 2yr Treasury	3.62	3.73	4.25	3.94
U.S. 10yr Treasury	4.22	4.28	4.58	4.43
U.S. 20yr Treasury	4.87	4.87	4.86	4.94
U.S. 30yr Treasury	4.92	4.90	4.79	4.92
High yield (Merrill U.S. Corporates)	6.45	6.48	6.97	6.83
Consumer rates (%)				
30yr mortgage rate	6.62	6.64	7.28	6.98
Prime rate	7.50	7.50	7.50	7.50
Commodities				
Gold (USD/oz)	$3,516	$3,418	$2,641	$3,344
Crude oil (USD/bbl)	$64.01	$64.80	$71.72	$60.94
Copper (LME $/mt)	$9,805	$9,643	$8,706	$9,682
Gasoline (USD/gal)	$3.38	$3.35	$3.22	$3.46
Exchange rates				
$ per €	1.17	1.17	1.04	1.14
$ per £	1.35	1.35	1.25	1.35
¥ per $	147.28	147.50	157.16	144.30
U.S. Dollar Index	97.77	98.43	108.49	99.28

Source: FactSet.

Index definitions

Bloomberg Global Aggregate Bond Index measures a wide range of global government, government-related, corporate and securitized fixed-income investments, all with maturities greater than one year.

Bloomberg High Yield Bond Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

Bloomberg U.S. Aggregate Index is a bond market index composed of U.S. securities in Treasury, Government-Related, Corporate, and Securitized sectors that are of investment-grade quality or better, have at least one year to maturity, and have an outstanding par value of at least $250 million.

Dow Jones Industrial Average is a price-weighted average computed from the stock prices of 30 of the largest and most widely held public companies in the U.S., adjusted to reflect stock splits and stock dividends.

FTSE EPRA / NAREIT Global Real Estate Index represents general performance trends of the equity securities of real estate companies involved in the ownership, disposition and development of income-producing properties worldwide.

JPMorgan Emerging Markets Bond Index Plus (EMBI+) tracks total returns for traded foreign currency denominated debt instruments in the emerging markets which meet minimum criteria for face value outstanding and market trading liquidity.

MSCI ACWI Index is a free float-adjusted market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world, capturing large and mid cap representation across 23 Developed Markets (DM) and 26 Emerging Markets (EM) countries.

MSCI EAFE Index is a free float-adjusted market capitalization weighted index designed to measure developed markets' equity performance, excluding the U.S. & Canada, for 21 countries.

MSCI Europe ex-U.K. Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of the 15 developed European markets except the U.K..

MSCI U.K. Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of listed common stocks in the U.K..

MSCI Asia ex-Japan Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of the 15 developed Asian markets except Japan.

MSCI Japan Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of listed common stocks in Japan.

MSCI Emerging Markets Index is a free float-adjusted market capitalization index that measures emerging market equity performance of 23 countries.

Municipal Bond Index is a bond index that includes investment-grade, tax-exempt fixed-rate bonds with long-term maturities (greater than two years) selected from issues larger than $50 million.

NASDAQ Composite Index is a market capitalization weighted index of the performance of domestic and international common stocks listed on the Nasdaq Stock Market including over 2,800 securities.

Large Growth: Russell 1000 Growth Index measures the large-cap growth segment of the U.S. equity market including Russell 1000 companies with higher price-to-book ratios and forecasted growth.

Large Value: Russell 1000 Value Index measures the large-cap value segment of the U.S. equity market including Russell 1000 companies with lower price-to-book ratios and lower expected growth.

Midcap Growth: Russell MidCap Growth Index measures the performance of the mid-cap growth segment of the U.S. equity market including Russell Midcap Index companies with higher price-to-book ratios and forecasted growth.

Midcap Value: Russell MidCap Value Index measures the performance of the mid-cap growth segment of the U.S. equity market including Russell Midcap Index companies with lower price-to-book ratios and forecasted growth.

Small Cap Growth: Russell 2000 Growth Index measures the performance of small-cap growth stocks in the U.S. equity market including Russell 2000 companies with higher price-to-value ratios and forecasted growth.

Small Cap Value: Russell 2000 Value Index measures the performance of small-cap growth stocks in the U.S. equity market including Russell 2000 companies with lower price-to-value ratios and forecasted growth.

S&P 500 Index is a widely regarded as the best single gauge of the U.S. equities market, including 500 leading companies in major industries of the U.S. economy.

S&P 500 Sectors are defined as the GICS (Global Industry Classification Standard) sectors which provide standardized industry definitions consisting of 10 sectors, 24 industry groups, and 67 industries.

The S&P MidCap 400 includes 400 companies and represents almost 6% of the U.S. markets. To be eligible for inclusion in the index, a company should be a U.S. company, have a market cap between USD 3.3 billion to USD 11.8 billion, maintain a public float of at least 10% of its shares outstanding, and its most recent quarter's earnings and the sum of its trailing four consecutive quarters' earnings must be positive. The index implements changes on an as-needed basis.

The S&P SmallCap 600 includes 600 companies and represents almost 3% of the U.S. market. To be eligible for inclusion in the index, a company should be a U.S. company, have a market cap between USD 750 million to USD 3.3 billion, maintain a public float of at least 10% of its shares outstanding, and its most recent quarter's earnings and the sum of its trailing four consecutive quarters' earnings must be positive. The index implements changes on an as-needed basis.

The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity market and includes approximately 1,000 of the largest securities based on market capitalization and representing approximately 92% of the U.S. market.

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