



MARKET WEEK: AUGUST 4, 2025

The Markets (as of market close August 1, 2025)

The U.S. stock market endured a significant downturn last week, largely due to unexpectedly weak hiring data (see below) and the imposition of new tariffs by President Trump. After reaching record highs for six straight sessions in the prior week, the S&P 500 ended last week in the red, with last Friday marking the worst single-day performance since May. The remaining benchmark indexes listed here also closed last week lower. Investors moved from risk on the heels of an underwhelming jobs report for July, which led to concerns of slowing economic growth, while new tariffs on imports from several U.S. trading partners heightened fears of accelerating inflation. Weak hiring numbers also increased expectations for a Federal Reserve interest rate cut in September. This sent Treasury yields sharply lower, with 10-year Treasury yields hitting their lowest rates since the end of April. Crude oil prices ended last week higher, although reports that OPEC+ may agree to increase production could drag prices lower.

Stock Market Indexes

Market/Index	2024 Close	Prior Week	As of 8/1	Weekly Change	YTD Change
DJIA	42,544.22	44,901.92	43,588.58	-2.92%	2.45%
NASDAQ	19,310.79	21,108.32	20,650.13	-2.17%	6.94%
S&P 500	5,881.63	6,388.64	6,238.01	-2.36%	6.06%
Russell 2000	2,230.16	2,261.07	2,166.78	-4.17%	-2.84%
Global Dow	4,863.01	5,639.91	5,471.41	-2.99%	12.51%



fed. funds target rate	4.25%-4.50%	4.25%-4.50%	4.25%-4.50%	0 bps	0 bps
10-year Treasuries	4.57%	4.38%	4.22%	-16 bps	-35 bps
US Dollar-DXY	108.44	97.69	98.70	1.03%	-8.98%
Crude Oil-CL=F	\$71.76	\$65.04	\$67.23	3.37%	-6.31%
Gold-GC=F	\$2,638.50	\$3,337.80	\$3,413.50	2.27%	29.37%

Chart reflects price changes, not total return. Because it does not include dividends or splits, it should not be used to benchmark performance of specific investments.

Last Week's Economic News

- By a 9-2 tally, with one member absent, the Federal Open Market Committee voted to maintain interest rates at their current 4.25%-4.50% range. In making its decision, the Committee noted that growth of economic activity moderated in the first half of the year, while swings in net exports continued to affect data. However, the unemployment rate remained low, and labor market conditions were solid, although inflation was somewhat elevated. In considering the extent and timing of additional adjustments to the target range for the federal funds rate, the Committee indicated that it would carefully assess incoming data, the evolving outlook, and the balance of risks. Nevertheless, the Committee observed that uncertainty about the economic outlook remained elevated.
- Job growth in July came in well below expectations, with the addition of only 73,000 new jobs. July's total follows larger-than-normal downward revisions in May and June, which combined, were 258,000 lower than previously reported. The unemployment rate ticked up 0.1 percentage point to 4.2%. Both the labor force participation rate and the employment-population ratio dipped 0.1 percentage point to 62.2% and 59.6%, respectively. The number of unemployed, at 7.2 million, rose by 221,000 last month. In July, the number of long-term unemployed (those jobless for 27 weeks or more) increased by 179,000 to 1.8 million, accounting for 24.9% of all unemployed people. Average hourly earnings rose by \$0.12, or 0.3%, to \$36.44 in July. Over the past 12 months, average hourly earnings have increased by 3.9%. The average workweek edged up by 0.1 hour to 34.3 hours in July.
- The economy expanded at an annualized rate of 3.0%, according to the initial estimate of second-quarter gross domestic product (GDP). In the first quarter, GDP decreased 0.5%.



The increase in real GDP in the second quarter primarily reflected a decrease in imports (-30.3%), which are a subtraction in the calculation of GDP, and an increase in consumer spending (1.4%). These movements were partly offset by decreases in private domestic investment (-15.6%) and exports (-1.8%).

- According to the latest report from the Bureau of Economic Analysis, consumer spending increased 0.3% in June. Prices consumers paid for goods and services advanced 0.3% last month. Prices excluding food and energy (core prices) also increased 0.3%. Both personal income and disposable (after-tax) personal income each advanced 0.3% in June.
- The international trade in goods deficit was \$86.0 billion in June, down \$10.4 billion, or 10.8%, from the May estimate. Exports of goods for June were \$178.2 billion, \$1.1 billion, or 0.6%, less than May exports. Imports of goods for June were \$264.2 billion, \$11.5 billion, or 4.2%, less than May imports. Since June 2024, exports have risen 3.6%, while imports declined 2.5%.
- According to the latest Job Openings and Labor Turnover Summary, there were 7.4 million job openings in June, down from 7.7 million in May. The number of hires in June, at 5.2 million, fell from the May estimate of 5.5 million. Total separations in June were 5.1 million compared to 5.2 million in May. The number of job openings for May was revised down by 57,000 to 7.7 million, the number of hires was revised down by 38,000 to 5.5 million, and the number of total separations was revised down by 29,000 to 5.2 million.
- Operating conditions in the manufacturing sector worsened slightly in July as demand stagnated and tariff uncertainty continued to dominate. International sales fell and uncertainty over federal government policies weighed on sentiment, which led to a decline in employment. On the price front, input costs continued to rise steeply, again linked to tariffs, as selling prices continued to increase markedly, rising to the second-highest level since November 2022. The S&P Global US Manufacturing Purchasing Managers' Index™ recorded 49.8 in July. That was down noticeably from June's 52.9 following six successive months of growth, while representing the first overall deterioration of operating conditions in 2025.
- The national average retail price for regular gasoline was \$3.123 per gallon on July 28, \$0.002 per gallon above the prior week's price but \$0.361 per gallon less than a year ago. Also, as of July 28, the East Coast price decreased \$0.007 to \$2.999 per gallon; the Midwest price rose \$0.028 to \$3.014 per gallon; the Gulf Coast price ticked up \$0.009 to \$2.748 per gallon; the Rocky Mountain price declined \$0.016 to \$3.121 per gallon; and the West Coast price fell \$0.027 to \$3.995 per gallon.
- For the week ended July 26, there were 218,000 new claims for unemployment insurance, an increase of 1,000 from the previous week's level. According to the Department of Labor,



the advance rate for insured unemployment claims for the week ended July 19 was 1.3%, unchanged from the previous week's rate. The advance number of those receiving unemployment insurance benefits during the week ended July 19 was 1,946,000, unchanged from the previous week's level. States and territories with the highest insured unemployment rates for the week ended July 12 were New Jersey (2.8%), Puerto Rico (2.7%), Rhode Island (2.6%), Minnesota (2.2%), California (2.1%), the District of Columbia (2.1%), Massachusetts (2.1%), Washington (2.1%), Oregon (1.9%), and Pennsylvania (1.9%). The largest increases in initial claims for unemployment insurance for the week ended July 19 were in Kentucky (+4,895), Texas (+424), Iowa (+298), Indiana (+5), and Vermont (+1), while the largest decreases were in New York (-12,505), California (-4,618), Michigan (-4,116), Pennsylvania (-3,350), and New Jersey (-2,655).

Eye on the Week Ahead

This is a slow week for economic reports. Investors, instead, will look toward next week when the latest inflation data is released.

Data sources: Economic: Based on data from U.S. Bureau of Labor Statistics (unemployment, inflation); U.S. Department of Commerce (GDP, corporate profits, retail sales, housing); S&P/Case-Shiller 20-City Composite Index (home prices); Institute for Supply Management (manufacturing/services). Performance: Based on data reported in WSJ Market Data Center (indexes); U.S. Treasury (Treasury yields); U.S. Energy Information Administration/Bloomberg.com Market Data (oil spot price, WTI, Cushing, OK); www.goldprice.org (spot gold/silver); Oanda/FX Street (currency exchange rates).

News items are based on reports from multiple commonly available international news sources (i.e., wire services) and are independently verified when necessary with secondary sources such as government agencies, corporate press releases, or trade organizations. All information is based on sources deemed reliable, but no warranty or guarantee is made as to its accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation for the purchase or sale of any securities, and should not be relied on as financial advice. Forecasts are based on current conditions, subject to change, and may not come to pass. U.S. Treasury securities are guaranteed by the federal government as to the timely payment of principal and interest. The principal value of Treasury securities and other bonds fluctuates with market conditions. Bonds are subject to inflation, interest-rate, and credit risks. As interest rates rise, bond prices typically fall. A bond sold or redeemed prior to maturity may be subject to loss. Past performance is no guarantee of future results. All investing involves risk, including the potential loss of principal, and there can be no guarantee that any investing strategy will be successful.

The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 largest, publicly traded companies in leading



industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the Nasdaq stock exchange. The Russell 2000 is a market-cap weighted index composed of 2,000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks worldwide. The U.S. Dollar Index is a geometrically weighted index of the value of the U.S. dollar relative to six foreign currencies. Market indexes listed are unmanaged and are not available for direct investment.

IMPORTANT DISCLOSURES

Note: Advisory services offered through Carolina Wealth Advisors (CWA) and The Strategic Financial Alliance, Inc. (SFA), registered investment advisers. Securities offered through The Strategic Financial Alliance, Inc. (SFA), member FINRA/SIPC. Christopher St. John, M. Radcliff Lowery, and Christy Horlacher, are registered representatives and investment adviser representatives of SFA, which is otherwise unaffiliated with CWA. CWA and SFA do not provide any tax or legal advice. SFA corporate offices 678-954-4000.

Insurance Products guarantees are subject to the financial strength and claims-paying ability of the issuing company, and may be subject to restrictions, limitations or early withdrawal fees. Annuities are not FDIC insured.

Broadridge Investor Communication Solutions, Inc. does not provide investment, tax, or legal advice. The information presented here is not specific to any individual's personal circumstances.

To the extent that this material concerns tax matters, it is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of avoiding penalties that may be imposed by law. Each taxpayer should seek independent advice from a tax professional based on his or her individual circumstances.

These materials are provided for general information and educational purposes based upon publicly available information from sources believed to be reliable—we cannot assure the accuracy or completeness of these materials. The information in these materials may change at any time and without notice.



This communication is strictly intended for individuals residing in the state(s) of AZ, CA, CT, FL, GA, IL, IN, KY, MD, MA, MT, NJ, NM, NY, NC, OK, PA, SC, TX, VA, WA and WV. No offers may be made or accepted from any resident outside the specific states referenced.

Prepared by Broadridge Advisor Solutions Copyright 2025.