WEEKLY MARKET UPDATE | AUGUST 8, 2025

Stocks earn their way to a good week.

The market and economy

- U.S. stocks posted notable gains during the week ending August 8. Investors' optimism regarding generally positive corporate earnings reports offset concerns about a new raft of tariffs on imported goods. The tech-heavy Nasdaq Composite Index ended the week at a record high. According to data services provider FactSet, 82% of S&P 500 Index companies have garnered positive earnings surprises for the second quarter. (About two-thirds of index constituents had reported results as of August 1.)
- On Thursday, the Trump administration imposed tariffs on imported goods from roughly 90 countries. Consequently, the average effective U.S. tariff rate rose to 18.6%, according to the Budget Lab at Yale—the highest level since the Smoot–Hawley Tariff Act significantly raised import levies in the early 1930s. The tariffs assessed on Thursday averaged 15%, with higher levies on several other trading partners, particularly India. The U.S. imposed a 50% tariff on the country as a sanction for its purchases of oil from Russia.
- The Institute for Supply Management's (ISM) Services Purchasing Managers' Index (PMI) dipped 0.7 percentage point to 50.1 percent in July, but indicated expansion in the services sector for 12 of the previous 13 months. (A PMI reading above 50 percent denotes an upturn in activity.) The ISM survey indicated that inflation may be accelerating; the Prices Index climbed 2.4 percentage points to 69.9 percent in July—the highest level since October 2022. The Employment Index was in contraction territory for the fourth time in the last five months; the reading of 46.4 percent was 0.8 percentage point lower than the 47.2 percent recorded in June. The Employment Index was down 0.8 percentage point to 46.4 percent—finishing in contraction territory for the fourth time in the last five months. The Business Activity Index continued to expand in July, registering 52.6 percent, though declining 1.6 percentage points from the 54.2 percent reading for the previous month. This index has not been in contraction territory since May 2020.
- The Department of Labor announced that initial unemployment insurance claims, a barometer of the health of the labor market, increased by 7,000 to 226,000 during the week ending July 19. However, the total represented a downturn from the 234,000 claims filed during the same week in 2024. The four-week moving average of initial claims dipped by 500 week-over-week to 220,750 and was well below the four-week average of 239,500 a year earlier.
- The Mortgage Bankers Association (MBA) reported that mortgage applications in the U.S. rose 3.1% during the week ending August 1 compared to the previous seven-day period. The MBA's Refinance Index increased 5.0% for the week and surged 18.0% over the previous 12-month period. The Purchase Index advanced 2.0% and 18.0% for the week and year-over-year, respectively. According to the Federal Home Loan Mortgage Corporation (Freddie Mac), the average interest rate on a 30-year fixed-rate mortgage decreased 9 basis points (0.09%) to 6.63% during the week ending August 7—the lowest level since the week ending April 10 of this year.
- According to the Federal Reserve, U.S. household debt increased 1.8% year-over-year in June (the most recent reporting period)—up from the 1.2% annual rise in May. An upturn in household debt could result in more delinquencies in credit payments and personal bankruptcy filings should the U.S. economy slip into recession. Consumer credit rose at an annual rate of 2.3% for the second quarter of this year. Revolving credit, which includes credit cards, decreased 1.0% year-over-year in June. Nonrevolving credit, which includes auto and student loans, increased 2.7% over the previous 12-month period. Outstanding student loans totaled $1.8 trillion as of the end of the second quarter of this year—up 2.3% compared to the second quarter of 2024.

Stocks

- Global equities garnered positive returns for the week. Emerging markets outperformed developed markets.
- U.S. equities rose sharply during the week. Information technology and consumer discretionary were the top-performing sectors, while energy and healthcare and were the primary market laggards.
- Value stocks outperformed growth, while large caps surpassed small caps.

Bonds

- The 10-year U.S. Treasury note yield rose to 4.28% during the week.
- Global bond markets were virtually flat during the week.
- Government bonds led the markets, followed by high-yield bonds and corporate bonds.

The Numbers as of August 8, 2025	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI ($)	2.0%	11.2%	19.7%	935.5
MSCI EAFE ($)	2.3%	17.8%	17.7%	2665.1
MSCI Emerging Mkts ($)	2.8%	17.2%	20.5%	1260.5
US & Canadian Equities				
Dow Jones Industrials ($)	1.3%	3.8%	12.0%	44175.6
S&P 500 ($)	2.4%	8.6%	20.1%	6389.5
NASDAQ ($)	3.9%	11.1%	28.8%	21450.0
S&P/ TSX Composite (C$)	2.7%	12.3%	24.9%	27758.7
UK & European Equities				
FTSE All-Share (£)	0.4%	10.6%	11.0%	4939.2
MSCI Europe ex UK (€)	2.4%	7.6%	9.0%	1899.0
Asian Equities				
Topix (¥)	2.6%	8.6%	22.9%	3024.2
Hong Kong Hang Seng ($)	1.4%	23.9%	47.2%	24858.8
MSCI Asia Pac. Ex-Japan ($)	2.7%	16.2%	21.6%	661.5
Latin American Equities				
MSCI EMF Latin America ($)	4.0%	24.9%	5.7%	2314.3
Mexican Bolsa (peso)	2.0%	17.2%	9.8%	58045.6
Brazilian Bovespa (real)	2.7%	13.0%	5.7%	135965.4
Commodities ($)				
West Texas Intermediate Spot	-5.1%	-10.9%	-16.2%	63.9
Gold Spot Price	1.5%	29.5%	40.5%	3397.6
Global Bond Indices ($)				
Bloomberg Global Aggregate ($)	0.0%	4.6%	3.8%	2290.3
JPMorgan Emerging Mkt Bond	0.6%	7.5%	9.4%	964.6
10-Year Yield Change (basis points*)				
US Treasury	7	-29	29	4.28%
UK Gilt	7	4	62	4.60%
German Bund	1	32	42	2.69%
Japan Govt Bond	-7	39	64	1.49%
Canada Govt Bond	0	16	21	3.38%
Currency Returns**				
US$ per euro	0.5%	12.4%	6.6%	1.164
Yen per US$	0.3%	-6.0%	0.4%	147.77
US$ per £	1.3%	7.5%	5.5%	1.345
C$ per US$	-0.2%	-4.4%	0.2%	1.376

Source: Bloomberg. Equity-index returns are price only, others are total returns.
*100 basis points = 1 percentage point.
**Increases in U.S. dollars (USD) per euro or pound indicate a decline in the value of the USD; increases in yen or Canadian dollars per USD indicate an increase in the value of the USD.

Important information

Index returns are for illustrative purposes only and do not represent actual investment performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged, and one cannot invest directly in an index. Past performance does not guarantee future results.

This material is provided by SEI Investments Management Corporation (SIMC) for educational purposes only and is not meant to be investment advice. The reader should consult with his/her financial advisor for more information. This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events or a guarantee of future results. There are risks involved with investing, including possible loss of principal. SIMC is a wholly owned subsidiary of SEI Investments Company.