

## MONDAY MORNING RECAP - August 18, 2025

### Last Week

Dow Jones Industrial Average (DJIA)	44,946.12	+770.51	+1.74%
S&P 500 Index	6,449.80	+60.35	+0.94%
NASDAQ Composite Index	21,622.98	+172.95	+0.81%
U.S. 10 yr. Treasury Note Yield	4.33%	+6 Basis Points	
Gold (\$ per troy oz.)	\$3,336.00	-\$103.10	-3.00%
WTI Oil (\$ per barrel)	\$62.80	-\$1.08	-1.69%

### Market Summary

**Global Equities:** The S&P 500 closed at three record highs last week, with the market buoyed by expectations that the Fed would resume its rate-cutting cycle in September. The S&P 500 ended the week up 0.94%. Meanwhile, European equities hit a five-month high on the back of a strong earnings season and hopes of peace in Ukraine. The STOXX 600 gained 1.29% over the week. The Hang Seng index rose by 1.65% as the impact of US and China agreeing to extend their trade truce for another 90 days outweighed some weak Chinese economic data.

**Fixed Income:** US Treasury yields fell at the start of last week, hitting their lowest level since May on market expectations of Fed easing. However, they rebounded after data showed wholesale inflation is proving persistent. The 2-Year Treasury yield ended the week down at 3.75% and the 10-Year yield up at 4.33%. In Europe, the 10-Year German Bund yield rose to 2.79% after Euro area 2Q GDP growth matched consensus expectations.

**Commodities:** Oil prices ended the week close to where they started it, moving within a tight range ahead of Friday's meeting of Presidents Trump and Putin in Alaska, which could have major implications for Russian oil sanctions. WTI and Brent crude ended the week lower at \$62.80 and \$65.85/bbl, respectively. Gold fell sharply over the week after President Trump clarified that gold bars would not be subject to US tariffs, as had previously been feared, ultimately ending the week down at \$3336.00/troy oz.

**FX:** The US dollar index came under further pressure last week, falling by -0.33% as the market priced a Fed rate cut in September and due to ongoing concerns about the central bank's independence. With the dollar weakening, the euro rose to \$1.17 and the Japanese yen to ¥147.19.

## **Economic Summary**

**Inflation:** US CPI came in at 0.2% MoM in July and 2.7% YoY, slightly below consensus expectations. Core CPI increased by 0.3% MoM, its biggest monthly increase since January but in line with consensus expectations. However, PPI inflation jumped by 0.9% MoM, much higher than consensus expectations and the biggest monthly increase since June 2022. This set of inflation figures may suggest that as it stands, businesses are bearing the brunt of tariffs rather than passing on higher costs to the consumer.

**Activity:** US retail sales rose by 0.5% MoM in July, marginally below the 0.6% consensus expectation and down from 0.9% in June. UK GDP rose by 0.4% MoM in June, above consensus expectations. Meanwhile, the Euro area economy expanded by 0.1% QoQ in 2Q, as consensus expected. In Japan, the first estimate of 2Q real GDP growth came in at 1.0% QoQ annualized, exceeding consensus expectations and marking the fifth consecutive quarter of growth.

**Labor:** US initial jobless claims fell to 224k in the week ending August 9, down slightly from 227k (revised up from 226k) the previous week and below consensus expectations of 228k. Continuing claims, a measure of how many people are unemployed, also ticked down from 1.97M to 1.95M.

**China:** Chinese industrial production slowed to 5.7% YoY in July despite stronger-than-expected exports as adverse weather conditions weighed on construction activity. Retail sales growth fell to 3.7% YoY in July. These weakening figures suggest that a four-year slowdown in the housing market and the effect of US tariffs are weighing on China's economy.



## **Key Economic Releases**

**Monday, August 11:**

No economic releases

**Tuesday, August 12:**

US Housing Starts (Cons: 1.290M, Prior: 1.321M)

**Wednesday, August 13:**

FOMC Minutes

UK CPI YoY (Cons: 3.7%, Prior: 3.6%)

Euro Area CPI YoY (Cons: 2.0%, Prior: 2.0%)

**Thursday, August 14:**

US Services PMI (Cons: 53.3, Prior: 55.7)

US Manufacturing PMI (Cons: 49.9, Prior: 49.8)

US Initial Jobless Claims (Cons: 227K, Prior: 224K)

**Friday, August 15:**

Fed Chair Powell Speaks

Source: Goldman Sachs Asset Management: "Market Monitor", 8/15/2025

"GDP" refers to Gross Domestic Product. "Fed" refers to Federal Reserve. "WTI" refers to West Texas Intermediate crude oil, a common US benchmark for oil prices. "Brent" refers to a global benchmark for oil prices worldwide. "Bbl" refers to barrel. "Oz" refers to ounce. "FX" refers to foreign exchange. "CPI" refers to Consumer Price Index. "MoM" refers to month-over-month. "Core CPI" refers to Consumer Price Index, excluding food and energy. "YOY" refers to year-over-year. "PPI" refers to Producer Price Index. "QoQ" refers to quarter-over-quarter. "BoE" refers to Bank of England.

### **Disclosure Statement**

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