

# CAPITAL MARKETS REPORT - AUGUST 11, 2025



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## SERVICE BEYOND COMPARISON

- More Positive Economic Data Released
- S&P Gains on Strong Corporate Earnings
- Potential Weakening in Labor Market
- Look Ahead to This Week's Numbers

• U.S. consumer sentiment rose to a five-month high in July, driven by a stock market rally and moderating inflation expectations. The University of Michigan index increased to 61.7, while long-term inflation expectations fell to 3.4%, the lowest since January. Concerns remain over job market weakness, with more respondents expecting hiring to slow and unemployment to rise.

• The S&P 500 posted its largest gain since May, led by a few tech stocks like Nvidia and Meta. Strong corporate earnings and expectations of Fed rate cuts have boosted investor optimism. Of note however is news that corporate insider stock buying hit its lowest level since 2018, reflecting caution about the economic outlook.

• Labor market data shows signs of weakening, with rising jobless claims and hiring freezes. The U.S. trade deficit narrowed in June, but ongoing tariff shifts could impact future trade flows and GDP growth. Fed Chair Jerome Powell warned that tariffs could further slow growth. Meanwhile, Trump plans to raise tariffs on Indian exports and lower some tariffs for the EU, increasing trade uncertainty.

• Markets are focused on this week's CPI and PPI data. Bloomberg opines that, *"US consumers probably experienced a slight pickup in underlying inflation in July as retailers gradually raised prices on a variety of items subject to higher import duties."* Readings on retail sales will be released on Friday. Trump's planned appointments to the Federal Reserve and the Bureau of Labor Statistics could shift U.S. economic policy toward lower interest rates, sparking concerns over political interference.

### Market Last Week

	8/1/2025 Close	8/8/2025 Close	Weekly Change In Bps
<b>2 yr. Note</b>	<b>3.68%</b>	<b>3.76%</b>	<b>8</b>
<b>5 yr. Note</b>	<b>3.76%</b>	<b>3.83%</b>	<b>7</b>
<b>10 yr. Note</b>	<b>4.22%</b>	<b>4.28%</b>	<b>6</b>
<b>30 yr. Bond</b>	<b>4.82%</b>	<b>4.85%</b>	<b>3</b>
<b>SOFR Rate</b>	<b>4.35134%</b>	<b>4.36116%</b>	<b>0.982</b>

### Data This Week

Date/Time (ET)	Economic Data	Market Estimate	Prior Report
8/12/2025 8:30 AM	CPI YoY (July)	2.80%	2.70%
8/12/2025 8:30 AM	CPI Ex Food and Energy YoY (July)	3.00%	2.90%
8/13/2025 7:00 AM	MBA Mortgage Apps (Aug 8)	--	3.10%
8/14/2025 8:30 AM	PPI Final Demand YoY (July)	2.50%	2.30%
8/14/2025 8:30 AM	PPI Ex Food and Energy YoY (July)	2.90%	2.60%
8/14/2025 8:30 AM	Initial Jobless Claims (Aug 9)	225k	226k
8/14/2025 8:30 AM	Continuing Claims (Aug 2)	1968k	1974k
8/15/2025 8:30 AM	Retail Sales Advance MoM (July)	0.50%	0.60%
8/15/2025 8:30 AM	Empire Manuf (Aug)	0	5.5
8/15/2025 9:15 AM	Industrial Prod MoM (July)	0.00%	0.30%
8/15/2025 9:15 AM	Capacity Utilization (July)	77.60%	77.60%
8/15/2025 10:00 AM	U. of Mich. Sentiment (Aug)	62.0	61.7

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