

MARKET VIEW WEEKLY

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ECONOMIC REVIEW¹

- New-home sales in July rose to an annualized pace of 652,000 homes sold, beating forecasts, and were led by strength in the Western part of the country.
- Consumer confidence slipped 1.3 points to 97.4 in August, modestly above the 96.5 forecast, but sentiment weakened as market concerns grew and expectations for the months ahead declined.
- U.S durable goods orders fell 2.8% in July to \$302.8 billion, extending June's 9.4% drop, but less than the 3.8% expected decline.
- Pending home sales slipped 0.4% in July, a sharper drop than the 0.2% decline expected, marking a second straight monthly contraction, as high prices and borrowing costs continue to weigh on affordability.
- U.S. Gross Domestic Product (GDP) expanded at an annualized rate of 3.3% in Q2 2025, revised up from the initial 3.0% estimate. This marks a strong rebound from the -0.5% contraction recorded in Q1.
 - The upgrade was driven by stronger business investment and a record contribution from net exports.
- Headline Personal Consumption Expenditures (PCE) rose 0.2% in July and held steady at a 2.6% year-over-year (YoY), both matching estimates as softer goods prices offset higher services costs.
- Core PCE, which excludes the more volatile food and energy components and is the Federal Reserve's (Fed) preferred inflation gauge, increased 0.3%, month-over-month, and accelerated to 2.9% YoY, the highest in five months and a sign of persistent underlying inflation pressures.

How does the most recent economic data impact you?

- Housing and manufacturing data continue to send mixed signals, with strength in new home sales, offset by weaker spending and a pullback in durable goods (mostly in commercial aircraft), but highlighting an uneven backdrop shaped by affordability constraints and cautious demand.
- The economy showed more resilience than initially estimated, with Q2 growth revised higher on more substantial investment and trade. However, signs of softer consumer demand suggest the expansion may not be broadly based.
- Progress toward the Fed's 2% inflation target remains limited. While PCE readings came in as expected, core inflation remains sticky, keeping attention on the Fed's next move as policymakers weigh potential rate cuts against ongoing price pressures.



A LOOK FORWARD¹

- A holiday-shortened week brings a full slate of job market data and business activity reports that will help determine the strength of the economy and the Fed's next steps.

How does this week's slate of economic data impact you?

- The labor market takes center stage with JOLTS (Job Openings and Labor Turnover), the ADP payrolls report, and the August employment summary, giving insights into hiring, unemployment, and wage trends.
- Business activity will be measured by the ISM Manufacturing and ISM Services, providing a check on whether momentum is holding up or softening across the economy.
- Together, these reports will shape expectations for the Fed's September meeting, with softer data strengthening the case for cuts while more resilient results could keep policymakers cautious.



MARKET UPDATE²

Market Index Returns (%) as of 8/29/2025	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	-0.08%	4.32%	10.79%	15.88%	19.23%	14.70%
NASDAQ	-0.18%	5.43%	11.60%	21.95%	22.71%	13.75%
Dow Jones Industrial Average	-0.11%	3.59%	8.30%	11.45%	14.97%	11.88%
Russell Mid-Cap	-0.13%	4.40%	9.45%	12.58%	13.35%	11.90%
Russell 2000 (Small Cap)	0.22%	9.00%	7.06%	8.17%	10.05%	9.90%
MSCI EAFE (International)	-1.44%	2.80%	22.79%	13.87%	16.88%	10.15%
MSCI Emerging Markets	-0.76%	3.26%	19.02%	16.80%	10.87%	4.83%
Bloomberg Barclays US Agg Bond	0.16%	0.93%	4.99%	3.14%	2.89%	-0.63%
Bloomberg Barclays High Yield Corp.	0.45%	1.71%	6.35%	8.26%	9.14%	5.17%
Bloomberg Barclays Global Agg	0.15%	-0.06%	7.21%	3.47%	3.36%	-1.72%



OBSERVATIONS

- The major U.S. stock indexes closed the week slightly lower, with midweek strength giving way to a Friday retreat before the holiday weekend.
 - The Dow declined -0.11%, the S&P 500 slipped -0.08% and the NASDAQ fell -0.18%.
- Small caps stood out amongst equities with the Russell 2000 advancing +0.22%, while mid-caps finished slightly weaker at -0.13%.
- International equities also retreated: Developed markets (MSCI EAFE) posted a -1.44% loss on the week, while emerging markets fell -0.76%.
- Bonds provided stability, with the U.S. Aggregate Bond index returning +0.16%, high-yield corporate bonds returning +0.45%, and global bonds up +0.16%.



BY THE NUMBERS

- **Manchester Misfired, Red Devils Crash Out:** Manchester United was eliminated in the second round of the English League Cup on Wednesday after a marathon 12-11 penalty shootout defeat to fourth-tier Grimsby Town. The match ended 2-2 in regulation, with United staging a late comeback from 2-0 down to pull level on goals from Bryan Mbeumo and Harry Maguire. The penalty drama unfolded at the 9,000-capacity Blundell Park and included costly misses from Matheus Cunha and Mbeumo that sealed United's exit. United's heavy summer spending of £200 million (approximately \$270 million) on attacking signings failed to prevent the collapse. United remains winless in three competitive games this season following a 15th-place league finish last season.³
- **Logo and Behold: Cracker Barrel \$100 Million Identity Crisis:** Cracker Barrel's shift to a minimalistic logo without its iconic old timer figure sparked swift backlash, sending shares down as much as 7.2% in a single day and erasing nearly \$100 million in market value. The stock fell to \$50.27 at its low before closing around \$54.80, reflecting investor concerns over the rebrand. Within days, the company reversed course and restored its original logo, a move that triggered a rebound of about 6.4% in regular trading and more than 7% after hours. Despite the turmoil, shares remain up more than 40% year to date, showing strong momentum before the controversy. The episode underscored how a single branding change can drive nearly \$100 million in value swings, highlighting the sensitivity of investors to brand identity and consumer sentiment.⁴

Economic Definitions

The ADP Report: The ADP National Employment Report is an independent estimate of the change in U.S. nonfarm, private employment derived from actual, anonymous payroll data of client companies served by ADP.

Durable Goods Orders: This concept tracks the value of new orders received during the reference period. Orders are typically based on a legal agreement between two parties in which the producer will deliver goods or services to the purchaser at a future date.

Federal Reserve (Fed): The Federal Reserve System is the central banking system of the United States of America.

GDP: Gross domestic product (GDP) measures the final market value of all goods and services produced within a country. It is the most frequently used indicator of economic activity. The GDP by expenditure approach measures total final expenditures (at purchasers' prices), including exports less imports. This concept is adjusted for inflation.

ISM Manufacturing Index: The Manufacturing ISM Report On Business is based on data compiled from purchasing and supply executives nationwide. Survey responses reflect the change, if any, in the current month compared to the previous month. For each of the indicators measured (New Orders, Backlog of Orders, New Export Orders, Imports, Production, Supplier Deliveries, Inventories, Customers' Inventories, Employment and Prices), the report shows the percentage reporting each response, the net difference between the number of responses in the positive economic direction and the negative economic direction, and the diffusion index. A PMI reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally declining.

ISM Services Index: The Services ISM Report On Business® is based on data compiled from purchasing and supply executives nationwide. Survey responses reflect the change, if any, in the current month compared to the previous month. For each of the indicators measured (Business Activity, New Orders, Backlog of Orders, New Export Orders, Inventory Change, Inventory Sentiment, Imports, Prices, Employment and Supplier Deliveries) this report shows the percentage reporting each response, and the diffusion index. An index reading above 50 percent indicates that the non-manufacturing economy in that index is generally expanding; below 50 percent indicates that it is generally declining. Orders to the service producers make up about 90 percent of the US economy.

Job Openings and Labor Turnover Survey – JOLTS: This concept tracks the number of specific job openings in an economy. Job vacancies generally include either newly created or unoccupied positions (or those that are about to become vacant) where an employer is taking specific actions to fill these positions.

New Home Sales: This concept tracks sales of newly constructed homes during the reference period. The Implicit US index is computed by taking the number of house sold in the US and dividing it by the seasonally adjusted number of houses sold in the US.

Nonfarm Payrolls: This indicator measures the number of employees on business payrolls. It is also sometimes referred to as establishment survey employment to distinguish it from the household survey measure of employment.

PCE (headline and core): The PCE deflators (or Personal Consumption Expenditure deflators) track overall price changes for goods and services purchased by consumers. Deflators are calculated by dividing the appropriate nominal series by the corresponding real series and then multiplying the result by 100.

Pending Home Sales: This concept tracks signed real estate contracts for existing single-family homes, condos and co-ops that have not yet closed. As such it is a leading indicator for existing home sales.

Unemployment Rate: The unemployment rate tracks the number of unemployed persons as a percentage of the labor force (the total number of employed plus unemployed). These figures generally come from a household labor force survey.

Index Definitions

S&P 500: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

NASDAQ: The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971.

Dow Jones Industrial Average: The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

Russell Mid-Cap: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represents approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell 2000: The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

MSCI EAFE: The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

MSCI EM: The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg Barclays US Agg Bond: The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg Barclays High Yield Corp: The Bloomberg Barclays US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded.

Bloomberg Barclays Global Agg: The Bloomberg Barclays Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Barclays Municipal Bond Index: The Bloomberg Barclays U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

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¹ Data obtained from Bloomberg as of 8/29/2025.

² Data obtained from Morningstar as of 8/29/2025.

³ [Manchester United lose to Grimsby Town | Foxsports.com](#)

⁴ [Cracker Barrel Will Go Back To Old Logo After Conservative Backlash | NBC News](#)