

Stocks fell last week as investors assessed progress on trade negotiations, new U.S. tariffs, and fresh data on the U.S. economy.

The Standard & Poor's 500 Index fell 2.36 percent, while the Nasdaq Composite Index declined 2.17 percent. The Dow Jones Industrial Average dropped 2.92 percent. The MSCI EAFE Index, which tracks developed overseas stock markets, lost 2.95 percent.<sup>1,2</sup>

## Action-Packed Week

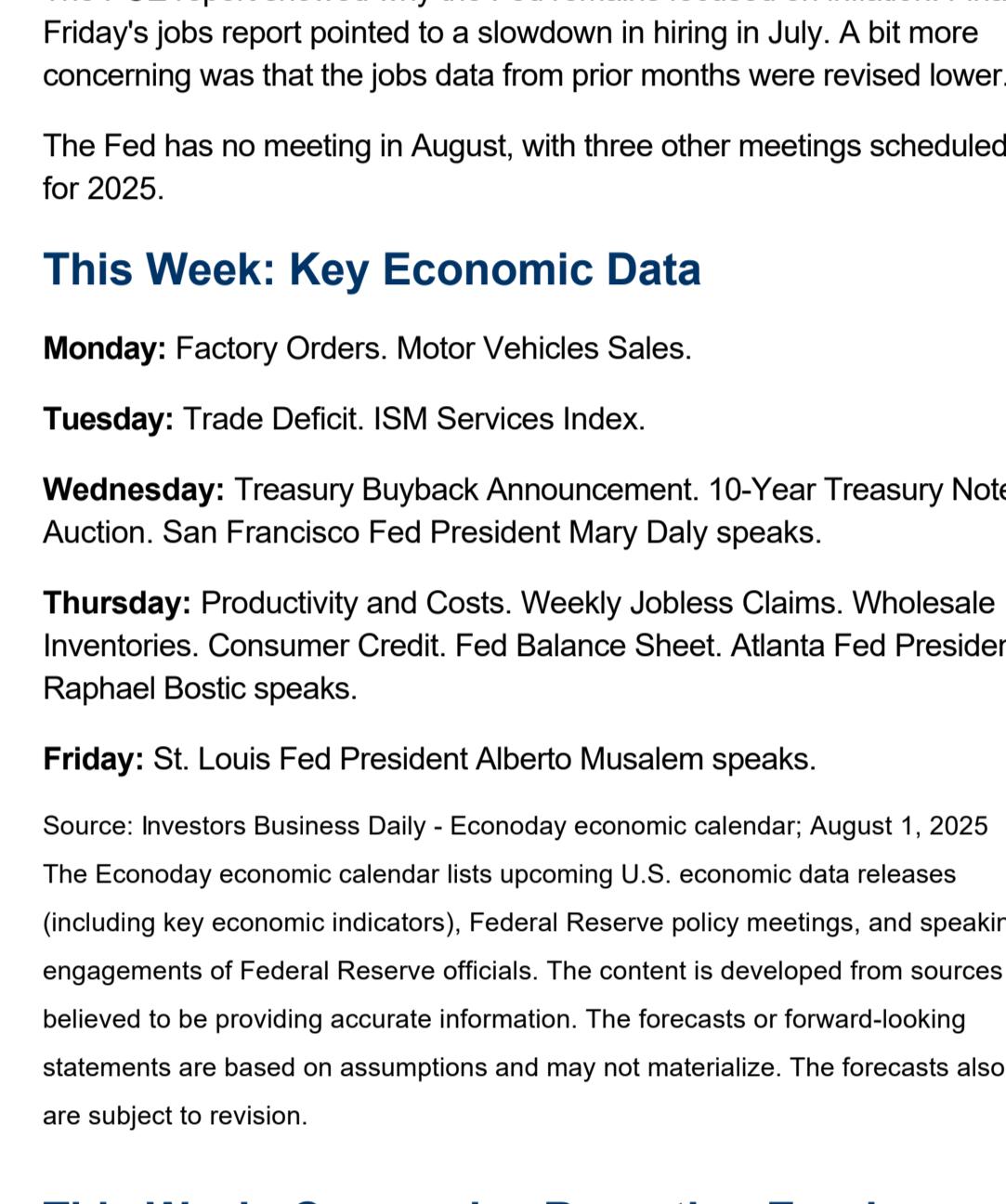
Stocks largely went sideways over the first half of the week as investors waited for more Q2 corporate results, fresh economic data, and the Fed decision.

The U.S.-U. trade agreement announced over the weekend had a muted impact on the market as the week began. Stocks then retreated as China trade talks appeared to stall, with the Dow declining the most of the three major averages through midweek.<sup>3,4</sup>

Stocks gained on Wednesday morning after the latest gross domestic product (GDP) report showed consumer spending powered the economy back to 3 percent annualized growth in Q2. That afternoon, the Federal Reserve announced they were holding rates steady, which put some pressure on stocks.<sup>5</sup>

Selling pressure continued on July's final trading day as investors continued to retread about the Fed's next move. The Personal Consumption and Expenditures (PCE) Index—the Fed's favored inflation metric—showed a June uptick in core goods prices, unsettling investors.<sup>6</sup>

Stocks were under pressure from the opening bell on Friday as investors sorted through fresh tariff announcements from the White House, a softer-than-expected July jobs report, and mixed Q2 corporate reports from two megacap tech names.<sup>6,7</sup>



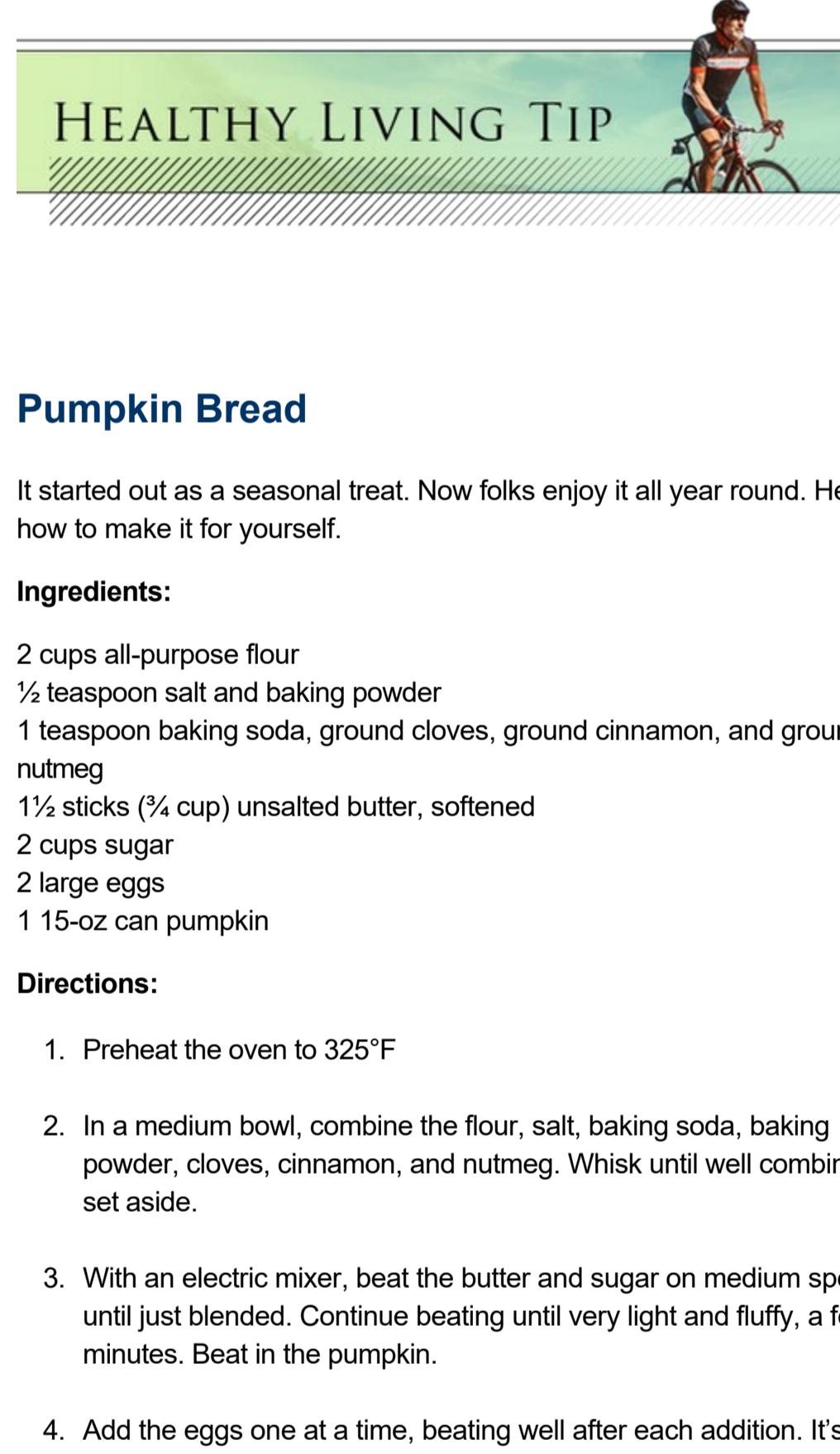
## YCHARTS

### Weekly Market Insights (WMI)

#### Major Index Return Summary

Name	1M TR	YTD TR	1Y TR	5Y TR
<b>Nasdaq Composite</b>	<b>3.72%</b>	<b>9.79%</b>	<b>20.86%</b>	<b>104.1%</b>
<b>S&amp;P 500</b>	<b>2.24%</b>	<b>8.59%</b>	<b>16.33%</b>	<b>109.0%</b>
<b>MSCI EAFE</b>	<b>-1.39%</b>	<b>18.25%</b>	<b>13.35%</b>	<b>67.67%</b>
<b>Dow Jones Industrial Average</b>	<b>0.16%</b>	<b>4.72%</b>	<b>9.95%</b>	<b>84.22%</b>

#### S&P 500 Daily Close



Source: YCharts.com, August 2, 2025. Weekly performance is measured from Monday, July 28, to Friday, August 1. TR = total return for the index, which includes any dividends as well as any other cash distributions during the period. Treasury note yield is expressed in basis points.

#### Mixed Economic Signals

There was a trove of economic data for investors to parse last week.

First, there was economic growth. While 3 percent GDP growth in Q2 is a solid step up from a 0.5 percent contraction in Q1, consumer spending largely drove the increase, offset by slower business spending—especially investment in equipment and buildings.<sup>8</sup>

The PCE report showed why the Fed remains focused on inflation. Finally, Friday's jobs report pointed to a slowdown in hiring in July. A bit more concerning was that the jobs data from prior months were revised lower.

The Fed has no meeting in August, with three other meetings scheduled for 2025.

#### This Week: Key Economic Data

**Monday:** Factory Orders. Motor Vehicles Sales.

**Tuesday:** Trade Deficit. ISM Services Index.

**Wednesday:** Treasury Buyback Announcement. 10-Year Treasury Note Auction. San Francisco Fed President Mary Daly speaks.

**Thursday:** Productivity and Costs. Weekly Jobless Claims. Wholesale Inventories. Consumer Credit. Fed Balance Sheet. Atlanta Fed President Raphael Bostic speaks.

**Friday:** St. Louis Fed President Alberto Musalem speaks.

Source: Investor Business Daily - Econoday economic calendar; August 1, 2025

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

Tip adapted from IRS<sup>9</sup>

Tip adapted from Once Upon a Chef<sup>10</sup>

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## FOOD FOR THOUGHT

"Judge each day not by the harvest you reap but by the seeds you plant."

— Robert Louis Stevenson

## TAX TIP

Photo of the Week

They can run side by side for thousands of miles; they're made of steel. While they constantly touch the ground, they seldom meet or touch each other. What are they?

Last Week's Riddle: They are sometimes stomped on, yet they can be very tasty & sweet. What are they?

Answer: Grapes.

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