

Market Update

August 25, 2025
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This Week in the Markets...

The market last week was characterized by volatility, with early declines in tech-heavy sectors offset by a strong rally on Friday following Federal Reserve Chair Jerome Powell's speech at the Jackson Hole symposium.

Performance Last Week (August 18-22, 2025)

The US stock market experienced mixed results over the week, with overall modest gains for the S&P 500 and Dow Jones Industrial Average (DJIA), but a slight decline for the Nasdaq Composite. This period saw initial flat trading, a notable tech sector pullback mid-week, and a significant surge on the final trading day.

- **S&P 500 (^GSPC):** The index started the week nearly flat, closing at 6,449.15 on August 18 (down 0.01% from the previous Friday's close of 6,449.80). It declined on subsequent days: -0.59% to 6,411.37 on August 19, -0.24% to 6,395.78 on August 20, and -0.40% to 6,370.17 on August 21. However, it rebounded sharply on August 22, gaining 1.52% to close at 6,466.91. Overall weekly change: +0.26% from August 15 to August 22.
- **Dow Jones Industrial Average (^DJI):** The Dow showed resilience, closing at 44,911.82 on August 18 (-0.08%), 44,922.27 on August 19 (+0.02%), 44,938.31 on August 20 (+0.04%), and 44,785.50 on August 21 (-0.34%). It surged 1.89% on August 22 to 45,631.74. Weekly change: +1.53%.
- **Nasdaq Composite (^IXIC):** Tech stocks faced pressure, with the index up slightly to 21,629.77 on August 18 (+0.03%), but dropping -1.46% to 21,314.95 on August 19, -0.67% to 21,172.86 on August 20, and -0.34% to 21,100.31 on August 21. It recovered 1.88% on August 22 to 21,496.54. Weekly change: -0.58%.

	08/21/24	1/1/2025	08/21/25	12 MO ROR	YTD ROR
DOW	40,714	42,392	45,632	12.08%	7.26%
S&P 500	5,571	5,903	6,467	16.09%	9.95%
NASDAQ	17,619	19,404	21,497	22.01%	11.32%

Key drivers included a Nvidia-led tech slide on August 19, which dragged down broader indices amid concerns over AI valuations and sector momentum. The week's highlight was Federal Reserve Chair Jerome Powell's speech on August 22 at the Jackson Hole Economic Symposium. Powell indicated that inflation is nearing the Fed's 2% target, the labor market has cooled, and the "balance of risks" has shifted, suggesting conditions "may warrant" interest rate cuts soon. This dovish tone boosted investor confidence, leading to the sharp Friday rally across indices. The speech reinforced expectations for a potential rate cut at the Fed's September meeting, countering earlier market jitters.

Other factors: Strong earnings from non-tech sectors and moderating Treasury yields supported momentum, though global uncertainties lingered.

Expectations for This Week (August 25-31, 2025)

Market sentiment entering this week is cautiously optimistic, buoyed by Powell's signals of impending rate cuts and stable economic indicators. Investors are exiting August with increased confidence in Federal Reserve easing, potentially in September, amid moderating inflation and a cooling labor market. Stocks are expected to sustain gains, supported by strong corporate earnings trends and lower yields, though valuation pressures in mega-cap tech remain a concern.

However, seasonal weakness in August-September could lead to volatility, with some forecasts suggesting a possible 10% pullback in the S&P 500 due to historical patterns and ongoing uncertainties. Key market movers include upcoming economic data (e.g., PCE inflation report on August 29, which could influence Fed decisions) and high-profile earnings, particularly from AI and tech leaders. Broader risks include geopolitical tensions and policy uncertainty post-election, but solid fundamentals point to modest upside potential.

Upcoming Earnings Reports This Week

This week features a busy earnings slate, with over 150 reports across sectors. Focus is on tech and retail, where results could sway market direction amid AI hype and consumer spending trends. Highly anticipated reports include:

Date	Company (Symbol)	Time	Expected EPS	Notes
August 25 (Monday)	PDD Holdings (PDD)	Pre-market	N/A	E-commerce giant; growth in international markets
August 25 (Monday)	NAPCO Security	Pre-market	\$0.34	Security systems; recent restructuring impacts.



August 26 (Tuesday)	CrowdStrike (CRWD)	After-market	\$0.92	Cybersecurity; post-outage recovery key.
August 26 (Tuesday)	HP Inc. (HPQ)	After-market	\$0.86	PC demand trends.
August 27 (Wednesday)	Nvidia (NVDA)	After-market	\$0.64	AI leader; guidance on data center growth critical;
August 27 (Wednesday)	Salesforce (CRM)	After-market	\$2.36	Cloud software; AI integration focus.
August 28 (Thursday)	Dell Technologies	After-market	\$1.72	AI servers and PC recovery.
August 28 (Thursday)	Dollar General (DG)	Pre-market	\$1.79	Discount retail; consumer spending indicator.
August 28 (Thursday)	Lululemon Athletica	After-market	\$2.92	Apparel; inventory and demand.
August 28 (Thursday)	Marvell Technology	After-market	\$0.30	Semiconductors; AI exposure.
August 29 (Friday)	Royal Bank of Canada (RY)	Pre-market	N/A	Banking; expense savings from restructuring.

U.S. Treasury Bond Yields

as of 08/25/2025

US1MO	4.35%
US3MO	4.21
US6MO	4.08
US1Y	3.91
US2Y	3.73
US3Y	3.68
US5Y	3.79
US10Y	4.29
US30Y	4.91

Other notable reports: MongoDB (MDB) on August 25, SentinelOne (S) on August 26, Chewy (CHWY) and Kohl's (KSS) on August 27, Ulta Beauty (ULTA) and Autodesk (ADSK) on August 28. Nvidia's report is the most anticipated, potentially influencing tech sentiment broadly.

Conclusion

Last week's market reflected a shift toward optimism on Fed policy, setting a positive tone for this week despite potential volatility from earnings and data. Investors should monitor Nvidia's results and PCE inflation for clues on near-term direction.

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