

Monthly Recap

At-A-Glance

The S&P 500 extended its 6.20% first half gain by 2.24% in July. The index is now up 27.72% from its April 8 cycle low.

The Dow Jones Industrial Average rose just 36-points (+0.16%) in July, nudging its YTD return to 4.72%.

The Nasdaq Composite performed best, gaining 3.72% for the month, extending its YTD return to 9.79%. The Nasdaq has surged 38.60% from its April 8 low.

Bloomberg's Commodities Index slipped 0.45% in July, trimming its YTD gain to 5.05%.

Gold futures ended July at \$3,348.60/ounce, up 1.24% for the month. On a YTD basis, Gold has surged 26.79%.

U.S. West Texas intermediate (WTI) crude oil futures rallied 6.37% to end the month at \$69.26 per barrel. U.S. crude is down 3.43% for the year.

Market Indices ¹	July	Year-to-Date
S&P 500	2.24%	8.59%
Russell 3000	2.20%	8.08%
Russell 2000	1.73%	-0.08%
MSCI EAFE	-1.40%	17.77%
MSCI Emerging Markets	1.95%	17.51%
Bloomberg U.S. Aggregate Bond	-0.26%	3.75%
Bloomberg U.S. Municipal Bond	-0.20%	-0.55%
Bloomberg U.S. Corporate High Yield	0.45%	5.04%

¹FactSet (all equity performance is total return, which includes dividends).

U.S. stocks ended higher in July, with the S&P 500 up a third straight month, its longest winning streak since last September, while the Nasdaq Composite outperformed for a fourth consecutive month. Both indices set a flurry of performance milestones, although each ended July just below their intra-month highs. The S&P 500 closed above 6,300 for the first time on July 21 and came within 10-points of reaching 6,400 on July 28, capping its 15th record high of the year. The Nasdaq posted 14 record highs in July, the most since December 1999. Equities were driven higher by better-than-expected corporate earnings, mostly favorable economic data, and notable progress on tariff trade deals, including Japan and the European Union.

Momentum appears to be slowing however, as the S&P 500 failed to record daily performance that exceeded 1% in either direction, its first such monthly occurrence since October 2024. Moreover, while exceptionally strong earnings results from several Magnificent Seven megacaps reaffirmed AI optimism, the pace of Technology sector-leading gains slowed nearly in half to 5.19% from 9.77% in June.

During the final week of July, the Federal Reserve held interest rates unchanged for the fifth consecutive policy meeting. FOMC policymakers voted 9 to 2 to hold rates steady at 4.25-4.50%, the first policy meeting in over 30-years with two dissenting votes. Fed Chairman Powell defended the majority view to stay pat given uncertainties surrounding tariff policy effects to the economy.

In mixed views on inflation, the core Consumer Price Index (CPI) that excludes volatile food and energy, rose 0.2% in June (+0.3% expected), marking the fifth straight month of below estimate increases. The core Personal Consumption Expenditures (PCE) Price Index, the Fed's preferred inflation measure, also rose 0.3% in June, matching estimates but was up from a 0.2% May increase.

The second quarter earnings season is 64% complete with 318 S&P 500 companies reporting results. According to UBS, earnings are beating estimates by 8.0% in aggregate, with 75% of companies so far topping projections. Earnings per share (EPS) is on pace to grow by 9.8%, assuming the historical trend of estimate revisions holds through the end of reporting season.

All equity sizes and styles advanced in July, led by Large cap Growth (+3.78%) and Large cap Blend (+2.22%). Defensive posturing notably waned last month with Large Cap Value gaining the least. In year-to-date (YTD) returns, Mid cap Growth remains the standout performer (+12.02%). Small cap styles are still trailing in 2025.

July Returns

	Value	Blend	Growth
Large Cap	0.57%	2.22%	3.78%
Mid Cap	1.79%	1.86%	2.03%
Small Cap	1.77%	1.73%	1.70%

Year-to-Date Returns

	Value	Blend	Growth
Large Cap	6.61%	8.48%	10.10%
Mid Cap	4.97%	6.78%	12.02%
Small Cap	-1.45%	-0.08%	1.21%

Source: Cetera Investment Management, FactSet, FTSE Russell. Returns shown are total return, which includes dividends. Investors cannot invest directly in indexes. Data as of 7/31/2025.

Six of the 11 S&P 500 sectors posted July gains, led once again by Technology. Strong gains in Utilities sent the sector to the second-best performer from the ninth best performer in June. Utility gains were driven by rising demand for electricity tied to AI, data centers and re-industrialization. Healthcare remained under pressure in July (-3.26%) and for the year (-4.33%). On a YTD basis, Utilities (+14.81%) has surprisingly outpaced Technology (+13.66%) by nearly 1.2%.

Top Sector Performers – July ¹	Bottom Sector Performers – July ¹
Technology (+5.19%)	Materials (-0.44%)
Utilities (+4.94%)	Consumer Staples (-2.37%)
Industrials (+3.01%)	Healthcare (-3.26%)
Top Sector Performers – YTD ¹	Bottom Sector Performers – YTD ¹
Industrials (+16.11%)	Real Estate (+3.42%)
Utilities (+14.81%)	Consumer Discretionary (-1.34%)
Communication Services (+13.83%)	Healthcare (-4.33%)

¹ FactSet (all S&P 500 sector performance percentages are total return based, which include dividends).

Foreign equities in developed markets broadly lagged relative to the U.S. with the MSCI EAFE Index posting a 1.40% July loss. MSCI EAFE Growth (-3.01%) led the loss, whereas MSCI Value rose 0.26%. In country-specific indices, Switzerland slumped 2.48% while Germany fell 1.81%. Emerging markets (+1.95%) trailed the U.S. by just 0.29%. Thailand (+14.35%) and Taiwan (+5.43%) performed best among EM nations, while Brazil (-6.87%) and India (5.10%) fell the most.

The U.S. Dollar Index recorded its best month of the year, up 3.2% according to FactSet. The yield on benchmark 10-year Treasuries was little changed in July, finishing at 4.358%, down just 0.03% for the month. The Bloomberg U.S. Government Index declined by 0.39% in July while longer-duration Bloomberg U.S. Government long-term bonds fell 0.90%. These indices are up 3.38% and 2.16% respectively, YTD.

On a broader basis, investment-grade bonds of all types, as measured by the Bloomberg U.S. Aggregate Bond Index, declined 0.26% last month, trimming its YTD gain to 3.75%. Bloomberg's U.S. High Yield Bond Index, representing holdings of below investment-grade (junk-rated) corporate bonds, rose 0.45%, lifting its YTD gain to 5.04%. Bloomberg's U.S. Municipal Bond Index slipped 0.20% in July, slightly worsening its YTD loss to 0.55%.

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A diversified portfolio does not assure a profit or protect against loss in a declining market.

Glossary

The **Bloomberg Barclays Capital U.S. Aggregate Bond Index**, which was originally called the Lehman 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 debt securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency) debt securities that are rated at least Baa3 by Moody's and BBB- by S&P. Taxable municipals, including Build America bonds and a small amount of foreign bonds traded in U.S. markets are also included. Eligible bonds must have at least one year until final maturity, but in practice the index holdings has a fluctuating average life of around 8.25 years. This total return index, created in 1986 with history backfilled to January 1, 1976, is unhedged and rebalances monthly.

The **Bloomberg Barclays US Municipal Bond 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. Eligible securities must be rated investment grade (Baa3/BBB- or higher) by Moody's and S&P and have at least one year until final maturity, but in practice the index holding have a fluctuating average life of around 12.8 years. This total return index is unhedged and rebalances monthly.

The **Bloomberg Barclays US Corporate High Yield Index** measures the USD-denominated, non-investment grade, fixed-rate, taxable 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, excluding emerging market debt. Payment-in-kind and bonds with predetermined step-up coupon provisions are also included. Eligible securities must have at least one year until final maturity, but in practice the index holdings has a fluctuating average life of around 6.3 years. This total return unhedged index was created in 1986, with history backfilled to July 1, 1983 and rebalances monthly.

The **Barclays U.S. Government Bond Index** is comprised of the U.S. Treasury and U.S. Agency Indices. The index includes U.S. dollar-denominated, fixed-rate, nominal US Treasuries and US agency debentures (securities issued by US government owned or government sponsored entities, and debt explicitly guaranteed by the US government). The US Government Index is a component of the U.S. Government/Credit and U.S. Aggregate Indices, and eligible securities also contribute to the multi-currency Global Aggregate Index. The U.S. Government Index has an inception date of January 1, 1973.

The **Bloomberg Commodity Index** is a broadly diversified index that allows investors to track commodity futures through a single, simple measure. It is composed of futures contracts on physical commodities and is designed to minimize concentration in any one commodity or sector. It currently includes 19 commodity futures in five groups. No one commodity can comprise less than 2% or more than 15% of the index, and no group can represent more than 33% of the index (as of the annual reweightings of the components).

The **Cboe Volatility Index® (VIX®)** is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices.

The **MSCI EAFE** is designed to measure the equity market performance of developed markets (Europe, Australasia, Far East) excluding the U.S. and Canada. The Index is market-capitalization weighted.

The **MSCI Emerging Markets** is designed to measure equity market performance in global emerging markets. It is a float-adjusted market capitalization index.

The **Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 1000 Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower forecasted growth values.

The **Russell 2000 Index** measures the performance of the small-cap segment of the U.S. equity universe and is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

The **Russell 3000 Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market.

The **Russell Midcap Index** measures the performance of the mid-cap segment of the U.S. equity universe and is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap represents approximately 31% of the total market capitalization of the Russell 1000 companies.

The **S&P BSE SENSEX Index** is a free-float market-weighted index of 30 well-established and financially sound stocks on the Bombay Stock Exchange, representative of various industrial sectors of the Indian economy.

The **S&P 500** is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The **Dow Jones Industrial Average** is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ.

The **NASDAQ Composite Index** includes all domestic and international based common type stocks listed on The NASDAQ Stock Market. The NASDAQ Composite Index is a broad-based capitalization-weighted index.

The **Shanghai Composite Index** is a stock market index of all stocks (A shares and B shares) that are traded at the Shanghai Stock Exchange.

The **U.S. Dollar Index** is a weighted geometric mean that provides a value measure of the United States dollar relative to a basket of major foreign currencies. The index, often carrying a USDX or DXY moniker, started in March 1973, beginning with a value of the U.S. Dollar Index at 100.000. It has since reached a February 1985 high of 164.720, and has been as low as 70.698 in March 2008.

West Texas Intermediate (WTI) is a crude oil stream produced in Texas and southern Oklahoma which serves as a reference or "marker" for pricing a number of other crude streams. WTI is the underlying commodity of the New York Mercantile Exchange's oil futures contracts.