



July 25, 2025

MARKET VIEW WEEKLY

Philip Blancato, Chief Market Strategist, Osaic



ECONOMIC REVIEW¹

- Existing home sales fell by 2.7% in June, falling below the consensus expectations to an annualized rate of 3.93 million.
 - Sales hit a nine-month low as the median home price for existing homes rose 2% year-over-year (YoY), and high mortgage rates make current home buyers hesitant to sell their current homes with a sub-3% mortgage.
 - The median price of an existing home rose YoY to \$435,300.
- New home sales in June rose 0.6% but trailed expectations to an annualized rate of 627,000.
 - Over the last year, new home sales are down 6.6%.
 - The median price of a new home fell YoY to \$401,800.
- The Conference Board Leading Economic Index (LEI) fell by 0.3% in June to 98.8.
 - Weaker new orders in the manufacturing sector, lower consumer expectations, and rising claims for unemployment insurance were the main contributors to the report.
 - Despite the index falling by 2.8% in the first half of the year, the report is not forecasting a recession.
- On Sunday, it was announced that the U.S. and European Union reached a trade agreement, avoiding uncertainty around a potential trade war.
 - The new deal will set a 15% tariff on most E.U. imports to the U.S., with certain product exemptions.
 - Additionally, as part of the deal, the E.U. committed to purchasing \$750 billion in U.S. energy—including oil, liquefied natural gas (LNG), and nuclear fuels—as it continues efforts to reduce dependence on Russian energy sources.

How does the most recent economic data impact you?

- Affordability remains the key issue in the housing market, particularly for first-time home buyers, as mortgage rates hover near 7% and the median home price remains elevated.
 - However, the YoY decline in the median price of a new home suggests that builders may be lowering prices to attract buyers.
- The trade agreement between the U.S. and E.U. offers relief to markets, easing concerns over potential disruptions to trade flows and price volatility between two key economic partners. The new framework provides greater clarity and stability, which is encouraging for both businesses and consumers.



A LOOK FORWARD¹

- This week, investors will turn their attention to several important economic reports, including the second-quarter GDP estimate, the Personal Consumption Expenditures (PCE) inflation data, July's non-farm payrolls report, and the Federal Reserve's (Fed) interest rate decision.

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

- Nonfarm payroll growth has remained solid, but the recent slowdown in private sector hiring, along with increasing challenges for younger people to find jobs, has raised some concerns about the broader growth outlook.
- June's inflation data is likely expected to show a moderate rise in prices, though the full impact of tariffs has yet to pass through to consumers.
 - As a result, the Fed is widely expected to keep rates unchanged at this week's meeting; however, dovish comments from some Fed officials recently and a weaker-than-expected jobs report would increase the likelihood of a rate cut in September.



MARKET UPDATE²

Market Index Returns (%) as of 7/25/2025	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	1.47%	3.03%	9.42%	18.59%	19.46%	16.46%
NASDAQ	1.02%	3.64%	9.71%	22.45%	23.18%	16.17%
Dow Jones Industrial Average	1.28%	1.91%	6.55%	12.57%	14.47%	13.36%
Russell Mid-Cap	1.44%	3.60%	8.61%	15.01%	14.00%	12.98%
Russell 2000 (Small Cap)	0.95%	4.00%	2.14%	1.42%	9.39%	10.49%
MSCI EAFE (International)	1.92%	1.40%	21.12%	18.15%	15.70%	10.48%
MSCI Emerging Markets	0.70%	3.11%	18.85%	19.91%	11.07%	6.01%
Bloomberg Barclays US Agg Bond	0.37%	-0.40%	3.60%	4.10%	1.91%	-1.04%
Bloomberg Barclays High Yield Corp.	0.35%	0.48%	5.07%	8.98%	8.63%	5.28%
Bloomberg Barclays Global Agg	0.39%	-0.77%	6.45%	6.02%	2.21%	-1.75%



OBSERVATIONS

- Major U.S. stock indexes continued moving higher last week, with the S&P 500 and Nasdaq reaching new all-time highs.
 - The S&P 500 led the advance with a +1.47% gain, while the Dow Jones returned +1.28%, and the Nasdaq finished up 1.02%.
- Small-cap stocks also experienced strong performance for the week but underperformed large-caps with a +0.95% return. Mid-cap stocks also participated in the rally, rising +1.44% on the week.
- International markets also saw gains and outperformed the S&P 500 for the week. Developed markets advanced +1.92% while emerging markets posted a return of +0.70%.
- Domestic and international fixed income indices were positive for the week as interest rates declined. The U.S. Aggregate Bond Index returned +0.37% and high yield corporate bonds climbed +0.35%.
 - International bonds also experienced gains for the week and finished up 0.39% on the week.



BY THE NUMBERS

- More than 20% of NASA's Workforce Requests to Leave Agency**³: Nearly 4,000 employees, or more than 20% of NASA's workforce, have applied to leave the agency, NASA confirmed to CBS News Friday. About 3,870 employees have applied to depart NASA over two rounds through the Trump administration's deferred resignation program, NASA disclosed. With those deferred resignations, NASA's civil servant workforce would shrink from about 18,000 to 14,000 personnel. This figure also includes about 500 employees who were lost through normal attrition, the agency said. The deferred resignation program was a buyout program introduced across the federal government by the White House's Department of Government Efficiency at the onset of the Trump administration in an effort to slash costs and reduce the size of the federal workforce.
- Dangerous Heat Continues for Over 80 Million Americans**⁴: Dangerous heat continues across the U.S. as millions face feels-like temperature reaching into the 90s and 100s from the Southeast to the Midwest. St. Louis, Missouri, which has been under extreme heat all week, will continue to be under an extreme heat warning this weekend, with the feels-like temperature reaching up to 114 degrees. Places in South Carolina and North Carolina are also getting in on the extreme heat this weekend, with an extreme heat warning in effect for places like Myrtle Beach, Wilmington and Raleigh for feels-like temperatures reaching between 113 and 115 degrees over the weekend. Extreme heat watches have been issued for Omaha, Sioux Falls, Des Moines, Minneapolis and Duluth -- as well as other parts of Nebraska, Iowa, South Dakota and Minnesota. Feel-like temperatures in these areas will likely reach well into the 90s and into the 100s for spots on Sunday.

Economic Definitions

Conference Board Leading Economic Index: Leading indicators include economic variables that tend to move before changes in the overall economy. These indicators give a sense of the future state of an economy.

Existing Home Sales: This concept tracks the sales of previously owned homes during the reference period. Total existing home sales include single-family homes, townhomes, condominiums and co-ops. All sales are based on closings from Multiple Listing Services. Foreclosed homes are only counted in the inventory if the bank is working with a realtor. Foreclosed homes that sell via auction (or other closings outside of the Multiple Listing Services) are not included.

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.

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 homes 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): 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 multiplying by 100.

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.

Disclosures

The statements provided herein are based solely on the opinions of the Osaic Research Team and are being provided for general information purposes only. Neither the information nor any opinion expressed constitutes an offer or a solicitation to buy or sell any securities or other financial instruments. Any opinions provided herein should not be relied upon for investment decisions and may differ from those of other departments or divisions of Osaic Wealth, Inc. ("Osaic") or its affiliates.

Certain information may be based on information received from sources the Osaic Research Team considers reliable; however, the accuracy and completeness of such information cannot be guaranteed. Certain statements contained herein may constitute "projections," "forecasts" and other "forward-looking statements" which do not reflect actual results and are based primarily upon applying retroactively a hypothetical set of assumptions to certain historical financial information. Any opinions, projections, forecasts and forward-looking statements presented herein reflect the judgment of the Osaic Research Team only as of the date of this document and are subject to change without notice. Osaic has no obligation to provide updates or changes to these opinions, projections, forecasts and forward-looking statements. Osaic is not soliciting or recommending any action based on any information in this document.

Investing involves risk, including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss. In general, the bond market is volatile; bond prices rise when interest rates fall and vice versa. This effect is usually pronounced for longer-term securities. Any fixed-income security sold or redeemed prior to maturity may be subject to a substantial gain or loss. Vehicles that invest in lower-rated debt securities (commonly referred to as junk bonds or high-yield bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. International investing involves special risks not present with U.S. investments due to factors such as increased volatility, currency fluctuation, and differences in auditing and other financial standards. These risks can be accentuated in emerging markets.

Index performance does not reflect the deduction of any fees and expenses, and if deducted, performance would be reduced. Indexes are unmanaged and investors are not able to invest directly into any index. Past performance cannot guarantee future results.

Securities and investment advisory services are offered through the firms: Osaic Wealth, Inc. and Osaic Institutions, Inc., broker-dealers, registered investment advisers, and members of FINRA and SIPC. Securities are offered through Osaic Services, Inc. and Ladenburg Thalmann & Co., broker-dealers and members of FINRA and SIPC. Advisory services are offered through Ladenburg Thalmann Asset Management, Inc., and Osaic Advisory Services, LLC., registered investment advisers. Advisory programs offered by Osaic Wealth, Inc. are sponsored by VISION2020 Wealth Management Corp., an affiliated registered investment adviser 8218215

¹ Data obtained from Bloomberg as of 7/25/2025.

² Data obtained from Morningstar as of 7/25/2025.

³ [More than 20% of NASA's workforce requests to leave agency - CBS News](#)

⁴ [Dangerous heat continues for over 80 million Americans - ABC News](#)