

WEEKLY MARKET COMMENTARY

June 30, 2025

WEEK IN REVIEW

Economic data released last week painted a mixed picture of U.S. activity. The S&P Global Manufacturing Purchasing Managers' Index (PMI) held steady at 52.0 in June, matching May's 15-month high and signaling continued expansion. Factory output rose for the first time in four months, and employment in the sector grew at its fastest pace in a year. Meanwhile, the Services PMI rose to 53.1, indicating a stronger pace of growth in the services sector, driven by increased new business and improved demand conditions.

Consumer confidence fell more sharply than expected. The Conference Board's index dropped to 93.0 in June from 98.4 in May, reflecting growing concerns about inflation, job security, and future income expectations. This suggests households are becoming more cautious heading into the second half of the year.

On the inflation front, the core Personal Consumption Expenditures (PCE) price index – the Fed's preferred gauge – rose 0.2% month-over-month in May, with the annual rate holding at 3.4%, still well above the 2% target. Real GDP growth for Q1 was revised down to -0.5% annualized, largely due to stronger imports and inventory adjustments.

ECONOMIC AND CAPITAL MARKETS DASHBOARD

Broad Market Indices	1-week	1-month	3-month	YTD
Stock Market (Total Return)				
S&P 500	3.45%	4.37%	8.80%	5.65%
Dow Jones 30	3.83%	3.68%	4.07%	3.89%
NASDAQ	4.25%	5.67%	14.07%	5.34%
Russell 1000 Growth	4.46%	5.54%	14.11%	5.38%
Russell 1000 Value	2.13%	2.73%	3.00%	5.59%
Russell 2000	3.01%	4.07%	5.56%	-1.95%
Wilshire 5000	3.39%	4.33%	8.81%	5.19%
MSCI EAFE Index	1.62%	0.24%	2.52%	8.40%
MSCI Emerging Market Index	2.48%	5.03%	5.77%	11.40%
VIX	-20.85%	-13.92%	-12.68%	-5.94%
FTSE NAREIT All Equity REITs	-0.87%	0.21%	-0.59%	1.12%
S&P U.S. Aggregate Bond Index	0.64%	1.45%	1.59%	3.53%
Interest Rates				
	6/27/2025	6/20/2025	6/13/2025	6/6/2025
3-month T-bill Yield (%)	4.30	4.32	4.35	4.34
10-year Treasury Yield (%)	4.28	4.38	4.41	4.50
10Y-2Y Treasury Spread (%)	0.54	0.47	0.46	0.47
Commodities				
WTI Crude (\$/bl)	65.24	75.82	73.84	65.30
Gold (\$/Troy Oz)	3,271.75	3,368.25	3,435.35	3,339.90
Bitcoin	107,048.80	103,243.48	106,055.85	104,354.15

Weekly Indicators	6/27/2025	6/20/2025	6/13/2025	6/6/2025
Employment				
Initial Unemployment Claims (000's)	-	236.00	246.00	250.00

Quarterly Data	3/31/2025	12/31/2024	9/30/2024	6/28/2024
Output				
Real GDP Growth (%q/q, saar)	-0.50	2.40	3.10	3.00
Private Consumption (%q/q, saar)	0.50	4.00	3.70	2.80

Monthly Indicators	5/30/2025	4/30/2025	3/31/2025	2/28/2025
Consumption				
Consumer Expenditures (%m/m, sa)	-0.14	0.21	0.70	0.33
Retail Sales (%m/m, sa)	-0.91	-0.22	1.36	0.12
Personal Savings Rate (%)	4.50	4.90	4.40	4.40
Labor				
Civilian Unemployment Rate (%)	4.20	4.20	4.20	4.10
Nonfarm Employment (Chg, 000's)	139	147	120	102
Real Average Hourly Earnings (%y/y)	1.66	1.72	1.52	1.37
JOLTS Job Openings (000's)	-	7391	7200	7480
Inflation				
Consumer Price Index (CPI) (%m/m, sa)	0.08	0.22	-0.05	0.22
Core CPI (%m/m, sa)	0.13	0.24	0.06	0.23
Producer Price Index (PPI) (%m/m, sa)	0.13	-0.24	-0.08	0.15
Core PPI (%m/m, sa)	0.22	0.33	0.31	0.35
Personal Consumption Expenditures (PCE) (%m/m,sa)	0.14	0.12	0.02	0.43
Core PCE (%m/m, sa)	0.18	0.14	0.10	0.48
Output and Capacity				
Industrial Production (%m/m, sa)	-0.22	0.07	-0.24	1.04
Mfg New Orders (%m/m, sa)	-	-3.69	3.36	0.54
Durable New Orders (%m/m, sa)	16.37	-6.63	7.56	0.96
Durable Inventories (%m/m, sa)	0.19	0.14	0.11	0.04
Survey Data and Composite Indicators				
Consumer Confidence (CB, 1985=100)	98.40	85.70	93.90	100.10
ISM Manufacturing Report (%)	48.50	48.70	49.00	50.30
ISM Non-Manufacturing Report (%)	49.90	51.60	50.80	53.50
Leading Economic Index (%m/m)	-0.10	-1.39	-0.69	-0.20
Housing and Construction				
Building Permits (Mil. of Units, saar)	1.39	1.42	1.48	1.45
Housing Starts (Mil. of Units, saar)	1.26	1.39	1.36	1.49
New Home Sales (Mil. of Units, saar)	0.62	0.72	0.66	0.64

WEEK AHEAD

The upcoming week will be shortened by the Independence Day holiday with fewer economic releases. The June nonfarm payrolls report will be released on Thursday. Markets expect job growth to slow slightly, with forecasts pointing to a 129,000 increase in payrolls, down from 139,000 in May. The unemployment rate is projected to remain steady at 4.3%, while wage growth is expected to ease. This data will be critical for assessing the labor market's resilience amid tighter monetary policy. A softer report could reinforce expectations that the Fed will hold rates steady through the summer.

With fewer economic releases due to the holiday, attention will also turn to the Job Openings and Labor Turnover Survey (JOLTS) and ADP private payrolls reports, which will offer additional insight into labor demand and hiring trends.

DISCLOSURES AND DEFINITIONS

Economic Indicators:

1. **CPI:** Consumer Price Index measures the average change in prices paid by consumers for goods and services over time. Source: Bureau of Labor Statistics.
2. **Core CPI:** Core Consumer Price Index excludes food and energy prices to provide a clearer picture of long-term inflation trends. Source: Bureau of Labor Statistics.
3. **PPI:** Producer Price Index measures the average change in selling prices received by domestic producers for their output. Source: Bureau of Labor Statistics.
4. **Core PPI:** Core Producer Price Index excludes food and energy prices to provide a clearer picture of long-term inflation trends. Source: Bureau of Labor Statistics.
5. **PCE:** Personal Consumption Expenditures measure the average change in prices paid by consumers for goods and services. Source: Bureau of Economic Analysis.
6. **Core PCE:** Core Personal Consumption Expenditures exclude food and energy prices to provide a clearer picture of long-term inflation trends. Source: Bureau of Economic Analysis.
7. **Industrial Production:** Measures the output of the industrial sector, including manufacturing, mining, and utilities. Source: Federal Reserve.
8. **Mfg New Orders:** Measures the value of new orders placed with manufacturers for durable and non-durable goods. Source: Census Bureau.
9. **Durable New Orders:** Measures the value of new orders placed with manufacturers of durable goods. Source: Census Bureau.
10. **Durable Inventories:** Measures the value of inventories held by manufacturers for durable goods. Source: Census Bureau.
11. **Consumer Confidence (CB, 1985=100):** Measures the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation. Source: Conference Board.
12. **ISM Manufacturing Report:** Measures the economic health of the manufacturing sector based on surveys of purchasing managers. Source: Institute for Supply Management.
13. **ISM Non-Manufacturing Report:** Measures the economic health of the non-manufacturing sector based on surveys of purchasing managers. Source: Institute for Supply Management.
14. **Leading Economic Index:** Measures overall economic activity and predicts future economic trends. Source: Conference Board.
15. **Building Permits (Mil. of Units, saar):** Measures the number of new residential building permits issued. Source: Census Bureau.
16. **Housing Starts (Mil. of Units, saar):** Measures the number of new residential construction projects that have begun. Source: Census Bureau.
17. **New Home Sales (Mil. of Units, saar):** Measures the number of newly constructed homes sold. Source: Census Bureau.
18. **SA:** Seasonally adjusted.
19. **SAAR:** Seasonally adjusted annual rate.

Market Indices & Indicators:

1. **S&P 500:** A market-capitalization-weighted index of 500 leading publicly traded companies in the U.S., widely regarded as one of the best gauges of large U.S. stocks and the stock market overall.
2. **Dow Jones 30:** Also known as the Dow Jones Industrial Average, it tracks the share price performance of 30 large, publicly traded U.S. companies, serving as a barometer of the stock market and economy.
3. **NASDAQ:** The world's first electronic stock exchange, primarily listing technology giants and operating 29 markets globally.
4. **Russell 1000 Growth:** Measures the performance of large-cap growth segment of the U.S. equity universe, including companies with higher price-to-book ratios and growth metrics.
5. **Russell 1000 Value:** Measures the performance of large-cap value segment of the U.S. equity universe, including companies with lower price-to-book ratios and growth metrics.
6. **Russell 2000:** A market index composed of 2,000 small-cap companies, widely used as a benchmark for small-cap mutual funds.
7. **Wilshire 5000:** A market-capitalization-weighted index capturing the performance of all American stocks actively traded in the U.S., representing the broadest measure of the U.S. stock market.
8. **MSCI EAFE Index:** An equity index capturing large and mid-cap representation across developed markets countries around the world, excluding the U.S. and Canada.
9. **MSCI Emerging Market Index:** Captures large and mid-cap representation across emerging markets countries, covering approximately 85% of the free float-adjusted market capitalization in each country.

10. **VIX:** The CBOE Volatility Index measures the market's expectations for volatility over the coming 30 days, often referred to as the "fear gauge."
11. **FTSE NAREIT All Equity REITs:** Measures the performance of all publicly traded equity real estate investment trusts (REITs) listed in the U.S., excluding mortgage REITs.
12. **S&P U.S. Aggregate Bond Index:** Represents the performance of the U.S. investment-grade bond market, including government, corporate, mortgage-backed, and asset-backed securities.
13. **3-Month T-bill Yield (%):** The yield on U.S. Treasury bills with a maturity of three months, reflecting short-term interest rates.
14. **10-Year Treasury Yield (%):** The yield on U.S. Treasury bonds with a maturity of ten years, reflecting long-term interest rates.
15. **10Y-2Y Treasury Spread (%):** The difference between the yields on 10-year and 2-year U.S. Treasury bonds, often used as an indicator of economic expectations.
16. **WTI Crude (\$/bl):** The price per barrel of West Texas Intermediate crude oil, a benchmark for U.S. oil prices.
17. **Gold (\$/Troy Oz):** The price per troy ounce of gold, a standard measure for gold prices.
18. **Bitcoin:** A decentralized digital currency without a central bank or single administrator, which can be sent from user to user on the peer-to-peer bitcoin network.

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The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange.

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