

EAGLE FOCUS

weekly

August 4, 2025

MARKET PERFORMANCE RECAP

WEEK ENDING
August 1, 2025

INDEX	LAST FRIDAY'S CLOSE	% CHANGE YTD
S&P 500	6238.01	6.06%
Dow Jones Industrial Average	43588.58	2.45%
Nasdaq Composite	20650.13	6.94%
S&P MidCap 400	3104.6	-0.52%
2000	2171.48	-2.84%

Real GDP rose at a solid 3.0% annualized rate in Q2, above the 2.5% estimate, following a 0.5% decline in Q1. Tariff effects distorted both quarters, with Imports surging in Q1 and falling in Q2, impacting GDP. Net exports subtracted 4.61 percentage points from growth in Q1 but added 4.99 points in Q2. Growth averaged 1.25% in the first half of 2025, about half the 2024 pace and in line with the 1.0% to 1.5% forecast for the rest of the year. (Source: Ned Davis Research)

U.S. Microsoft surpassed a \$4 trillion market valuation last Thursday, becoming the second company after Nvidia to hit the mark. This followed strong earnings and a forecast of \$30 billion in Q1 capital spending to meet rising AI demand. Azure cloud sales surged, though Microsoft reached the milestone more gradually than Nvidia, which tripled its value in a year and hit \$4 trillion first on July 9. (Source: Reuters)



The likelihood of a Fed rate cut in September has fallen to about 40%, as Chair Jerome Powell signaled continued caution over potential inflation from tariffs.

The Fed kept rates unchanged for the fifth consecutive meeting, and markets took Powell's cautious tone and limited changes to the FOMC statement as a sign that a cut next month is unlikely. According to CME FedWatch, futures now imply a September rate of 4.225%, slightly below the current 4.33%. (Source: CNBC)

U.S. job growth remained weak in July, pointing to potential labor market strain. Nonfarm payrolls increased by 73,000, slightly above June's 14,000 but still below the projected 100,000. May and June figures were significantly revised down, cutting a total of 258,000 jobs from earlier estimates. The unemployment rate rose to 4.2%, in line with expectations. June's payroll count was lowered from 147,000, while May's was revised down to just 19,000. (Source: CNBC)

Stock-picking hedge funds are seeing a resurgence amid this year's market volatility, attracting \$10 billion in new investments in the first half of the year, according to Hedge Fund Research. These equity long-short funds, which invest in expected winners and short expected underperformers, are drawing fresh interest after years of outflows totaling over \$120 billion since 2016. (Source: Financial Times)

A 65-year-old retiring in 2025 can expect to spend about \$172,500 on healthcare in retirement, according to Fidelity's latest estimate—a 4% increase from last year and more than double the \$80,000 projected in 2002. Despite rising costs, 17% of respondents haven't planned for healthcare expenses, and 20% say they never consider them. Among Gen X, that jumps to nearly 25%. (Source: Fox Business)

As banks face tighter margins and FinTech competition, AI-powered personalized conversations are becoming key to customer engagement. According to the June 2025 *Embedded Finance Tracker®*, 72% of customers value personalization when choosing a bank. Simple questions like "Can you raise my credit limit?" are now seen as opportunities rather than routine, with banks treating conversations as valuable tools for data, engagement, and revenue growth. (Source: PYMNTS)

The goods trade deficit narrowed by \$10.1 billion in June to \$86.0 billion, ending a quarter where the gap shrank over 40% from Q1 as imports fell after a pre-tariff surge. Net exports are expected to add 4.0 percentage points to Q2 GDP, nearly reversing the prior quarter's drag. GDP is on track to grow at a 2.9% rate in Q2 after a 0.5% decline, keeping first-half growth within the 1.0% to 1.5% target. (Source: Ned Davis Research)

A majority of U.S. professionals feel their skills are not being fully used at work. LinkedIn's latest Workforce Confidence survey found that 58% believe they have a wide range of abilities that are underutilized in their current roles. This sentiment is especially strong in certain industries, with 65% of workers in administrative and support services, 63% in retail, and 62% in transportation, logistics, and supply chain agreeing. (Source: LinkedIn News)

The homeownership rate declined slightly in Q2, down 0.1 percentage point to 65.1%, the lowest since late 2019 and just below the historical average of 65.3%.

High mortgage rates and affordability challenges have weighed on home sales for nearly three years. The homeowner vacancy rate held steady at 1.1%, slightly higher than two years ago but still near a 45-year low. (Source: Ned Davis Research)

U.S. companies are ousting CEOs at the fastest rate in nearly 20 years, driven by growing board and shareholder pressure over performance and conduct. So far in 2025, 41 S&P 500 CEOs have stepped down, compared to 49 in all of 2024, putting turnover on track for the highest pace since 2005, according to The Conference Board and ESGAUGE. Experts cite lingering effects from post-pandemic economic and social shifts as key factors. (Source: Reuters)

Gold purchases by central banks and jewelers declined in the second quarter as soaring prices prompted a more cautious approach. Central banks bought 166.5 tons during the period, about 33% less than in the previous quarter, making it the weakest first-half buying level since 2022, according to data prepared for the World Gold Council. Total central bank demand for 2025 is now expected to reach roughly 815 tons. (Source: Bloomberg)

August is typically a rough month for Big Tech stocks. After a strong July rally led by mega-cap tech names, seasonal trends and renewed inflation and interest rate concerns are creating headwinds. Historically, August has been the Nasdaq's second-worst month since 1971, with an average gain of just 0.3%, compared to 0.9% in July. The index has risen only 55.6% of the time during August, according to Dow Jones Market Data. (Source: MarketWatch)

A Senate committee advanced a bill to ban stock trading by lawmakers, presidents, and vice presidents, despite Republican opposition and a limited exception for President Trump. Originally introduced by Sen. Josh Hawley (R-Mo.) and named after Rep. Nancy Pelosi (D-Calif.), the bill was later revised with Sen. Gary Peters (D-Mich.) to drop the name and extend the ban to future presidents and vice presidents. (Source: Politico)

According to Guinness World Records, the longest English word with letters in alphabetical order is "aegilops," an eight-letter word for a type of grass. The longest word in reverse order is the nine-letter verb "spoon-feed," which we still use today. (Source: Word Smarts)

On August 4, 1790, Congress approved the creation of 10 fast sailboats, or "cutters," to patrol U.S. ports and combat smuggling, laying the groundwork for the Coast Guard. Led by Treasury Secretary Alexander Hamilton, the effort aimed to boost tariff collection, the main source of federal revenue at a time when income tax didn't exist. Originally called the Revenue Marine, the service was key to funding the government after the Revolutionary War. (Source: History.com)

In 2002, Lisa Leslie became the first woman to dunk in a WNBA game, doing so against the Miami Sol. Her historic dunk showed the world that women's basketball can be just as exciting and athletic as the men's game. (Source: Yahoo Sports)



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