



August 22, 2025

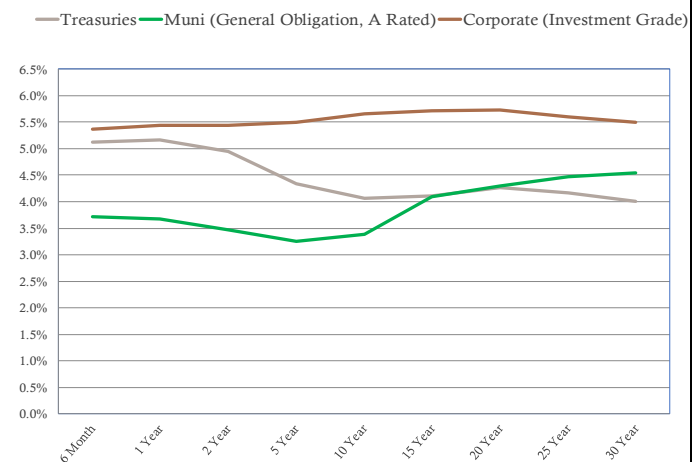
The S&P 500 and NASDAQ surged sharply in the first hour of trading, responding to Chairman Jay Powell's speech at the Jackson Hole Economic Symposium. Powell indicated that the possibility of rate cuts remains on the table as the FOMC weighs the risks to the labor market against inflation concerns. Traders reacted favorably, with the S&P 500 led by the consumer discretionary sector. The benchmark 10-year UST yield dropped more than six basis points to 4.26%, and the dollar spot index fell by 0.74%. Other stores of value, including precious metals and digital assets, also responded positively to the news.

Central banker melodrama continues. Following Stephen Miran's nomination, attention has shifted to Lisa Cook. District bank presidents are "at-will" employees of the Federal Reserve Board of Governors, meaning the board can dismiss them for any reason and at any time. Talk about pressure! No Federal Reserve governor has voted against the appointment of a district bank president. Still, two governors, Bowman and Waller, abstained from voting for Goolsbee in 2023. Could they be persuaded to vote no, the first such vote in 112 years of Federal Reserve history? Pending court challenges to this unprecedented move, it could lead to a radical overhaul of the FOMC, similar to the Eccles building remodel.

Currently, policies on taxation, spending, and import duties are affecting economies more quickly than the blunt tools of monetary policy can handle. While many criticize what seems to be the politicization of the Fed, this is actually nothing new. Pressure from democratic lawmakers in recent years on monetary policy, along with a history of Treasury secretaries and administrations influencing Fed Chairs behind the scenes, is an old story. Nonetheless, state interventionism appears to be increasing, as shown by the shift from neo-liberal to industrial-focused economic policies. Decision-makers must have the right tools to effectively coordinate politics, policy, and economic dynamics. AI and blockchain might provide some solutions, and it will be interesting to see if this is addressed at the Jackson Hole symposium.

Have a great weekend!

As of 08/22/25		Total Returns				
Equity Markets	Closing	1 Week	1 Mo	3 Mo	6 Mo	1 Year
Dow Jones	45631.74	1.6%	2.7%	7.4%	4.0%	11.4%
S&P500	6466.91	0.3%	2.6%	9.3%	6.6%	14.8%
NASDAQ	21496.54	-0.6%	3.0%	12.0%	8.5%	18.6%
Styles	Closing	1 Week	1 Mo	3 Mo	6 Mo	1 Year
Large Cap (Russell)		0.4%	2.5%	9.2%	6.5%	15.1%
Small Cap (Russell)		3.3%	5.1%	11.5%	4.3%	6.2%
Value (Russell)		1.8%	2.3%	6.7%	4.0%	9.9%
Growth (Russell)		-0.7%	3.0%	11.5%	8.5%	18.9%
International (MSCI)		-0.4%	3.2%	5.4%	14.2%	16.8%
Emerging Markets (MSCI)		-0.8%	1.4%	8.6%	12.1%	17.8%
Currency/Commodities	Closing	1 Week	1 Mo	3 Mo	6 Mo	1 Year
US Dollar Index	97.72	-0.1%	0.4%	-2.2%	-8.3%	-3.7%
Gold	3418.50	1.0%	-2.4%	1.1%	11.9%	30.2%
Bitcoin	116,666	-0.9%	-2.6%	5.0%	20.7%	92.3%
Natural Gas	2.698	-7.6%	-18.0%	-27.1%	-38.9%	-16.7%
Oil	63.66	3.0%	-1.0%	6.8%	-6.7%	-7.1%



		Historical Readings				
Economic Data	Last	Trend	1 Mo	3 Mo	6 Mo	1 Year
Unemployment %	4.2%	-	4.1%	4.2%	4.0%	4.2%
Jobless Claims	235	+	221	226	224	232
GDP Q/Q Annualized	3.0%	+	N/A	-0.5%	2.4%	3.0%
Headline CPI Y/Y	2.7%	~	2.7%	2.3%	3.0%	2.9%
Core CPI Y/Y	3.1%	+	2.9%	2.8%	3.3%	3.2%
FHFA Price Index Y/Y	2.8%	-	3.2%	4.0%	4.7%	5.9%
Existing Home Sales Y/Y	0.8%	+	0.0%	-2.0%	2.3%	-2.5%
NAHB Homebuilder Index	32	-	33	34	42	39
Retail Sales Y/Y	3.9%	-	4.4%	5.0%	4.6%	3.0%
Consumer Confidence	97.2	+	95.2	85.7	105.3	101.9
ISM Manufacturing Index	48.0	-	49	48.7	50.9	47.0

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\*All economic release data referenced from public sources believed to be accurate

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\*Figures quoted represent monthly changes (m/m) and are seasonally adjusted