

# Manager's Pulse

September 22, 2025

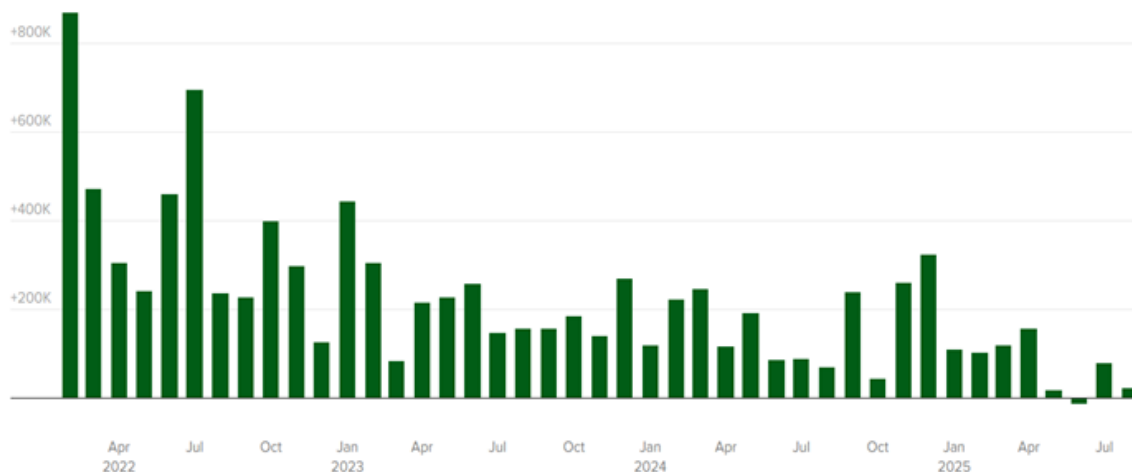
## Last Month's Digest

1. On September 17, 2025, the Federal Reserve approved a 0.25 percentage point cut to its benchmark interest rate, lowering the federal funds target range to 4.00%–4.25%, citing rising risks to employment and persistent inflation. The move, supported by most committee members, signals a shift toward a more neutral monetary stance, with projections indicating two additional rate cuts likely before year-end. (Source: CNBC)
2. In August 2025, the Consumer Price Index rose by 0.4% month-over-month and 2.9% year-over-year, driven primarily by increases in housing and food costs. This uptick slightly exceeded expectations and suggests that inflationary pressures remain persistent despite recent monetary policy adjustments. (Source: Bureau of Labor Statistics)
3. Major U.S. indices, including the S&P 500, Nasdaq 100, and Dow Jones Industrial Average, posted record highs over the past month, driven by strong corporate earnings, the Fed's rate cut announcement, and growing investor confidence.

## Chart of the Month

The Labor Market

### Monthly change in jobs



Data through August 2025  
Note: Data is seasonally adjusted.

The chart shows job growth has slowed sharply since 2022, signaling a cooling labor market and late-cycle economy. This trend supports a more defensive portfolio stance while keeping an eye on Fed policy shifts.

Source: CBS news, Bureau of Labor Statistics

# Market Outlook

The Federal Open Market Committee, in its latest meeting, announced a rate cut of 0.25% on its benchmark interest rate. The committee cited a softening labor market as the primary reason for the interest rate decrease. Although inflation figures for August were unfavorable, rising by 0.4%, the Fed signaled during the Jackson Hole Economic Policy Symposium that the balance of risks has shifted toward the labor market. As a result, U.S. equities have rallied, driven by strong earnings in the technology and healthcare sectors. However, underlying macroeconomic data paints a more nuanced picture in the U.S., with consumer spending remaining resilient but job creation decelerating. Certain commodities reached high prices in early September (silver reached \$39/oz, and gold hit a record high of \$3,600/oz), reflecting investor sensitivity to geopolitical uncertainty and central bank signals.

On a global scale, the U.S. and the UK agreed on a technology pact that includes, among other things, significant investments from major U.S. tech firms in the UK's artificial intelligence industry. Conversely, trade tensions have increased due to recently implemented higher U.S. tariffs on nations such as India, Brazil, Mexico, and Canada. These tariffs are believed to have played a significant role in the recent spike in inflation figures. The upcoming fourth quarter of this year may see continued interest rate cuts by the Federal Reserve and potential new trade deals between the U.S. administration and major trading partners. It remains to be seen whether the actions taken by the Fed will help the labor market return to its previous growth trajectory.



Source: Morningstar, ABC News, The Federal Reserve

## Figures to Watch

Market Indices	Q2 2025	YTD (1/1/25 - 9/17/25)
NASDAQ Composite Total Return	17.96%	15.83%
MSCI EAFE Price Return	10.58%	22.26%
Bloomberg US Large Cap Total Return	11.58%	13.71%
Bloomberg US Mid Cap Total Return	7.30%	9.12%
S&P SmallCap 600 Total Return	4.90%	3.48%
S&P 500 Total Return	10.94%	13.29%
Russell 1000 Growth Total Return	17.84%	15.43%
DJ Industrial Average Total Return	5.46%	9.57%
Fixed Income		
Bloomberg US Treasury Yield	1.06%	3.08%
Bloomberg US Agg Bond Total Return	1.21%	6.49%
Bloomberg US Corporate High Yield Total return	3.53%	7.18%
S&P Municipal Yield Total Return	-1.01%	2.13%

Rates	8/13/2025	9/17/2025
30-Year US Treasury	4.83%	4.69%
10-Year US Treasury	4.24%	4.08%
2-Year US Treasury	3.67%	3.57%
30-Year Fixed Mortgage	6.77%	6.26%
Commodities (Levels)		
Oil (WTI)	\$67.25	\$64.05
Gold	\$3,408.60	\$3,677.00
Silver	\$38.52	\$41.63
Copper (per pound)	\$4.47	\$4.60
Corn	\$3.74	\$4.26

Source: Morningstar

# Looking Ahead

- **Friday, October 3, 2025** The U.S. Bureau of Labor Statistics releases its "Employment Situation" report for September.
- **Monday, October 13 - Saturday, October 18, 2025** Annual meeting of the World Bank Group (WBG) and the International Monetary Fund (IMF) in Washington, D.C. Discussion will center around the Global economic outlook, financial stability, and poverty eradication, among others.
- **Wednesday, October 15, 2025** The U.S. Bureau of Labor Statistics releases the Consumer Price Index figures for September.



## Disclosures

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