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Markets In Focus: The Week That Was and What's On Tap

Week-Ending 8/15/2025

The Week That Was

U.S. equities posted a solid advance for the week ending August 15, 2025, demonstrating resilience despite hotter-than-expected inflation data.

- Index performance:
  - S&P 500 gained ~1.2%, finishing just below a midweek record high.
  - Nasdaq and Dow posted smaller, positive moves.
  - Invesco S&P 500 Equal Weight ETF (RSP) rose 2.1% to a six-month high, signaling improved sector breadth.
- Key market drivers:
  - Early-week gains reversed Thursday after July's Producer Price Index (PPI) rose 0.9% MoM / 3.3% YoY, above expectations.
  - The upside surprise in inflation—especially in services—prompted markets to temper expectations for aggressive Fed rate cuts later this year.
  - Resilience was supported by strong July retail sales and another decline in weekly jobless claims, reinforcing consumer and labor market strength.
- Sector trends:
  - Leadership broadened beyond mega-cap tech and AI-linked names.
  - Homebuilders, financials, industrials, and retailers outperformed.
  - Amazon's grocery delivery expansion announcement lifted sentiment in consumer stocks.

The Week Ahead

The annual Jackson Hole Symposium kicks off, drawing global attention for insights from central bankers, including a highly anticipated speech from Fed Chair Powell. Market participants will be watching for signals on future interest rate policy amidst evolving inflationary trends.

During the week of August 22, 2025, several important U.S. macroeconomic data releases are scheduled:

- Friday, August 22: The Bureau of Economic Analysis (BEA) will release the "Activities of U.S. Multinational Enterprises, 2023," providing insight into the operations and investment flows of major U.S. global corporations.
- The Chicago Federal Reserve will publish its Survey of Economic Conditions, offering a regional view of economic activity and outlook.
- Also on Friday, the Baker Hughes Rig Count will be published, serving as a leading indicator for the energy sector and broader industrial activity.

Earnings season remains in focus with major U.S. retailers reporting.

- Home Depot reports on Tuesday, Target and Lowes on Wednesday, Walmart on Thursday, and BJ's Wholesale Club is set for Friday; these results will shed light on consumer strength amid sticky inflation.

With these catalysts, markets are likely to see significant volatility and repricing of rate cut expectations throughout the week.

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