

## Weekly Update – July 14, 2025

Market Returns Ending 7/11/2025			
Category	1 Week	QTD	YTD
<u>US</u>			
Large Cap	-0.3%	0.9%	7.2%
Mid Cap	-0.5%	2.4%	2.9%
Small Cap	-0.6%	2.8%	0.9%
<u>International</u>			
Developed	0.4%	0.4%	20.5%
Emerging	0.0%	0.9%	16.6%
<u>Bonds</u>			
Aggregate	0.0%	-0.4%	3.6%
High Yield	-0.1%	0.1%	4.7%

Equity			
<u>Weekly</u>			
	Value	Core	Growth
Large	-0.6	-0.4	-0.2
Mid	-0.1	-0.5	-1.8
Small	-0.1	-0.6	-1.1
<u>YTD</u>			
	Value	Core	Growth
Large	7.1	7.1	6.9
Mid	5.2	6.2	8.9
Small	1.3	0.9	0.6
Source: Bloomberg			

### Key Events: Tariff threats renewed with extension

Following the passage of the One, Big Beautiful Bill Act, President Trump quickly refocused on trade. The three-month pause on tariffs has been extended to a August 1<sup>st</sup>, with renewed warnings issued to countries yet to reach agreements with the US. Tariff uncertainty persists<sup>i</sup>.

Economic data was sparse last week as markets await 2<sup>nd</sup> quarter earnings results set to kick off this week. Earnings estimates are modest, but the quarter unfolded more favorably than anticipated three months ago. Since the market hit new highs to start the quarter, suggesting good news may be priced in.

### Market review: Stocks consolidated recent gains

After two robust months and a strong surge to start the 3<sup>rd</sup> quarter on the passage of the OBBBA, stocks retreated slightly for the week. International equities outperformed US equities marginally.

Bonds traded flat throughout the week, though interest rates have faced mild upward pressure to start Q3 amid renewed tariff and inflation concerns.

### Outlook: Technology valuations extended again

After a strong second-quarter surge, technology stocks have approached near-record valuations. The sector now trades close to its highest price-to-sales multiple, recorded last December. High and rising profitability in addition to superior growth continue to support historically high valuations.

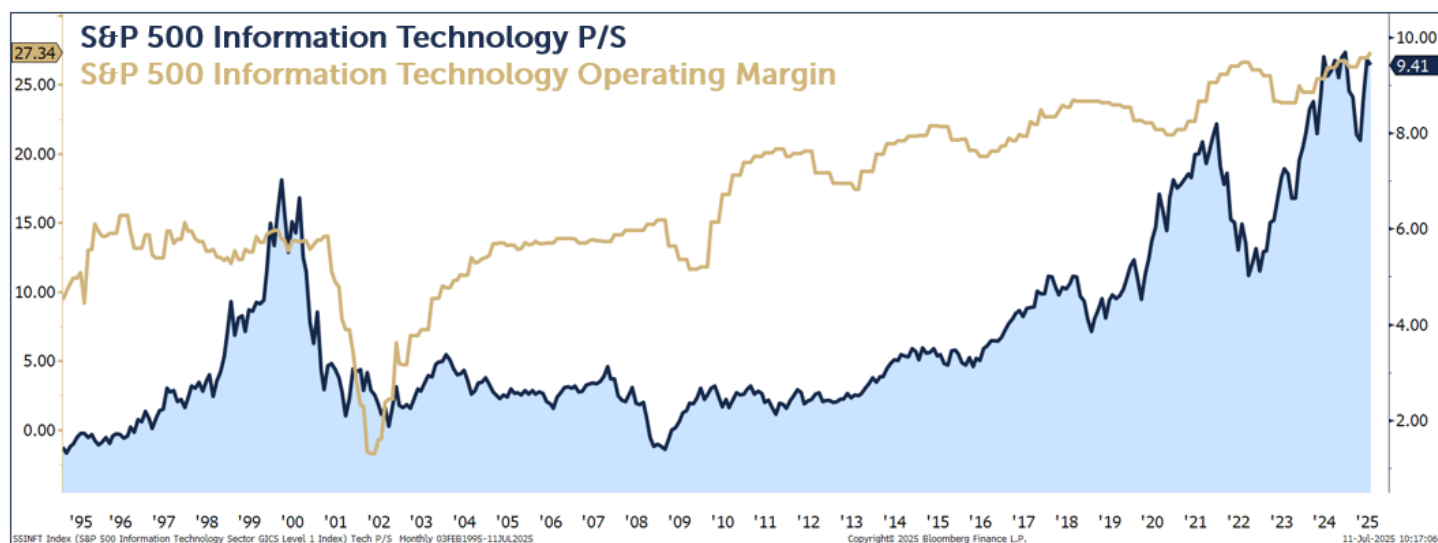
Nvidia surpassed the \$4 trillion dollar market cap barrier this past week, highlighting the market's enthusiasm for AI-related investments the expectations embedded in current pricing. The US tech sector's price-to-sales stands at 9.4 times sales.

Levels above 5 to 6 were rarely seen and weren't sustained prior to the post-pandemic cycle.

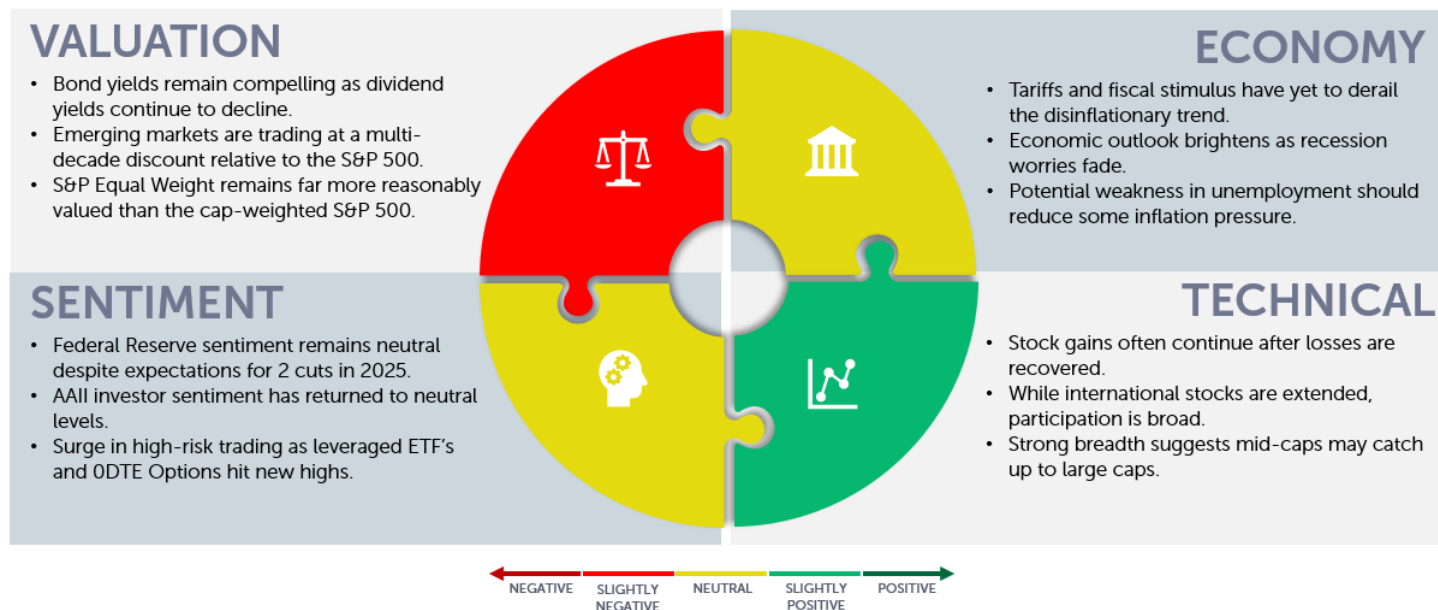


After the severe the sell-off in 2022 and a milder correction in Q1 of this year, which halted just below 8 times sales, the tech sector has shown significant volatility at these levels. Historically, a multiple of 8 has not proven to be a sustainable low. Currently, companies like Nvidia continue to exhibit strong profitability and rapid growth. However, these conditions and premium valuations are unlikely to persist indefinitely. As always, we advise investors to exercise valuation discipline, prioritize diversification and maintain a steadfast focus on long-term fundamentals.

## Technology valuations are near record highs once again



## OneAscent Navigator Outlook: July 2025



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<sup>i</sup> Bloomberg article by John Authers, “Your Tariffs Are in the Mail, Sealed with a Diss.”

<sup>ii</sup> Market Returns reference the following indices: Large Cap – S&P 500, Mid Cap Growth – Russell Midcap growth, Mid Cap Value – Russell Midcap Value, Small Cap – Russell 2000, Developed – MSCI EAFE, Emerging – MSCI Emerging Markets, Aggregate – Bloomberg US Aggregate, High Yield – Bloomberg High Yield