

MARKET VIEW WEEKLY

Ladenburg Asset Management



ECONOMIC REVIEW¹

- US Retail sales rose 0.6% in August, the same as July's upwardly revised gain and stronger than the 0.2% increase expected, with spending led by nonstore retailers, clothing, and restaurants.
 - Core retail sales, which exclude autos, gas, food services, and building materials, which is used to calculate GDP, climbed 0.7% versus the 0.4% estimated, pointing to firmer underlying demand.
 - The Federal Reserve (Fed) cut the level of interest rates by 0.25% in September to a range of 4.00% to 4.25%, matching expectations and marking the first reduction since December of 2024.
- The Fed's updated projections signaled slightly more easing than previously anticipated, with 50 basis points of additional cuts expected by year's end and another quarter point in 2026, alongside stronger GDP growth estimates and a mildly higher inflation forecast for 2026.
- US housing starts fell 8.5% in August to an annualized 1.307 million units, below forecasts and the fourth lowest reading since May 2020, as high mortgage rates keep consumers out of the market.
 - Single-family starts declined 7.0% to their weakest level in over a year, while multi-family starts dropped 11.0%, with sharp weakness in the South and Midwest partly offset by rebounds in the West and Northeast.
- US building permits fell 3.7% in August to an annualized 1.312 million, the lowest since May 2020 and below the 1.37 million forecast, signaling further weakness in the housing market.
 - Single-family permits dropped 2.2% and multi-family permits declined 6.7% with regional softness across the Northeast, Midwest, and South, partly offset by an increase in the West.

How does the most recent economic data impact you?

- Consumer strength remains a critical driver of the economy, with resilient retail sales showing households are still spending broadly, helping to sustain growth even as labor market conditions cool.
- The Fed's September rate cut underscores a pivot towards supporting growth, providing relief to borrowers and markets, though lingering inflation pressures keep the policy outlook uncertain.
- Housing indicators remain a drag, with both starts and permits falling sharply, reflecting affordability headwinds and softer demand, leaving new inventory elevated in some regions despite a broader national housing shortage.



A LOOK FORWARD¹

- Markets this week will center on the Personal Consumption Expenditures (PCE) report, with added attention on the final second-quarter GDP reading, and the latest data on new and existing home sales.

How does this week's slate of economic data impact you?

- The PCE report will provide insight into whether inflation pressures remain contained or are reaccelerating, shaping expectations for the Fed's policy path.
- The final second-quarter GDP reading will give clarity on the underlying pace of economic growth and potential revisions to consumer and business activity.
- New and existing home sales will gauge buyer demand amid affordability challenges.



MARKET UPDATE²

Market Index Returns as of 9/19/2025	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	1.25%	7.71%	14.39%	18.40%	21.80%	16.69%
NASDAQ	2.22%	11.25%	17.76%	26.93%	26.55%	16.83%
Dow Jones Industrial Average	1.10%	5.48%	10.28%	12.00%	16.93%	13.04%
Russell Mid-Cap	0.04%	5.19%	10.28%	12.24%	14.81%	12.72%
Russell 2000 (Small Cap)	2.19%	12.89%	10.88%	11.42%	12.70%	11.24%
MSCI EAFE (International)	-0.18%	4.06%	24.30%	16.70%	18.94%	10.39%
MSCI Emerging Markets	1.19%	10.17%	26.99%	23.69%	15.06%	6.42%
Bloomberg Barclays US Agg Bond	-0.19%	2.09%	6.20%	2.69%	4.24%	-0.46%
Bloomberg Barclays High Yield Corp.	0.34%	2.65%	7.34%	7.69%	10.01%	5.40%
Bloomberg Barclays Global Agg	-0.07%	0.64%	7.96%	2.75%	4.58%	-1.68%



OBSERVATIONS

- The NASDAQ led major indexes with a +2.22% gain for the week, while the S&P 500 rose +1.25%, and the Dow added +1.10%
 - All three extended their upward momentum, closing at fresh record highs and continuing a strong run that has defined much of the past two months.
- Small caps outperformed with the Russell 2000 gaining +2.19% for the week, briefly topping its November 2021 record before easing back, while mid-caps were little changed with a +0.04% gain.
- International equities were mixed with the MSCI EAFE down -0.18%, while emerging markets gained +1.19% on strength from Asian and Latin America.
- Both the Bloomberg US Aggregate Bond and Global Aggregate Bond index posted declines for the week as yields ticked higher across US and global markets, while US Credit managed a positive return of +0.34%.



BY THE NUMBERS

- **Trump Adds \$100,000 Fee For Skilled Worker Visa Applicants:** U.S. President Trump signed an order adding a \$100,000 fee for a new H-1B skilled worker visa applicants, compared with the previous administration fees of about \$1,500. The program has been capped at 85,000 visas per year since 2004, with applications recently falling to about 359,000, the lowest in four years. India accounts for 71% of H-1B's approvals, while China represents 11.7%. The order also introduced a new "gold card" fast track visa, with fees starting at \$1 million. Rejections of H-1B applications previously peaked at 24% in 2018 under Trump, compared with 5%-8% under Obama and 2%-4% under Biden.³
- **Vermont Drought Is Hitting Dairy Farmers Hard:** As of mid-September, 78% of Vermont is experiencing severe drought and 2% extreme drought, up from 65% and 0% earlier in the summer. Soil moisture levels are running 60–80% below average, with some areas seeing about eight inches less rainfall than normal over the past four months. Dairy farmers are reporting steep feed shortfalls, with yields down 40–50% in some cases and profits expected to fall by around 25%. Water demand has also surged, as each Holstein cow consumes roughly 50 gallons per day, forcing farmers to haul water multiple times daily. The strain comes as dairy remains central to Vermont's economy, generating \$5.4 billion annually, accounting for 58% of agricultural sales and 63% of New England's milk production.⁴

Economic Definitions

Building Permits: This concept tracks the number of permits that have been issued for new construction, additions to pre-existing structures or major renovations. These statistics are based on the number of construction permits approved.

Existing Home Sales: This concept tracks the sales of previously owned homes during the reference period. Total existing home sales include single-family homes, townhomes, condominiums and co-ops. All sales are based on closings from Multiple Listing Services. Foreclosed homes are only counted in the inventory if the bank is working with a realtor. Foreclosed homes that sell via auction (or other closings outside of the Multiple Listing Services) are not included.

Federal Reserve (Fed): The Federal Reserve System is the central banking system of the United States of America.

GDP: Gross domestic product (GDP) measures the final market value of all goods and services produced within a country. It is the most frequently used indicator of economic activity. The GDP by expenditure approach measures total final expenditures (at purchasers' prices), including exports less imports. This concept is adjusted for inflation.

Housing Starts: Housing (or building) starts track the number of new housing units (or buildings) that have been started during the reference period.

New Home Sales: This concept tracks sales of newly constructed homes during the reference period. The Implicit US index is computed by taking the number of house sold in the US and dividing it by the seasonally adjusted number of houses sold in the US.

PCE (headline and core): PCE deflators (or personal consumption expenditure deflators) track overall price changes for goods and services purchased by consumers. Deflators are calculated by dividing the appropriate nominal series by the corresponding real series and multiplying by 100.

Retail Sales: Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

Index Definitions

S&P 500: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

NASDAQ: The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971.

Dow Jones Industrial Average: The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

Russell Mid-Cap: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell 2000: The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

MSCI EAFE: The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

MSCI EM: The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg Barclays US Agg Bond: The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg Barclays High Yield Corp: The Bloomberg Barclays US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded.

Bloomberg Barclays Global Agg: The Bloomberg Barclays Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Barclays Municipal Bond Index: The Bloomberg Barclays U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

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¹ Data obtained from Bloomberg as of 9/19/2025.

² Data obtained from Morningstar as of 9/19/2025.

³ [Trump Adds \\$100,000 Fee For Skilled Worker Visa Applicants | BBC.com](#)

⁴ [Vermont Drought Is Hitting Dairy Farmers Hard | CBSNews.com](#)