

MARKET VIEW WEEKLY

Ladenburg Asset Management



ECONOMIC REVIEW¹

- The ISM Manufacturing Index rose to 48.7 in August but lagged the consensus expectation of 49.0. (Levels above 50 signal expansions, while levels below 50 signal contraction.)
 - This marked the sixth consecutive month of contraction for the index.
 - However, the major measures of activity were mostly up, and the new orders index drove the headline figure higher, breaking into expansion territory for the first time since January at 51.4.
- The ISM Non-Manufacturing (Services) Index rose to 52.0, easily outpacing the consensus expectation (50.8) and the previous month's reading (50.1).
 - The new orders category also led the index higher in August, rising to a ten-month high of 56.0, and was closely followed by expanding business activity, which rose to a five-month high of 55.0.
 - The reading notched the highest level for ISM Services in six months, reversing a downward trend, but employment continues to contract for service companies broadly.
- The ADP employment report indicated that private sector payroll growth is slowing.
 - Privately held businesses added just 54,000 jobs last month, falling well short of the consensus expected 68,000 and the previous month's reading of 106,000.
- Friday morning's US Employment Situation Report confirmed ongoing weakening in the labor market as the economy added just 22,000 jobs in August, well below the 77,000 economists forecasted.
 - Payroll gains for June and July were revised down, and June data now show that the economy shed 13,000 jobs that month following these revisions, marking the first payroll decline since 2020.
 - The unemployment rate ticked up to 4.3% from 4.2% last month.

How does the most recent economic data impact you?

- Concerns over the health of the labor market have been swirling since the last non-farm payrolls report included massive revisions to previous months, drawing the ire of President Trump, who subsequently fired the BLS head.
 - This week's reports did little to assuage those concerns, but investors should take some solace in the fact that the labor market is cooling, not collapsing.
- With both ADP employment and non-farm payrolls showing a meaningful slowdown in hiring since the spring, and Chairman Powell noting in his Jackson Hole speech that "the shifting balance of risks may warrant adjusting our policy stance," an interest rate cut is all but guaranteed at the Federal Reserve's (Fed's) upcoming meeting.



A LOOK FORWARD¹

- Inflation will be the primary focus for investors next week as both the Consumer Price Index (CPI) and the Producer Price Index (PPI) headline the economic data releases, along with consumer sentiment.

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

- These are the last of several critical inflation and labor market readings ahead of the Fed's September meeting.
- Both will factor significantly in the decision of whether or not to cut interest rates, and an extreme spike in either measure could cause the committee to question the near-certainty of a cut two weeks from now.



MARKET UPDATE²

Market Index Returns as of 9/5/2025	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	0.37%	4.71%	11.20%	21.44%	20.15%	15.31%
NASDAQ	1.16%	6.65%	12.89%	30.90%	24.36%	14.77%
Dow Jones Industrial Average	-0.26%	3.33%	8.03%	14.48%	15.61%	12.21%
Russell Mid-Cap	0.32%	4.73%	9.80%	17.29%	14.25%	12.41%
Russell 2000 (Small Cap)	1.07%	10.17%	8.20%	15.89%	11.71%	10.74%
MSCI EAFE (International)	0.25%	3.06%	23.10%	17.48%	18.10%	10.67%
MSCI Emerging Markets	1.42%	4.72%	20.71%	21.18%	12.43%	5.54%
Bloomberg Barclays US Agg Bond	0.93%	1.86%	5.96%	2.76%	3.72%	-0.48%
Bloomberg Barclays High Yield Corp.	0.32%	2.03%	6.69%	8.34%	9.56%	5.25%
Bloomberg Barclays Global Agg	0.57%	0.52%	7.83%	2.80%	4.11%	-1.57%



OBSERVATIONS

- Most major U.S. stock indexes closed the week slightly higher, generally climbing after negative returns across the board on Monday.
 - The Dow declined -0.26%, but the S&P 500 (0.37%) and the NASDAQ (1.16%) both improved last week.
- Small caps also recorded solidly positive performance with the Russell 2000 advancing +1.07%, and mid-caps also finished the week in positive territory (0.32%).
- Developed market international equities (MSCI EAFE) were marginally positive, improving 0.25%, while emerging markets posted the best return among the major indices last week (1.42%).
- Bonds were positive domestically, internationally, and across the credit spectrum, but the U.S. Aggregate Bond Index (0.93%) bested both international fixed income markets (0.57%) and high-yield corporate bonds (0.32%).



BY THE NUMBERS

- **Financial Bubbles Happen Less Often Than You Think:** Bubbles loom large in our historical understanding of the financial markets. They are memorable. They are colorful. They are scary. They raise questions about investor psychology and the madness of crowds. In good times, we worry if we're going to be caught in the next big bubble. Looking at financial bubbles since 1790, however, we find that they are much rarer than their presence in the public imagination—and not necessarily purely negative. They sometimes set the stage for major changes in people's worldviews, upending old ideas about the possibilities and limitations of business. Sometimes bubbles remake society itself, as all that investor money funds technological advances that change the world. Examining more than a century of global stock-market returns, research sought to determine how often bubbles occur. Here, bubbles are defined as a rapid doubling of stock prices followed by a crash that gives back all or more of the gains over the next year or the next five years. Looking at all of those possible five-year periods, bubbles only happened in less than one-half of 1% of them.³
- **Carlos Alcaraz Delivers the Most Commanding Display of His Career to win U.S. Open:** Over the two weeks of the U.S. Open, this was the final that everyone had seen coming. Another rematch between the top two players in the world, Jannik Sinner and Carlos Alcaraz, and another chance for them to put their stamp on this era of tennis. They had already duelled on the clay of Roland-Garros and the grass of Wimbledon this season, taking one final apiece. The 24,000 fans who packed into Arthur Ashe Stadium on Sunday expected more of the same. After all, one or the other had won every major title dating back to the start of 2024. But in a rivalry of epic finals, razor-thin margins, and four-hour slugfests, the U.S. Open final delivered a new scenario: Carlos Alcaraz pummeling Sinner right into Sinner's favorite surface. In one of the most commanding performances of his career, Alcaraz dominated Sinner, 6-2, 3-6, 6-1, 6-4, to claim his second U.S. Open crown and his sixth major title.⁴

Economic Definitions

The ADP Report: The ADP National Employment Report is an independent estimate of the change in U.S. nonfarm, private employment derived from actual, anonymous payroll data of client companies served by ADP.

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.

ISM Manufacturing Index: The Manufacturing ISM Report On Business is based on data compiled from purchasing and supply executives nationwide. Survey responses reflect the change, if any, in the current month compared to the previous month. For each of the indicators measured (New Orders, Backlog of Orders, New Export Orders, Imports, Production, Supplier Deliveries, Inventories, Customers' Inventories, Employment and Prices), the report shows the percentage reporting each response, the net difference between the number of responses in the positive economic direction and the negative economic direction, and the diffusion index. A PMI reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally declining.

ISM Services Index: The Services ISM Report On Business® is based on data compiled from purchasing and supply executives nationwide. Survey responses reflect the change, if any, in the current month compared to the previous month. For each of the indicators measured (Business Activity, New Orders, Backlog of Orders, New Export Orders, Inventory Change, Inventory Sentiment, Imports, Prices, Employment and Supplier Deliveries) this report shows the percentage reporting each response, and the diffusion index. An index reading above 50 percent indicates that the non-manufacturing economy in that index is generally expanding; below 50 percent indicates that it is generally declining. Orders to the service producers make up about 90 percent of the US economy.

Job Openings and Labor Turnover Survey – JOLTS: This concept tracks the number of specific job openings in an economy. Job vacancies generally include either newly created or unoccupied positions (or those that are about to become vacant) where an employer is taking specific actions to fill these positions.

Nonfarm Payrolls: This indicator measures the number of employees on business payrolls. It is also sometimes referred to as establishment survey employment to distinguish it from the household survey measure of employment.

Unemployment Rate: The unemployment rate tracks the number of unemployed persons as a percentage of the labor force (the total number of employed plus unemployed). These figures generally come from a household labor force survey.

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.

Disclosures

The statements provided herein are based solely on the opinions of the Ladenburg Thalmann Asset Management (Ladenburg) Research Team and are being provided for general information purposes only. Neither the information nor any opinion expressed constitutes an offer or a solicitation to buy or sell any securities or other financial instruments. Any opinions provided herein should not be relied upon for investment decisions.

Certain information may be based on information received from sources the Ladenburg Research Team considers reliable; however, the accuracy and completeness of such information cannot be guaranteed. Certain statements contained herein may constitute "projections," "forecasts" and other "forward-looking statements" which do not reflect actual results and are based primarily upon applying retroactively a hypothetical set of assumptions to certain historical financial information. Any opinions, projections, forecasts and forward-looking statements presented herein reflect the judgment of the Ladenburg Research Team only as of the date of this document and are subject to change without notice. Ladenburg has no obligation to provide updates or changes to these opinions, projections, forecasts and forward-looking statements. Ladenburg is not soliciting or recommending any action based on any information in this document.

Investing involves risk, including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss. In general, the bond market is volatile; bond prices rise when interest rates fall and vice versa. This effect is usually pronounced for longer-term securities. Any fixed-income security sold or redeemed prior to maturity may be subject to a substantial gain or loss. Vehicles that invest in lower-rated debt securities (commonly referred to as junk bonds or high-yield bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. International investing involves special risks not present with U.S. investments due to factors such as increased volatility, currency fluctuation, and differences in auditing and other financial standards. These risks can be accentuated in emerging markets.

Index performance does not reflect the deduction of any fees and expenses, and if deducted, performance would be reduced. Indexes are unmanaged and investors are not able to invest directly into any index. Past performance cannot guarantee future results.

Ladenburg is an SEC Registered Investment Adviser under the Investment Advisers Act. Registration does not imply a certain level of skill or training. Ladenburg provides investment advisory services and may serve as a sub-adviser for accounts managed by third-party advisers or may be included in advisory platforms sponsored or administered by affiliates or third parties. Ladenburg does not provide tax or legal advice. Please consult your tax advisor or attorney. For additional information, please see the Program Disclosure Brochure or ADV Part II for full details, which are available upon request or please visit https://adviserinfo.sec.gov/firm/summary/108604_8365233

¹ Data obtained from Bloomberg as of 9/5/2025.

² Data obtained from Morningstar as of 9/5/2025.

³ [Financial Bubbles Happen Less Often Than You Think](#)

⁴ [Carlos Alcaraz Delivers the Most Commanding Display of His Career to Win U.S. Open](#)