

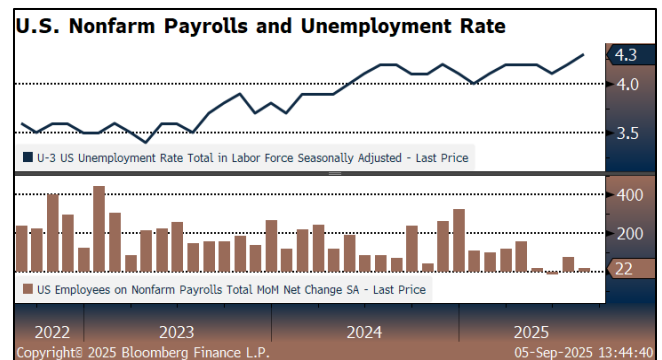
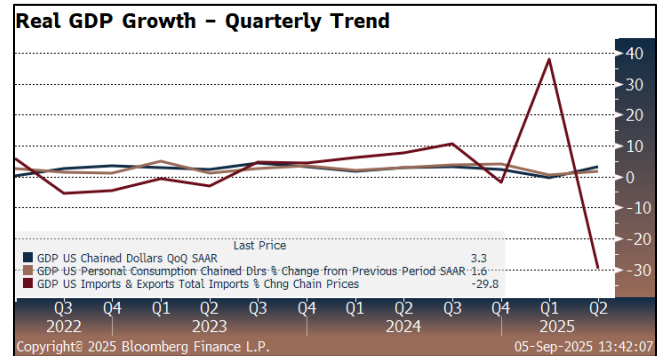
### **Executive Summary:**

- Q2 GDP was revised up to 3.2%, driven by strong consumer spending and a better trade balance.
- The Federal Reserve is expected to cut rates by 25 basis points in September, as soft labor market data and slowing economic indicators point to reduced momentum.
- The S&P 500 is up 10.8% YTD, fueled by strong Q2 earnings and Fed rate cut expectations.

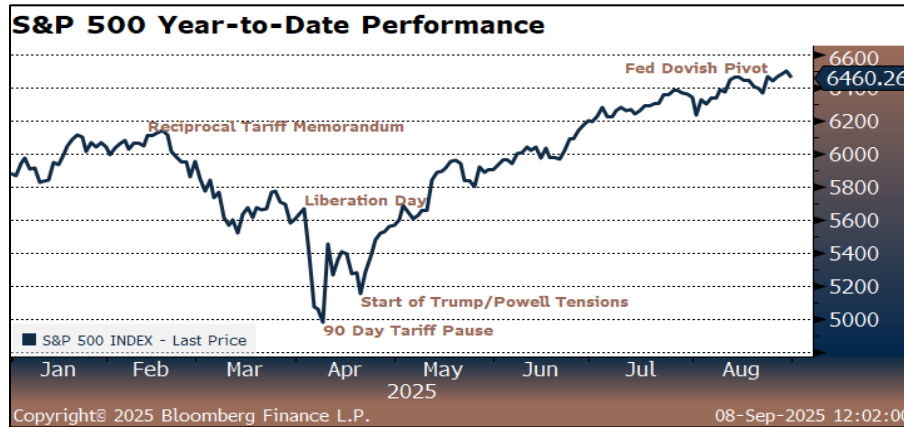
August delivered a positive surprise as U.S. second-quarter GDP was revised up to 3.2% annualized growth, driven by strong consumer spending and a better trade balance. This momentum has reinforced confidence in the economy's resilience. Recent U.S. trade agreements have also added stability to global supply chains. While average tariff levels remain elevated at 20.1%, consumer prices have held steady, with July inflation at 2.7%. Though still above the Fed's 2% target, inflation appears to be stabilizing. Looking forward, new trade deals with the UK, EU, Japan, and South Korea are expected to open markets for key U.S. industries such as agriculture, autos, and aerospace—potentially boosting exports and supporting domestic jobs. However, some lingering effects of tariffs may continue to influence inflation into year-end.

Labor market data, meanwhile, has introduced caution. The early September jobs report showed just 22,000 jobs added in August, with unemployment rising to 4.3%. Revisions to prior months—including a 13,000-job loss in June—point to a softer labor market than previously understood. The Conference Board's Leading Economic Index also dipped 0.1% in July, reflecting weaker trends in consumer expectations, new orders, and building permits. Together, these signals have prompted a more dovish tone from the Federal Reserve, with markets widely expecting a 25-basis-point rate cut at this month's meeting.

Despite these headwinds, equity markets have remained strong. The S&P 500 is up 10.8% year-to-date, supported by cyclical sector strength and expectations of monetary easing. Second-quarter earnings rose 11.7% from a year earlier, with nearly 80% of companies beating estimates. While third-quarter earnings growth is



expected to slow to 5–7%, anticipated rate cuts may help support valuations in the face of trade and labor uncertainty. International equities have also performed well, supported by lower valuations, a weaker U.S. dollar, and investor rotation away from U.S. markets. With a mix of positive and cautionary signals, this environment reinforces the importance of diversification and staying focused on long-term goals.



SECTORS	2024	YTD	EQUITY INDICES	2024	YTD	COMM. & CURRENCIES	LAST CLOSE	YTD
S&P 500 COMM SVC	40.23%	23.52%	S&P 500 INDEX	25.00%	10.97%	WTI CRUDE FUTURE Oct25	63.48	-10.46%
S&P 500 CONS DISCRET IDX	30.14%	3.76%	DOW JONES INDUS. AVG	14.99%	7.90%	BRENT CRUDE FUTR Nov25	66.99	-9.46%
S&P 500 CONS STAPLES IDX	14.87%	5.83%	NASDAQ COMPOSITE	29.60%	12.69%	NATURAL GAS FUTR Oct25	3.07	-15.42%
S&P 500 ENERGY INDEX	5.72%	3.88%	S&P 400 MIDCAP INDEX	13.89%	6.32%	LME COPPER 3MO (\$)	9,898.00	12.89%
S&P 500 FINANCIALS INDEX	30.50%	10.58%	RUSSELL 1000 GROWTH INDX	33.35%	11.99%	Gold Spot \$/Oz	3,545.85	36.96%
S&P 500 HEALTH CARE IDX	2.58%	1.09%	RUSSELL 1000 VALUE INDEX	14.35%	9.77%	Silver Spot \$/Oz	40.67	41.93%
S&P 500 INDUSTRIALS IDX	17.30%	14.40%	RUSSELL MIDCAP RT INDEX	15.34%	9.37%	Euro Spot	1.16	13.42%
S&P 500 INFO TECH INDEX	36.61%	14.14%	RUSSELL 2000 INDEX	11.52%	7.89%	British Pound Spot	1.34	8.10%
S&P 500 MATERIALS INDEX	-0.04%	11.07%	MSCI ACWI ex US	5.53%	21.20%	Japanese Yen Spot	148.49	6.91%
S&P 500 REAL ESTATE IDX	5.23%	5.07%	MSCI EAFE	4.44%	22.42%	DOLLAR INDEX SPOT	98.35	-10.11%
S&P 500 UTILITIES INDEX	23.43%	11.31%	MSCI EM	7.99%	19.91%			

Source: Bloomberg

As of: 9/5/2025

Bloomberg Barclays Bond Indices	Total Return			Effective Duration	Avg. Maturity	Yield-to-Worst	Key Rates	
	2023	2024	YTD					
U.S. Aggregate	5.53%	1.25%	5.96%	6.08	8.29	4.31%	Effective Fed Funds	4.33%
Intermediate	5.24%	3.00%	5.77%	3.86	4.33	3.88%	2-yr Treasury	3.49%
Global Agg ex USD	5.72%	-4.22%	9.37%	6.88	8.41	2.69%	10-yr Treasury	4.05%
Inv Grade Corporate	8.52%	2.13%	6.53%	7.00	10.50	4.78%	10-yr German Bund	2.64%
U.S. Corporate High Yield	13.45%	8.19%	6.69%	3.11	4.75	6.66%	Prime Rate	7.50%
<b>Tax Exempt</b>							30 Year Fixed Mortgage	6.55%
Muni 1-10 Yr Blend (1-12)	4.61%	0.91%	3.57%	4.10	6.35	2.99%		

Source: Bloomberg

As of: 9/8/2025

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