



**Five in Five**  
August 2025



# Treasury Yields

2-Year Treasury Yield



Sources: BTC Capital Management, Bloomberg

- 2-year yields dropped 27 basis points on weaker-than-expected jobs report.
- The spread between the 30-year Treasury and the 2-year Treasury hit a three-and-a-half-year high.
- The market is now pricing in a 90% chance of a cut at the September Federal Open Market Committee (FOMC) meeting.

# Global Bonds

Global Aggregate Bond Index OAS



Sources: BTC Capital Management, Bloomberg

- The Global Aggregate Bond Index hit its lowest spread since 2007 (30 bps).
- This index includes corporate bonds and mortgage-backed securities.
- The U.S. is within 2 basis points of an 18-year low.

# Consumer Sector Reaction to Tariffs

## REACTIONS TO TARIFFS, BY SECTOR

	Agriculture	Automotive & Transportation	Consumer	Energy	Finance & Real Estate	Health	Industrial & Manufacturing	Technology
Withdraw or cut guidance	-	17	37	2	3	14	13	11
Price hikes	1	4	37	2	2	10	20	5
Profit margin warnings	-	7	10	3	3	6	12	10
Supply chain change	-	3	20	-	-	9	13	3
Investment changes or relocation	1	7	6	6	1	10	7	3
Financial hit	-	4	1	1	1	4	5	1
Surcharge fees	-	1	-	-	-	2	5	1
Job cuts	-	3	-	-	1	-	2	-
Delay Capex	-	1	1	-	-	1	2	-
Absorb costs	-	-	-	-	-	4	-	-
Force majeure	-	1	1	-	-	-	-	-
Others	-	2	6	1	5	6	7	5

Sources: BTC Capital Management, LSEG

- Since the potential new tariffs were announced in April, many companies announced they face uncertainty regarding impact on revenue and earnings. As such, several companies have withdrawn their forward-looking guidance.
- The Consumer and Automotive & Transportation sectors have seen the most companies withdraw or cut guidance as imports constitute a significant factor in those two sectors.
- Price hikes have been predominantly focused in the Consumer sectors and the Industrial/Manufacturing sectors, whereas companies in other sectors have been able to weather the storm and absorb the higher input costs, rather than pass them on to consumers.

# Technology Dominates Recovery Since Recent Market Bottom

## MSCI USA sector and stock returns (April 8 – August 6, 2025)

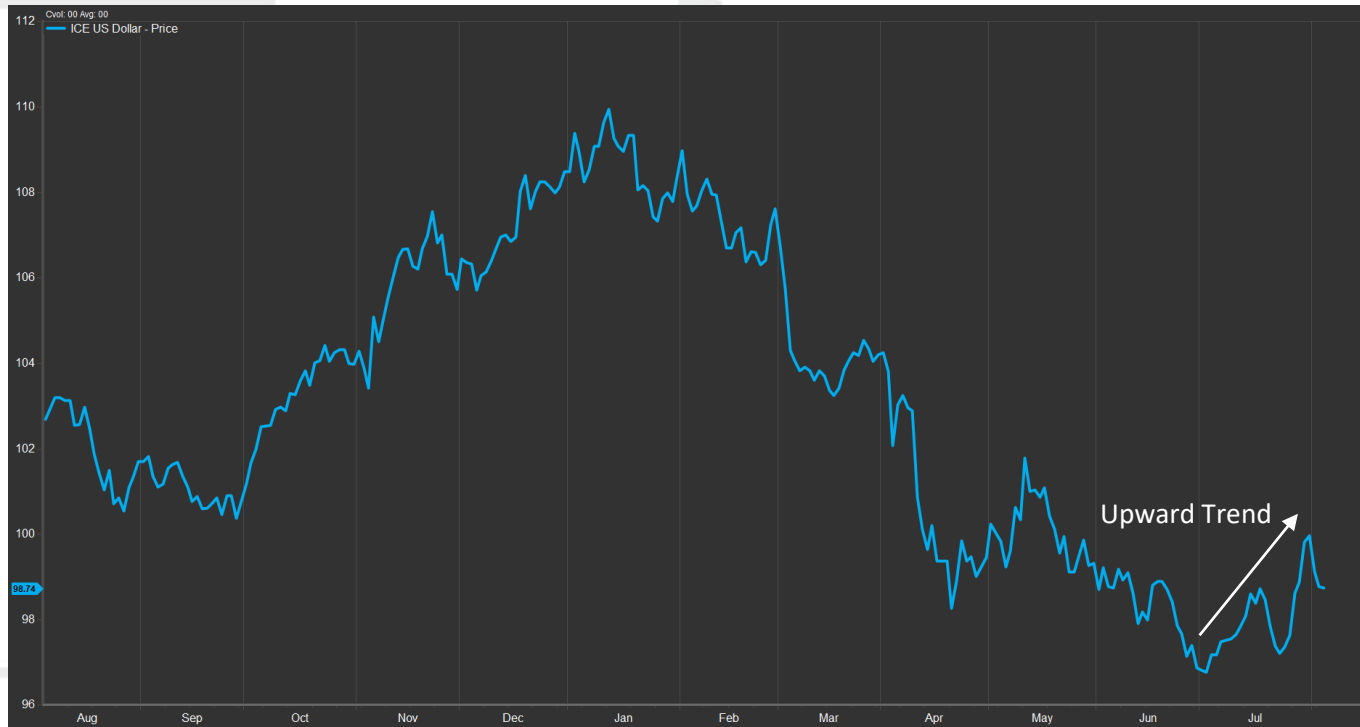
	Return (%)
<b>MSCI USA</b>	<b>28.42</b>
<b>Information Technology</b>	<b>50.32</b>
<b>Communication Services</b>	<b>35.39</b>
<b>Industrials</b>	<b>29.71</b>
<b>Consumer Discretionary</b>	<b>28.13</b>
<b>Financials</b>	<b>21.03</b>
<b>Materials</b>	<b>19.26</b>
<b>Utilities</b>	<b>17.81</b>
<b>Real Estate</b>	<b>12.80</b>
<b>Energy</b>	<b>11.13</b>
<b>Consumer Staples</b>	<b>7.91</b>
<b>Health Care</b>	<b>-0.42</b>

Company	Return (%)	Sector
Robinhood Markets, Inc. Class A	209.2	Financials
Roblox Corp. Class A	161.9	Communication Services
Reddit, Inc. Class A	139.4	Communication Services
Western Digital Corporation	134.3	Information Technology
Palantir Technologies Inc. Class A	132.2	Information Technology
GE Vernova Inc.	131.9	Industrials
Seagate Technology Holdings PLC	122.5	Information Technology
Vertiv Holdings Co. Class A	122.2	Industrials
Cloudflare Inc Class A	121.2	Information Technology
Advanced Micro Devices, Inc.	108.6	Information Technology
Oracle Corporation	107.2	Information Technology
Carvana Co. Class A	101.3	Consumer Discretionary
Coinbase Global, Inc. Class A	100.4	Financials
Arista Networks, Inc.	99.7	Information Technology
Trade Desk, Inc. Class A	97.9	Communication Services
Vistra Corp.	96.8	Utilities
Broadcom Inc.	93.8	Information Technology
Alnylam Pharmaceuticals, Inc	90.9	Health Care
Microchip Technology Incorporated	88.7	Information Technology
NVIDIA Corporation	86.3	Information Technology
Jabil Inc.	83.5	Information Technology
Constellation Energy Corporation	83.3	Utilities
Amphenol Corporation Class A	82.6	Information Technology

Sources: BTC Capital Management, FactSet

- Since the market bottom on April 8, the MSCI USA Large Cap Index has rebounded nearly 30% (+28.4%).
- All sectors have seen positive gains except for the Health Care sector.
- Technology related stocks have led the rally as investors have adopted a “risk-on” mentality and have rotated to stocks where significant earnings growth is expected. The index is currently trading at 22.8X Next Twelve Months price-to-earnings (NTM P/E) ratio, which is at the very high end of its historic range.

# U.S. Dollar Recovers in July



Sources: BTC Capital Management, FactSet

- The U.S. dollar has fallen in value this year versus most other global currencies, as displayed above via the U.S. Dollar Index.
- The U.S. dollar has recovered somewhat since July as recent releases of positive economic data has stoked hopes of the Federal Reserve cutting rates. The U.S. dollar's rally fizzled out slightly last week with the weaker-than-expected job numbers.
- Investors continue to monitor not only economic releases but also global flows into investment markets which spur higher demand for local currencies.

# Disclosures

- *Sources: BTC Capital Management, Bloomberg, LSEG, FactSet*
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