



Weekly Market Recap

The week in review

- Consumer confidence fell in September to 94.2
- JOLTS job openings rose to 7,227K

The week ahead

- FOMC minutes
- Consumer sentiment

Thought of the week

Drawn to their attractive all-in yields, investors have continued to invest in riskier public and private corporate debt this year, even as high-yield spreads to Treasuries hover around their tightest levels since mid-2007. However, despite still-elevated rates keeping yields enticing, investors should consider the quality of companies backing this debt. This will be particularly relevant for below-investment grade companies if we enter a period of slower economic growth, or even a recession, as there will be an outsized impact on these borrowers. Below-investment grade companies comprise the high-yield, leveraged loans and private credit markets. One metric used to assess credit risk is issuer-weighted default rate, which measures the number of defaults by issuer – not dollar amount. As shown in this week's chart, despite headline issuer-weighted default rates remaining low across riskier public and private credit, there may already be signs of stress building up under the surface. This is observed by looking at increased default rates *including* distressed exchanges, non-accruals and other out-of-court restructuring agreements that lenders and borrowers negotiate to avoid bankruptcy. Among leveraged loan and private credit users, the usage of provisions such as "amend and extend" and "payment-in-kind" have ticked up noticeably higher over the last several quarters to aid struggling borrowers. While lenders using these mechanisms for troubled credits is generally not worrisome under solid economic conditions, it could be a precursor to wider-spread trouble for already risky companies should economic conditions deteriorate.

While the resumption of rate cuts will help struggling borrowers with their debt burdens on floating rate loans, investors may want to consider diversifying their public and private credit allocations to add more core, high-quality exposure within each asset class.

Please see important disclosures on next page.

Weekly Data Center

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	6716	1.11	0.43	15.32	19.38	90.90
Dow Jones 30	46758	1.11	0.78	11.34	13.21	68.08
Russell 2000	6154	1.78	1.64	12.20	15.14	51.42
Russell 1000 Growth	3128	1.14	0.28	17.58	27.49	123.37
Russell 1000 Value	1246	0.99	0.65	12.38	11.12	56.59
MSCI EAFE	2810	2.73	1.59	27.72	19.76	84.28
MSCI EM	1374	3.68	2.08	30.88	20.39	71.13
NASDAQ	22781	1.33	0.54	18.57	27.99	115.58

Fixed Income	Yield	1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.34	0.46	0.24	6.39	3.43	14.81
U.S. Corporates	4.79	0.57	0.29	7.19	4.18	21.67
Municipals (10yr)	3.34	0.28	0.18	4.29	2.54	14.60
High Yield	7.05	0.23	0.11	7.34	7.63	36.52

Key Rates	Levels (%)					
	10/3/25	9/26/25	9/30/25	12/31/24	10/3/24	10/3/22
2-yr U.S. Treasuries	3.58	3.63	3.60	4.25	3.70	4.12
10-yr U.S. Treasuries	4.13	4.20	4.16	4.58	3.85	3.67
30-yr U.S. Treasuries	4.71	4.77	4.73	4.78	4.18	3.73
10-yr German Bund	2.70	2.74	2.71	2.35	2.15	1.93
SOFR	4.20	4.16	4.24	4.49	4.85	3.00
3-mo. EURIBOR	2.02	2.00	2.03	2.71	3.24	1.19
6-mo. CD rate	1.90	1.92	1.91	2.29	2.30	1.00
30-yr fixed mortgage	6.39	6.34	6.36	7.28	6.81	6.85
Prime Rate	7.25	7.25	7.25	7.50	8.00	6.25

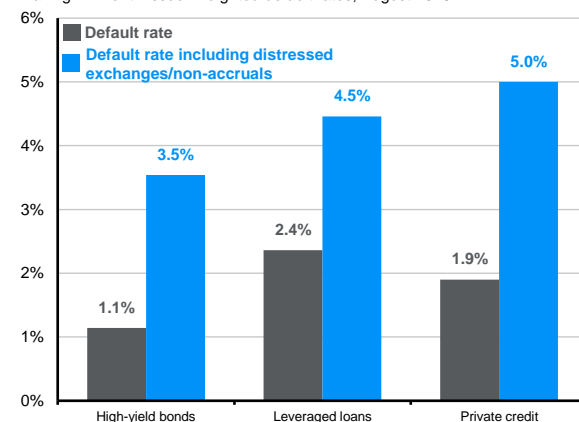
Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
22.83	5.17	1.11	57280
20.56	5.49	1.64	21171
25.14	1.99	1.20	2844
31.08	13.37	0.47	32499
17.33	2.87	1.82	29191
15.37	1.99	2.66	19864
14.25	1.99	1.94	9909
29.16	7.05	0.56	37435

Levels			
Currencies	10/3/25	12/31/24	10/3/24
\$ per €	1.17	1.04	1.10
\$ per £	1.35	1.25	1.31
¥ per \$	147.45	157.16	146.77

Levels			
Commod.	10/3/25	12/31/24	10/3/24
Oil (WTI)	60.48	72.44	74.33
Gasoline	3.12	3.01	3.18
Natural Gas	3.44	3.40	2.75
Gold	3886	2609	2648
Silver	47.61	28.91	31.50
Copper	10538	8706	9786
Corn	4.07	4.53	3.98
BBG Idx	262.88	238.62	244.49

Chart of the Week

Headline default rates may be masking underlying credit stress
Trailing 12-month issuer-weighted default rates, August 2025



Style Returns

	V		
	L	B	G
L	1.0	1.1	1.1
M	1.5	1.1	0.2
S	1.5	1.8	2.0
	V		
	L	B	G
L	12.4	15.3	17.6
M	10.4	11.2	13.2
S	10.8	12.2	13.5

S&P 500 Sector Returns

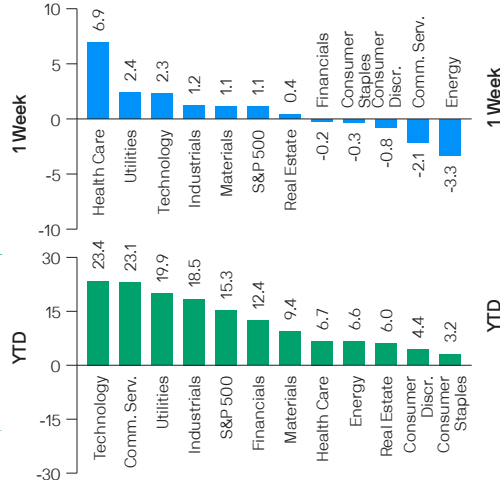




Chart of the Week: Source: J.P. Morgan Credit Research, KBRA, J.P. Morgan Asset Management.

Thought of the week: Source: J.P. Morgan Credit Research, J.P. Morgan Asset Management.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.); provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI - EAFE; provided by: MSCI - gross official pricing. Index: MSCI - EM; provided by: MSCI - gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Bloomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period.

Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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