



# Weekly Market Recap

## The week in review

- Fed reduced rates by 25bps to 3.5%-3.75%
- Job openings rose to a five-month high of 7.67mn
- Quits rate fell to a five-year low of 1.8%

## The week ahead

- Nonfarm payrolls
- CPI
- Retail sales

## Thought of the week

Despite being a small part of the economy, the AI data center build-out has quietly become a key driver of growth this year. While many households have not felt this boom directly, they are likely to feel its knock-on effects, particularly in their utility bills.

As the chart shows, electricity inflation tracked CPI over the past decade, but in the last five years it has accelerated ahead. This shift reflects a surge in demand, driven partly by broader electrification but increasingly by power-hungry AI infrastructure. Data centers have existed for years, but AI facilities are far more energy-intensive: a single AI search can consume around 10 times more energy than a basic web search. After growing about 0.5% annually over the two decades through 2020, conservative estimates project that electricity demand will grow more than thrice as fast this decade. On the supply side, although the administration has declared an “energy emergency,” paving the way for more fossil fuels and even nuclear power plants, these projects will take time to come online.

Meanwhile, consumers could face higher near-term inflation as there’s a risk of a repeat of what auto insurance did in 2023-24: despite its modest weight, it became a sticky source of inflation. Electricity has a similar weight and, like auto insurance, is subject to regulatory pass-throughs that allow higher costs to be passed on to consumers.

With the next inflation print due this week, investors may want to watch electricity prices closely. Those looking to hedge against an inflation flare-up, while also benefiting from the AI build-out, might want to consider private infrastructure funds positioned to ride this AI-led demand wave.

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	6827	-0.61	2.33	17.51	14.29	78.67
Dow Jones 30	48458	1.10	4.85	15.84	12.25	50.87
Russell 2000	6341	1.21	4.95	15.85	9.55	46.51
Russell 1000 Growth	3136	-1.55	0.64	17.99	14.74	112.16
Russell 1000 Value	1283	0.62	4.01	16.14	12.22	45.17
MSCI EAFE	2856	0.85	3.50	30.12	25.94	59.82
MSCI EM	1390	0.44	3.61	32.85	28.51	57.48
NASDAQ	23195	-1.61	2.49	20.87	17.31	112.86

Fixed Income	Yield	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.38	-0.20	0.56	6.73	5.57	12.52
U.S. Corporates	4.88	-0.30	0.26	7.16	5.62	16.56
Municipals (10yr)	3.24	0.00	1.50	5.67	4.62	11.11
High Yield	7.14	-0.13	0.73	8.00	7.13	30.59

Key Rates	Levels (%)					
	12/12/25	12/5/25	9/30/25	12/31/24	12/12/24	12/12/22
2-yr U.S. Treasuries	3.52	3.56	3.60	4.25	4.18	4.39
10-yr U.S. Treasuries	4.19	4.14	4.16	4.58	4.32	3.61
30-yr U.S. Treasuries	4.85	4.79	4.73	4.78	4.55	3.57
10-yr German Bund	2.86	2.79	2.71	2.35	2.17	1.91
SOFR	3.66	3.93	4.24	4.49	4.62	3.80
3-mo. EURIBOR	2.08	2.08	2.03	2.71	2.89	2.05
6-mo. CD rate	1.90	1.90	1.91	2.29	2.31	1.76
30-yr fixed mortgage	6.31	6.30	6.36	7.28	7.09	6.63
Prime Rate	6.75	7.00	7.25	7.50	7.75	7.00

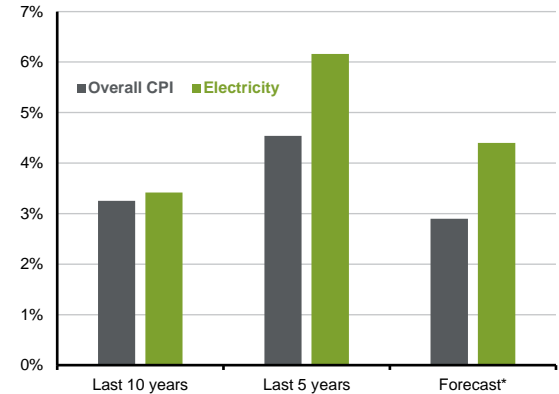
Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
22.21	5.26	1.10	58270
20.68	5.56	1.59	21201
23.96	2.10	1.18	2902
29.04	13.64	0.47	32571
17.40	2.96	1.79	30041
15.37	2.08	2.66	20199
13.49	2.09	1.91	10123
27.93	7.28	0.56	39086

Levels			
Currencies	12/12/25	12/31/24	12/12/24
\$ per €	1.17	1.04	1.05
\$ per £	1.34	1.25	1.27
¥ per \$	155.89	157.16	152.31

Levels			
Commod.	12/12/25	12/31/24	12/12/24
Oil (WTI)	57.61	72.44	70.25
Gasoline	2.94	3.01	3.01
Natural Gas	4.24	3.40	3.12
Gold	4347	2609	2684
Silver	64.51	28.91	31.88
Copper	11816	8706	9039
Corn	4.36	4.53	4.38
BBG Idx	273.95	238.62	238.76

## Chart of the Week

Electricity inflation could become the next “auto insurance”  
%, annualized y/y growth



## Style Returns

	V	B	G
L	0.6	-0.6	-1.5
M	0.7	0.6	0.0
S	2.0	1.2	0.5

	V	B	G
L	16.1	17.5	18.0
M	12.2	11.9	10.4
S	15.7	15.9	16.0

## S&P 500 Sector Returns

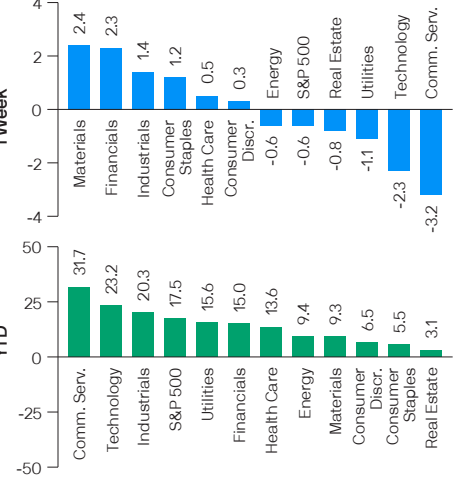




Chart of the Week: Source: BLS, EIA, FactSet, J.P. Morgan Economics Research, J.P. Morgan Asset Management.\*Forecast is for 2025 and 2026.

Thought of the week: Source: BLS, EIA, FactSet, J.P. Morgan Economics 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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**Diversification does not guarantee investment returns and does not eliminate the risk of loss.**

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