

MARKET UPDATE

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E. H. HOWARD
WEALTH MANAGEMENT

MONDAY - AUGUST 18TH, 2025

(MONDAY - AUGUST 11TH, 2025 TO FRIDAY - AUGUST 15TH, 2025)

MARKET MOVERS:

All valuations of the following assets classes and markets done below are valued at close on the previous Friday of publication
Cryptocurrency valuations are done on Monday morning of publication

Stock Market

- S&P 500 - 6,449.80 (0.96%)
- Nasdaq - 23,712.07 (0.52%)
- DJIA - 44,946.12 (1.59%)
- MSCI World - 557.02 (1.53%)

Currencies

- US Dollar - 97.839 (-0.43%)
- Euro - \$1.170 (0.52%)
- British Pound - \$1.356 (0.89%)
- Japanese Yen - 147.210 (-0.20%)

Cryptocurrencies

- Bitcoin - \$1115,852.33 (-3.57%)
- Ether - \$4,334.12 (-0.21%)
- XRP - \$3.02 (-5.22%)

Bonds

- 10-YR Treasury - 4.324% (0.89%)
- Germany's 1-YR - 1.940% (0.99%)
- Britain's 10-YR - 4.700% (2.87%)

Commodities

- Gold - \$3,330.81 / oz. (-1.64%)
- Silver - \$37.74 / T. oz. (-1.56%)
- WTX Oil - \$62.70 / b (0.21%)
- Nat. Gas - \$2.92 / MMBtu (-1.68%)



LOOKING FORWARD:

U.S. stocks gained minimally as investors weighed geopolitical risks and Trump's escalating tariff agenda ahead of key meetings with European and Ukrainian leaders in Washington on the Russia-Ukraine conflict. Markets remain focused on trade policy, housing data, Fed minutes, and Powell's upcoming Jackson Hole speech, while expectations for Fed rate cuts in September have eased. Meanwhile, Q2 earnings have been strong, with profits up 9.1% year-over-year, but consumer resilience is being tested as major retailers report this week. In crypto, Bitcoin fell sharply from last week's record \$124,500 to below \$115,000, dragging Ethereum and altcoins lower and erasing prior gains. Bond yields climbed, with the 10-year hitting 4.33% after a hotter-than-expected PPI reignited inflation concerns, flattening the yield curve and raising doubts about aggressive Fed cuts.

STORY OF THE WEEK:

The U.S. budget deficit rose 19% in July to \$291B, as spending growth outpaced revenues despite a surge in tariff collections under Trump's trade policies. Customs duties jumped to \$27.7B in July and have more than doubled year-to-date to \$135.7B, but rising costs for healthcare, Social Security, and interest on the national debt outweighed these gains. For the first 10 months of fiscal 2025, the deficit reached \$1.63T, with record-high receipts of \$4.35T offset by record outlays of \$5.98T. CPI showed tariff-driven price increases (furniture, footwear, auto parts) but was tempered by lower gas prices. Treasury Sec. Scott Bessent argued strong tariff revenues strengthen Trump's legal defense if tariffs face a Supreme Court challenge. Analysts note many firms are holding goods in bonded warehouses, suggesting tariff revenues may spike once those goods are released. Despite record tariff revenues, rising healthcare, Social Security, and debt interest costs are driving U.S. deficits higher.

Link to Article: **REUTERS**

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