Week Ending 09/12/2025

WEEK IN PERSPECTIVE

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Mega-cap leadership and rate cut optimism fuel record highs

The stock market posted a broadly positive week, led by gains in the tech-heavy Nasdaq Composite (+2.0%) and the S&P 500 (+1.6%), while the Dow Jones Industrial Average (+1.0%) and smaller-cap indices finished with more modest results.

The Russell 2000 (+0.3%) and S&P MidCap 400 (-0.4%) underperformed, highlighting the market's reliance on mega-cap strength. The S&P 500 Equal Weight Index (+0.3%) lagged the market-weighted index, further underscoring the influence of the largest components.

The information technology sector (+3.1%) was the standout sector this week, fueled by strong moves in the mega-cap cohort and broad optimism in semiconductor names.

Oracle's (+25.5%) remarkable mid-week surge following its RPO update propelled the technology sector and created volatility across the "magnificent seven," emphasizing the outsized influence of single company moves. Tesla (+12.9%) and Broadcom (+7.5%) were among other notable mega-cap moves. In other corporate news, Paramount Skydance's (+25.3%) potential acquisition of Warner Bros. Discovery (+55.8%) propelled both stocks higher despite regulatory concerns.

Economic data reinforced expectations of a continued easing cycle. While the August PPI print came in slightly hotter than expected (0.4%; Briefing.com consensus: 0.3%), and Core CPI met expectations at 0.3%, a 27,000 spike in initial jobless claims to 263,000 (Briefing.com consensus: 240,000), their highest level since October 2021, bolstered the market's current rate cut expectations through the end of the year.

Overall, the combination of strong technology leadership, encouraging rate cut expectations, and select corporate news allowed the S&P 500, Nasdaq Composite, and DJIA to all set record highs this week, even as pockets of weakness persisted.

- Nasdaq Composite: +2.0% WTD
- S&P 500: +1.9% WTD
- DJIA: +1.0% WTD
- Russell 2000: +0.3% WTD
- S&P Mid Cap 400: -0.4% WTD

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