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S&P 500 gains 1.9% in August to finish hot summer

By **Nick Lazzaro** and **Umer Khan**

The S&P 500 finished in the black for the fourth straight month, buoyed by strong corporate earnings results and expectations that interest rate cuts will resume in September.

The large-cap index rose 1.9% in August after gaining 2.2% in July and rallying over 5% in both May and June, according to S&P Global Market Intelligence data. The Dow Jones Industrial Average achieved a 3.2% increase during the month, while the small-cap focused Russell 2000 surged 7.0% as smaller companies' stock performance is more sensitive to interest rate expectations.

Bullish sentiment persisted into August despite a clouded economic outlook that arose from mixed labor market and inflation data during the month. Investors will now monitor whether the rally can continue into September, which has historically been the worst performing month for markets, Donald Calcagni, chief investment advisor at Mercer Advisors, told Market Intelligence.

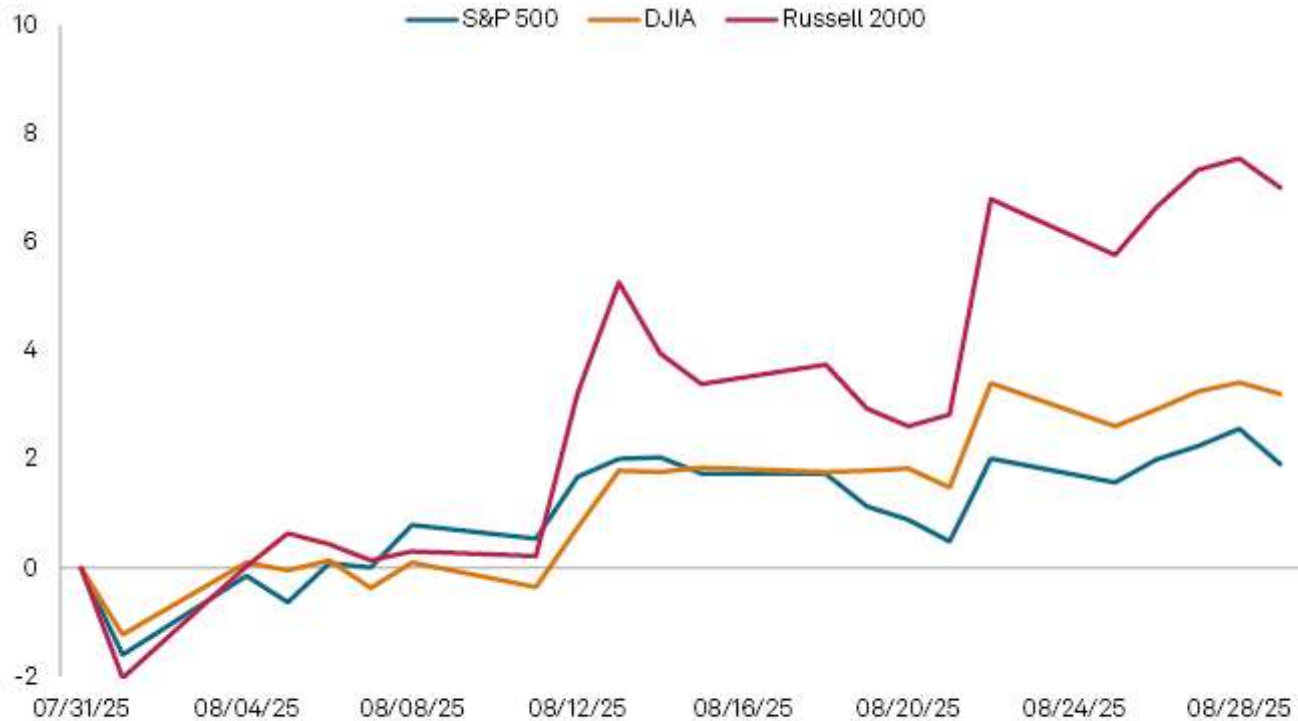
"The market is excited about the prospect of interest rate cuts, deregulatory winds coming out of Washington and about corporate earnings," Calcagni said. "Those factors are priced in now, so for the market to continue to do well in September we'll need to see new information."

Index performance

August 2025

Index	Closing value	Monthly change	Monthly change (%)
S&P 500	6,460.26	120.87	1.9 ▲
DJIA	45,544.88	1,413.91	3.2 ▲
Russell 2000	2,366.42	154.77	7.0 ▲

Index monthly price change performance (%)



Data as of Aug. 29, 2025.

Source: S&P Global Market Intelligence.

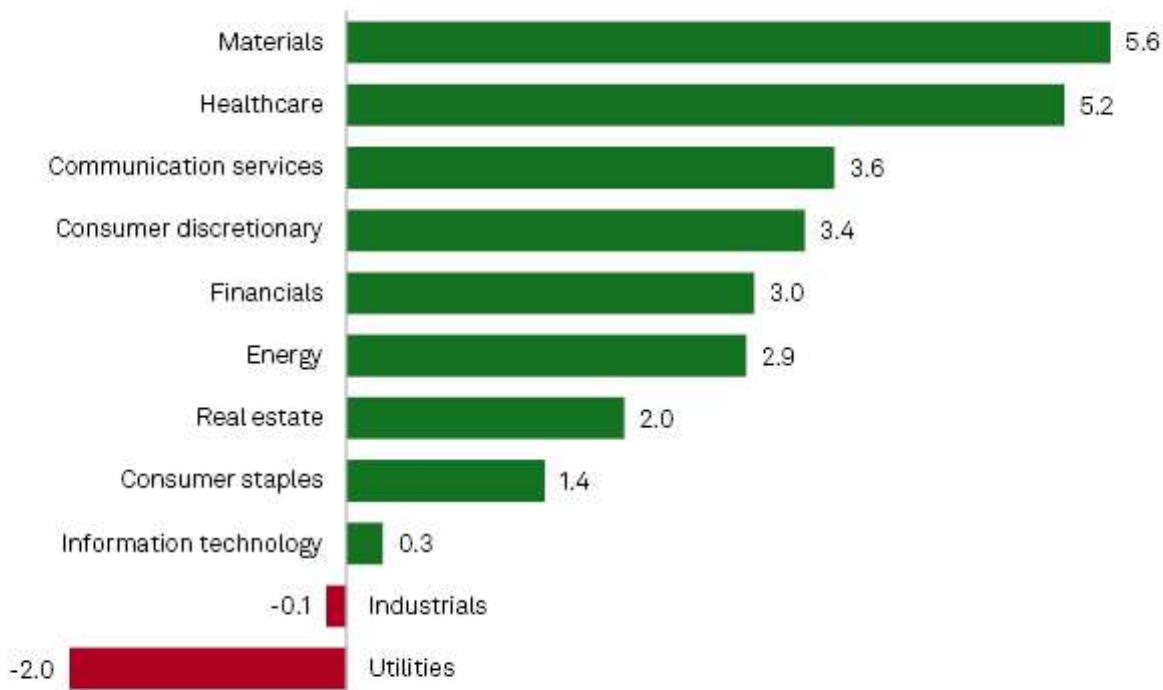
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Sectors

Nine of the S&P 500's 11 sectors increased during the month.

The materials sector reported the largest sector-level gain in August at 5.59%. Within the sector, 19 of the 26 constituent stocks rose, with the largest increase recorded for Albemarle Corp.

S&P 500 sector indexes monthly price change (%)



Data as of Aug. 29, 2025.

Source: S&P Global Market Intelligence.

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The utilities sector performed the worst, dropping 2.03% during the month. 18 of the sector's 31 stocks recorded losses during the month. NRG Energy Inc.'s stock price dipped the most within the sector, down almost 13%.



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Largest gains, drops

Albemarle was the best-performing S&P 500 stock in August, jumping 25.16% from the end of July. The lithium and specialty chemical producer's stock climbed as lithium prices rose following the suspension of operations at a Chinese lithium mine owned by Contemporary Amperex Technology Co. Ltd..

S&P 500 company performance

Rank	Company (ticker)	Market capitalization (\$B)	Monthly price change (%)	Monthly average daily volume (shares)	Average daily volume as a percentage of common shares outstanding (%)
Top performers					
1	Albemarle Corp. (ALB)	9.99	25.2 ▲	4,304,173	3.7
2	UnitedHealth Group Inc. (UNH)	280.64	24.2 ▲	20,336,112	2.2
3	Intel Corp. (INTC)	106.58	23.0 ▲	133,231,378	3.0
4	Humana Inc. (HUM)	36.52	21.5 ▲	1,464,880	1.2
5	IDEXX Laboratories Inc. (IDXX)	51.77	21.1 ▲	709,951	0.9
Bottom performers					
500	Trade Desk Inc. (TTD)	26.73	-37.1 ▼	18,375,572	3.8
499	Super Micro Computer Inc. (SMCI)	24.69	-29.6 ▼	34,170,025	5.7
498	Gartner Inc. (IT)	19.02	-25.8 ▼	1,778,617	2.3
497	Fortinet Inc. (FTNT)	60.36	-21.2 ▼	10,980,134	1.4
496	Coinbase Global Inc. (COIN)	78.25	-19.4 ▼	11,383,732	4.4
Most traded					
1	Enphase Energy Inc. (ENPH)	4.93	16.5 ▲	7,943,336	6.1
2	Super Micro Computer Inc. (SMCI)	24.69	-29.6 ▼	34,170,025	5.7
3	Coinbase Global Inc. (COIN)	78.25	-19.4 ▼	11,383,732	4.4
4	Advanced Micro Devices Inc. (AMD)	263.92	-7.8 ▼	62,617,532	3.9
5	The Trade Desk Inc. (TTD)	26.73	-37.1 ▼	18,375,572	3.8
Primary industry ● Communication services ● Financials ● Healthcare ● Information technology ● Materials					

Data as of Aug. 29, 2025.

Limited to S&P 500 constituents.

Source: S&P Global Market Intelligence.

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Meanwhile, shares in The Trade Desk Inc. fell the most of any S&P 500 company during August, with a 37.14% drop. Shares were sold off after its earnings guidance showed revenue growth in the third quarter slowing from the second quarter. During its earnings call, executives also announced the departure of the company's chief financial officer. The company operates a self-service cloud-based ad-buying platform.

Market view ahead

The market's rally throughout August was heavily influenced by expectations that the US Federal Reserve would reduce its benchmark interest rate in September, Kevin Philip, partner at Bel Air Investment Advisors, told Market Intelligence.

"While the effect on long-term interest rates is less certain, as that is more market based, the short-term rates coming down could assist in a variety of ways to bolster the consumer, help with floating-rate corporate loans and mortgages, and decrease

borrowing costs for corporate short-term borrowing," Philip said. "Lower interest rates also tend to cause multiple expansion, a reason the stock market is at or near all-time highs."

During an August speech in Jackson Hole, Wyoming, Fed chair Jerome Powell signaled an increasing likelihood that rate cuts would resume by the end of the year as the central bank begins to focus more on potential labor market weakness rather than sticky inflation.

"With the impact from tariffs still filtering into prices, consumer inflation is expected to pick up steam in the coming months," Jim Baird, chief investment officer with Plante Moran Financial Advisors, told Market Intelligence. "At the same time, job creation has slowed considerably, raising concerns about the overall state of the labor market. The combination raises the stakes for the Fed and increases the potential for a policy error."

Still, positive sentiment surrounding monetary policy continues to be shadowed by US President Donald Trump's attempt to fire Fed governor Lisa Cook, the latest in a series of attempts by Trump to influence Fed policy.

"In the long run, we have reason to believe from international experience that a central bank controlled by an executive branch will be materially worse for markets," Calcagni with Mercer Advisors said. "I don't think that long-term risk is fully priced into the market."