

# Cycle Indicators, Risk Metrics, & Portfolio Positioning

Week of September 2, 2025

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# Astoria's Portfolio Management Process



## What are we trying to accomplish in our ETF portfolios?

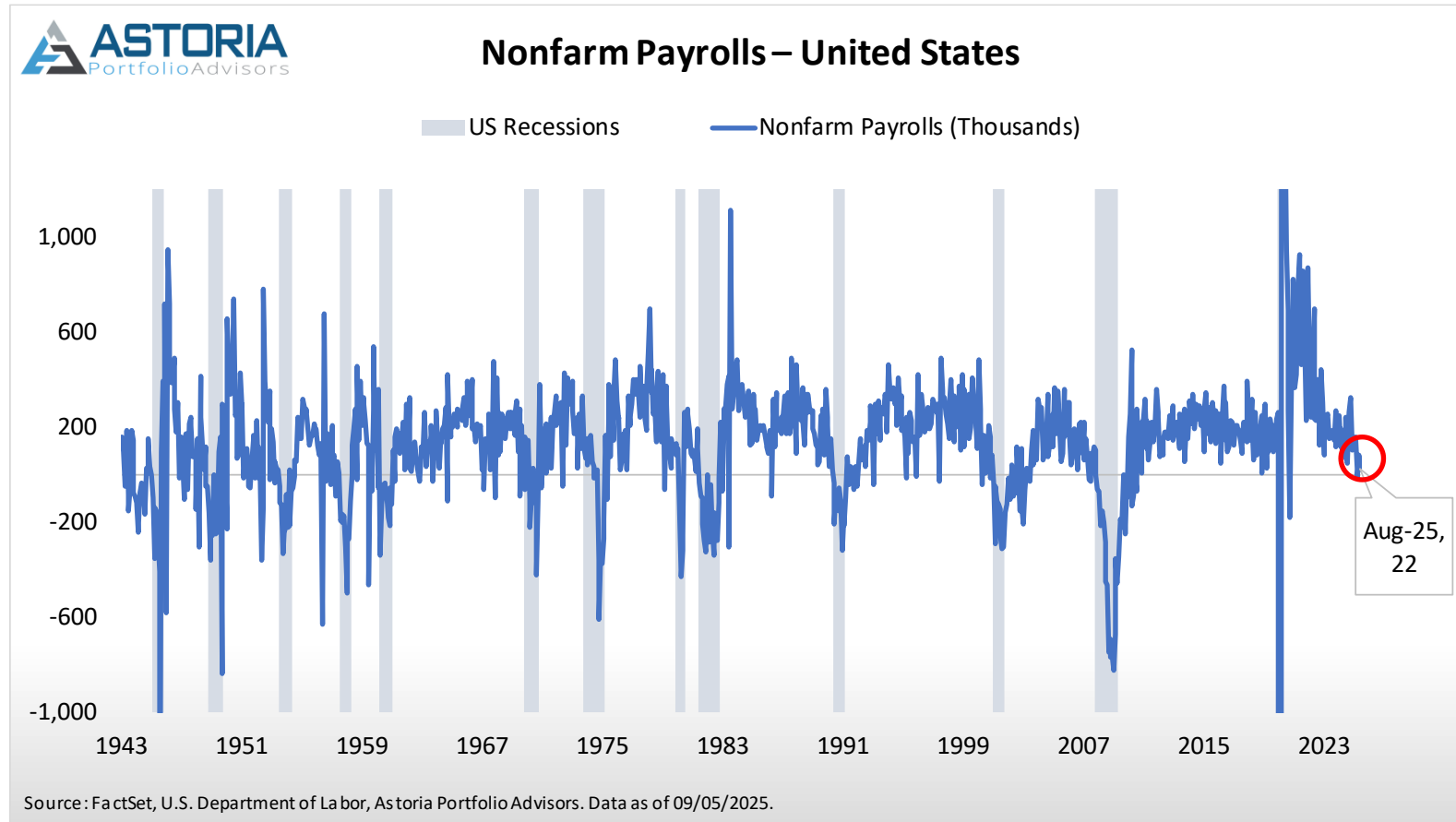
- Astoria Uses Business Cycle, Earnings/Valuations, and Sentiment & Risk to Dictate our Asset Allocation/Portfolio Positioning. We incorporate a Dynamic Overlay depending on the 3 inputs above.
- Target OW assets that have earnings that are growing, cheaper than market, poor sentiment, and have a catalyst for upside
- Target UW assets that are expensive, earnings are slowing, strong sentiment, that lack a catalyst for upside
- Diversify our factor exposures
- Utilize liquid alternatives to hedge downside risk

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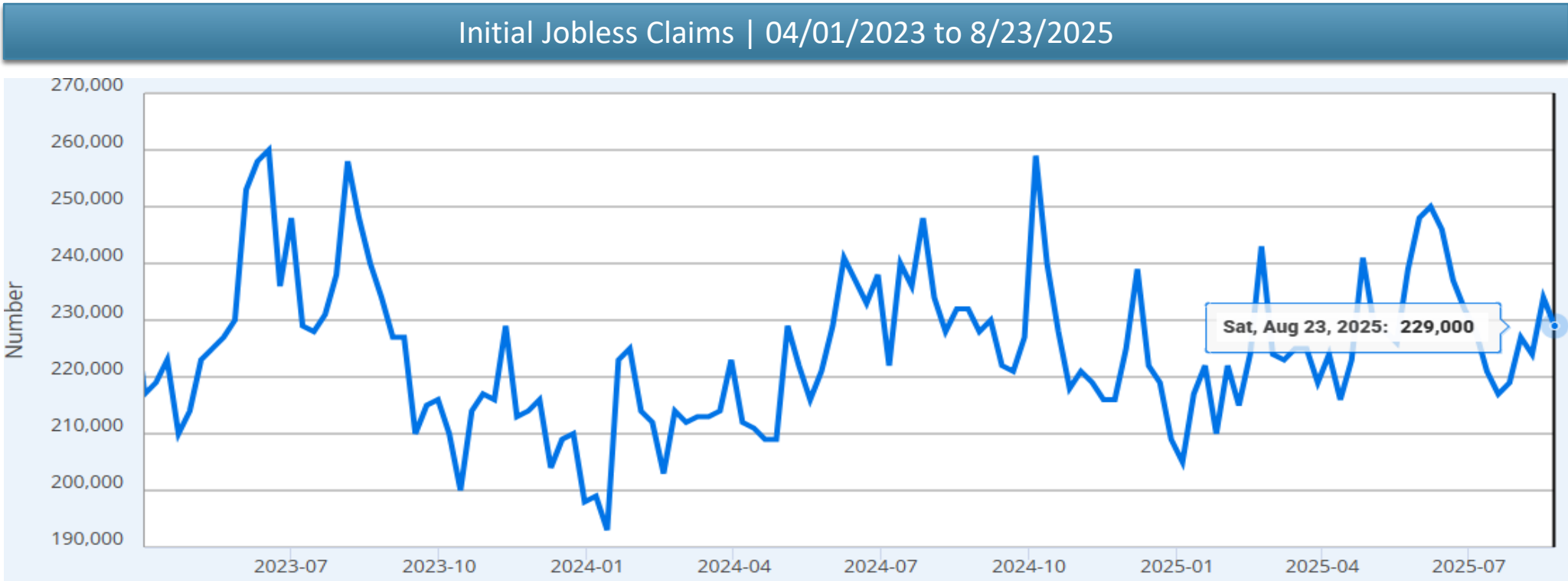
# Business Cycle Indicators



Aug Nonfarm Payrolls missed estimates and rose from Jul. Previous month revised up slightly while Jun's reading revised down to lowest level since Dec 20. Unemployment rate ticked up to 4.3%

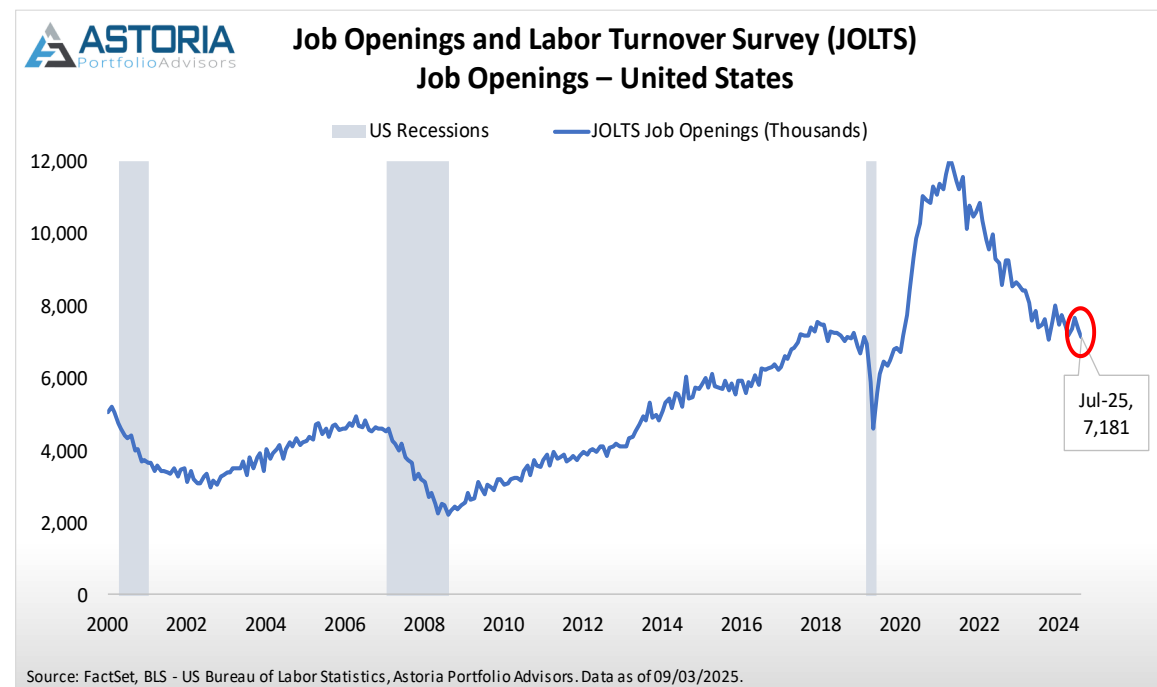
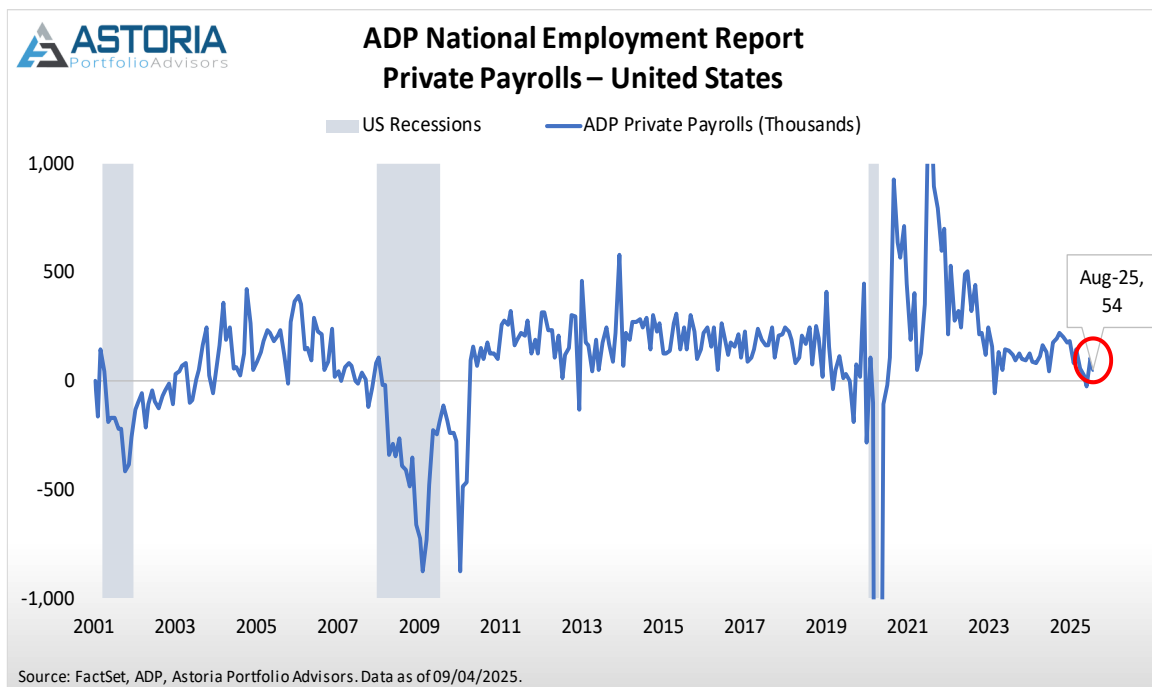


# Both Initial and Continuing Claims decreased from the prior week

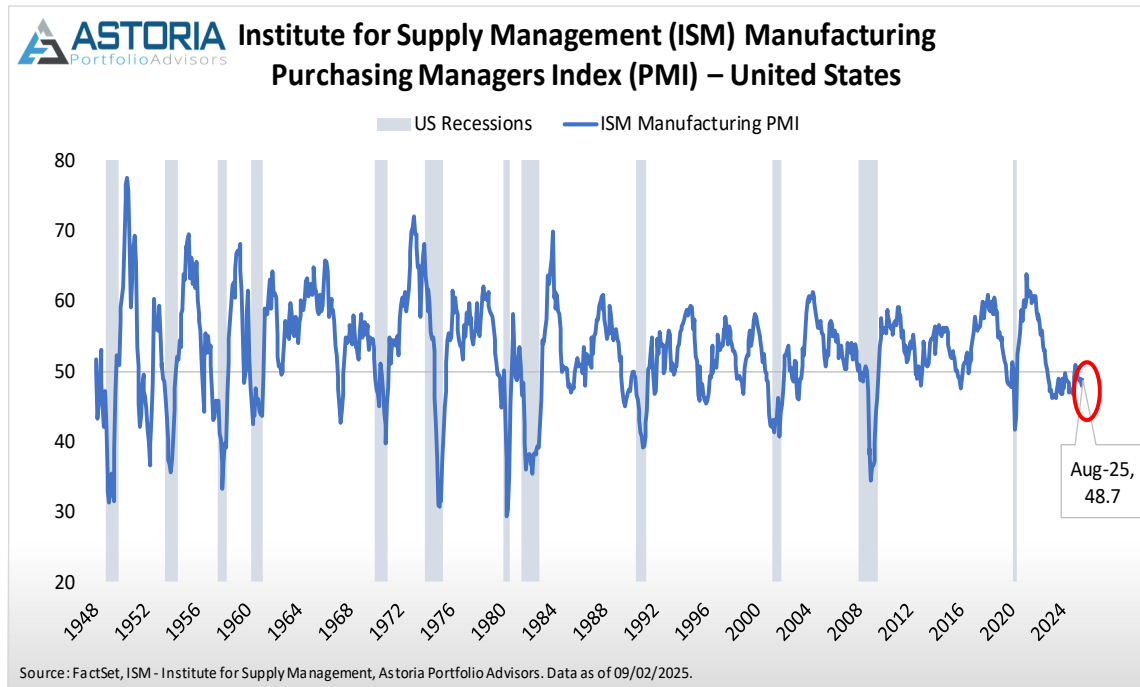


Source: FRED. Data as of August 28, 2025.

Aug ADP Private Payrolls printed below expectations and rose at a slower pace. Meanwhile, Jul JOLTS Job Openings missed consensus with hiring rate holding at lowest level since Nov

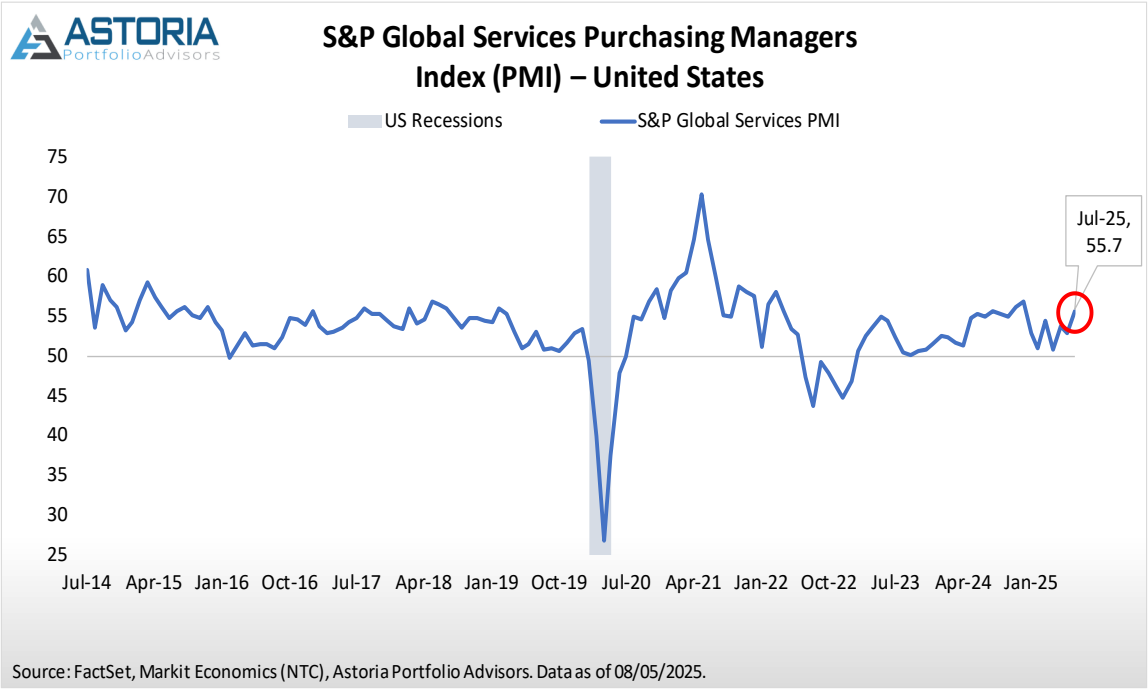
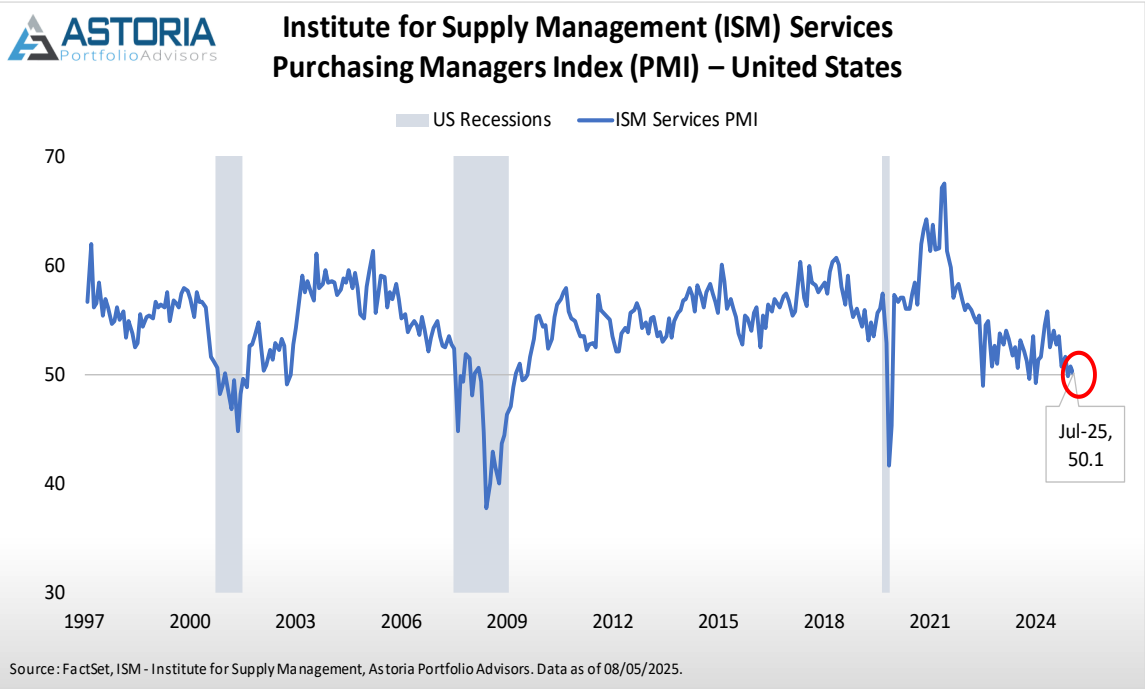


Aug ISM Manufacturing PMI missed with expectations but rose from Jul, with new orders and employment improved. The Aug S&P Global Manufacturing PMI (final) increased higher into expansionary territory though a bit below consensus

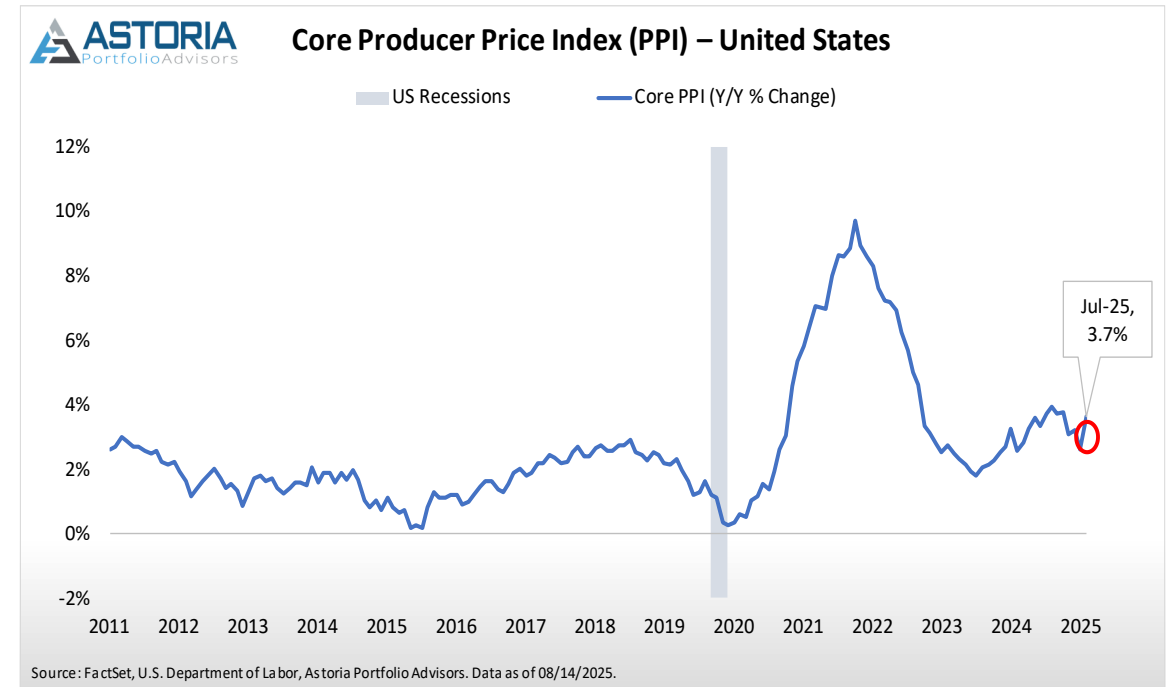
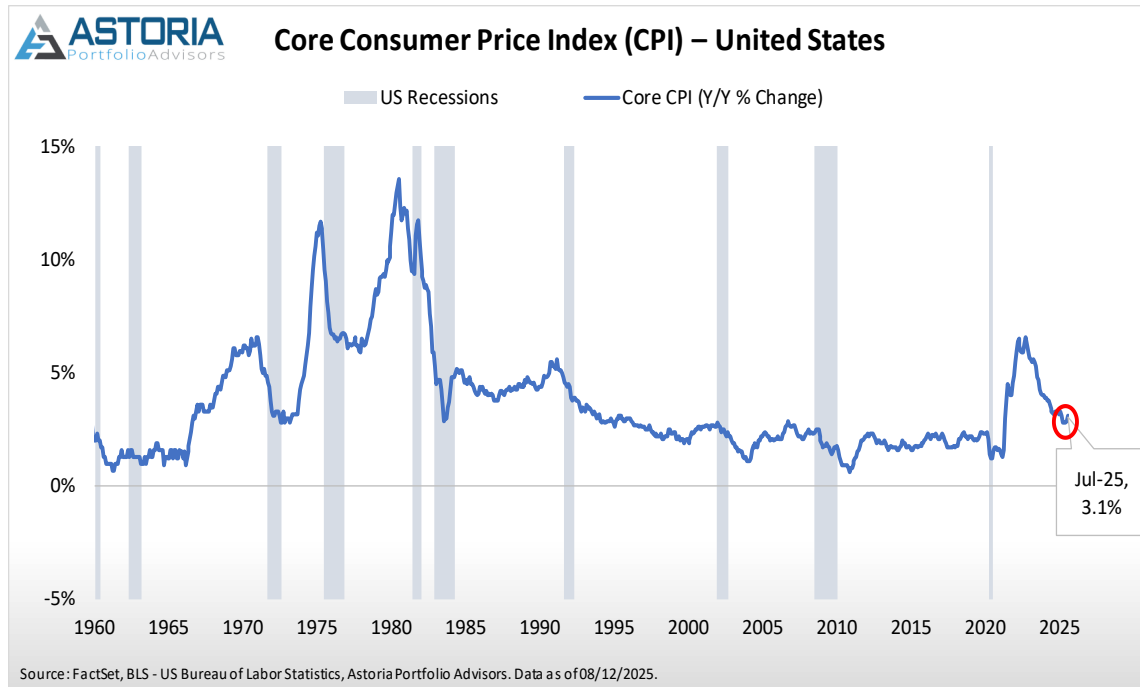




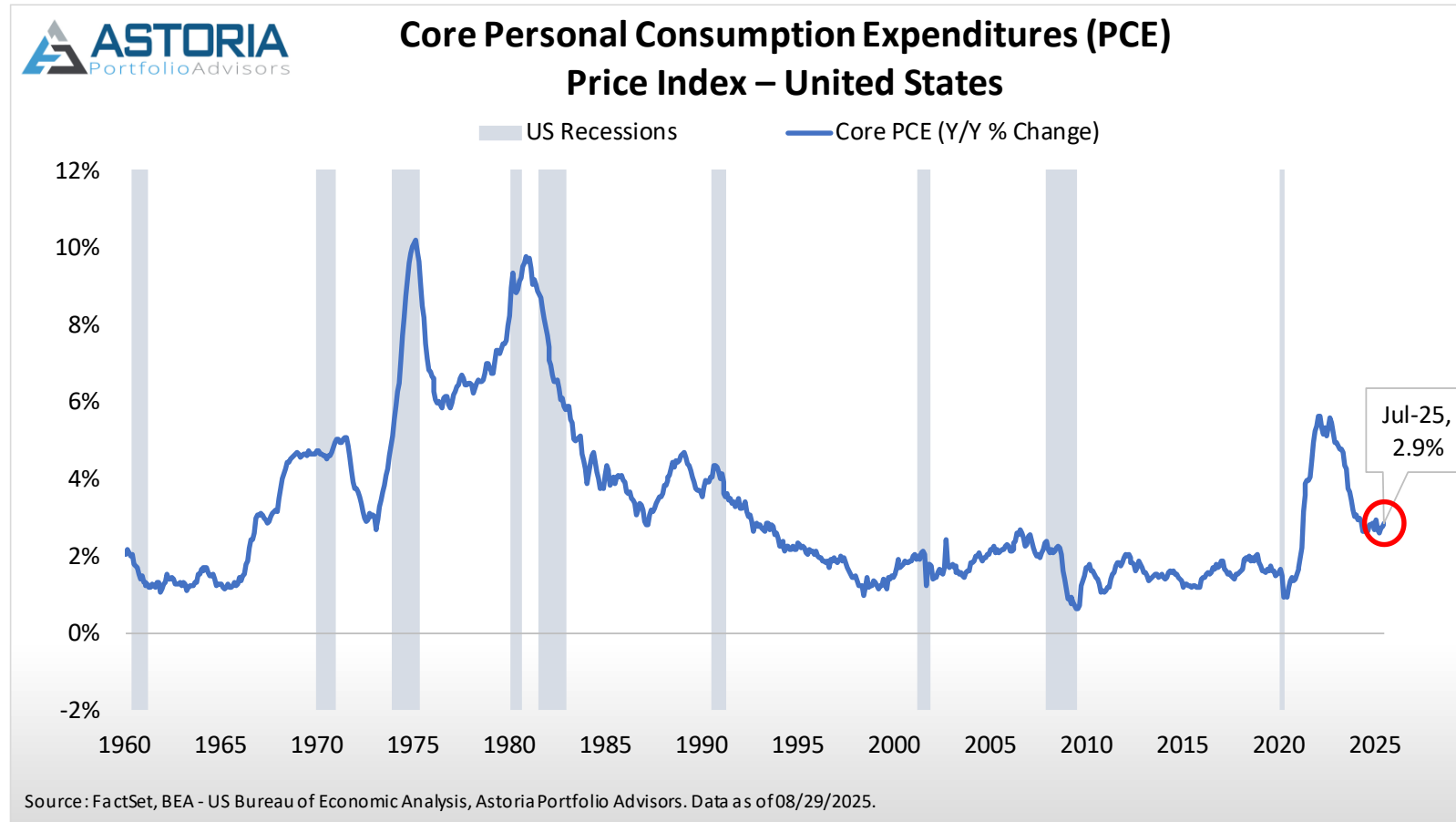
# Jul ISM Services PMI came in slightly below the forecast. Meanwhile, Jul Markit Services PMI (final) declined from the prior month



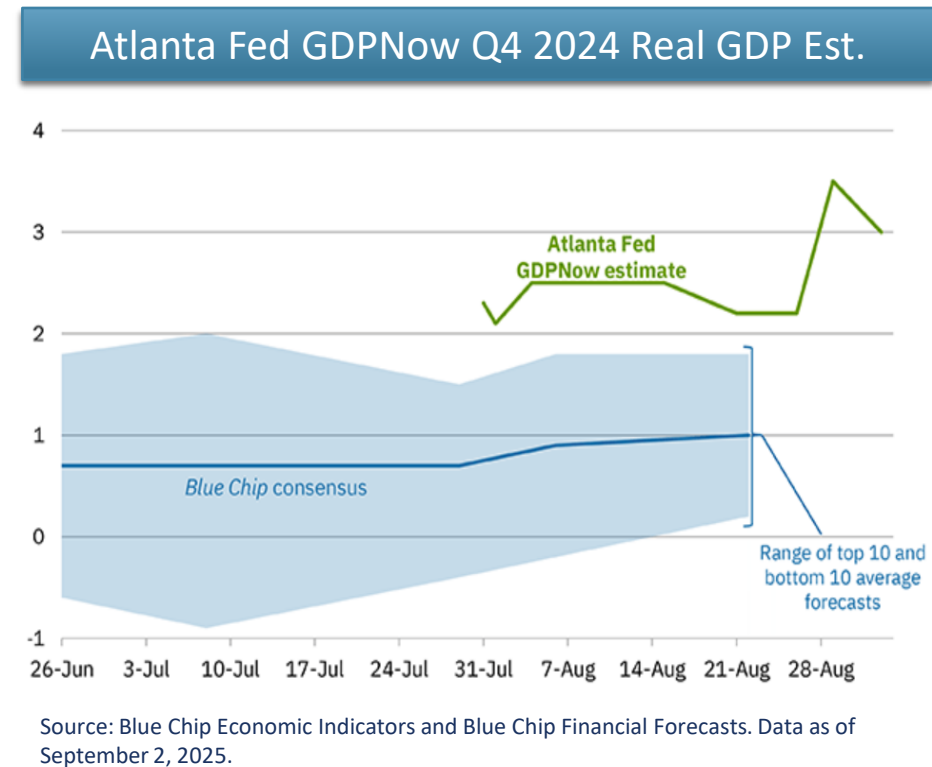
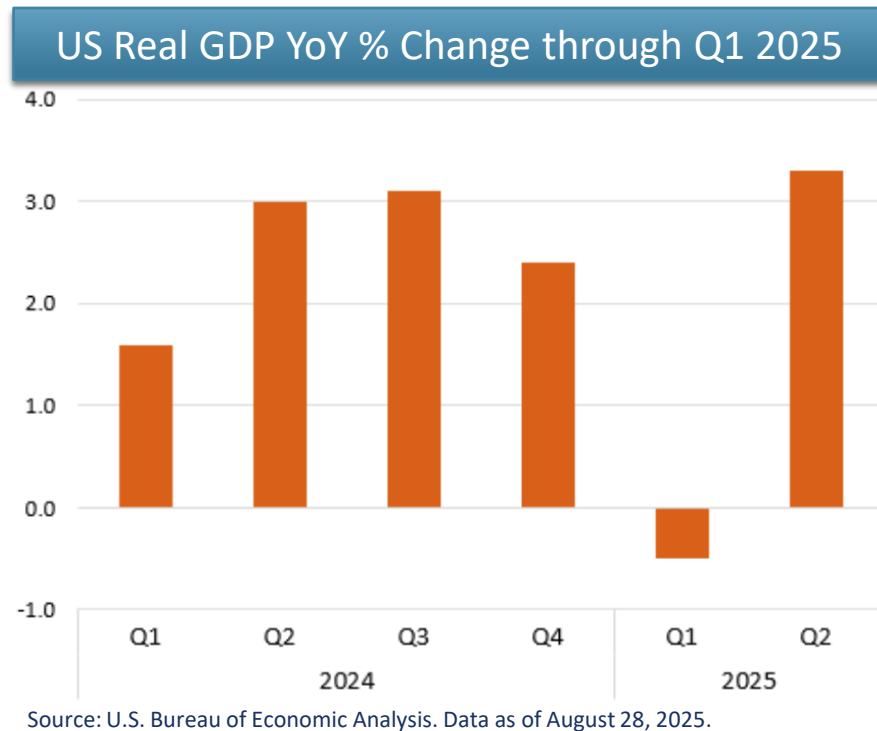
Inflation via both Jul CPI came in mixed, showing some early signs of tariffs' effects. Meanwhile, Jul PPI came in hotter than expected, driven by final demand services. Market is now pricing in a 95.6% chance of rate cut in Sep



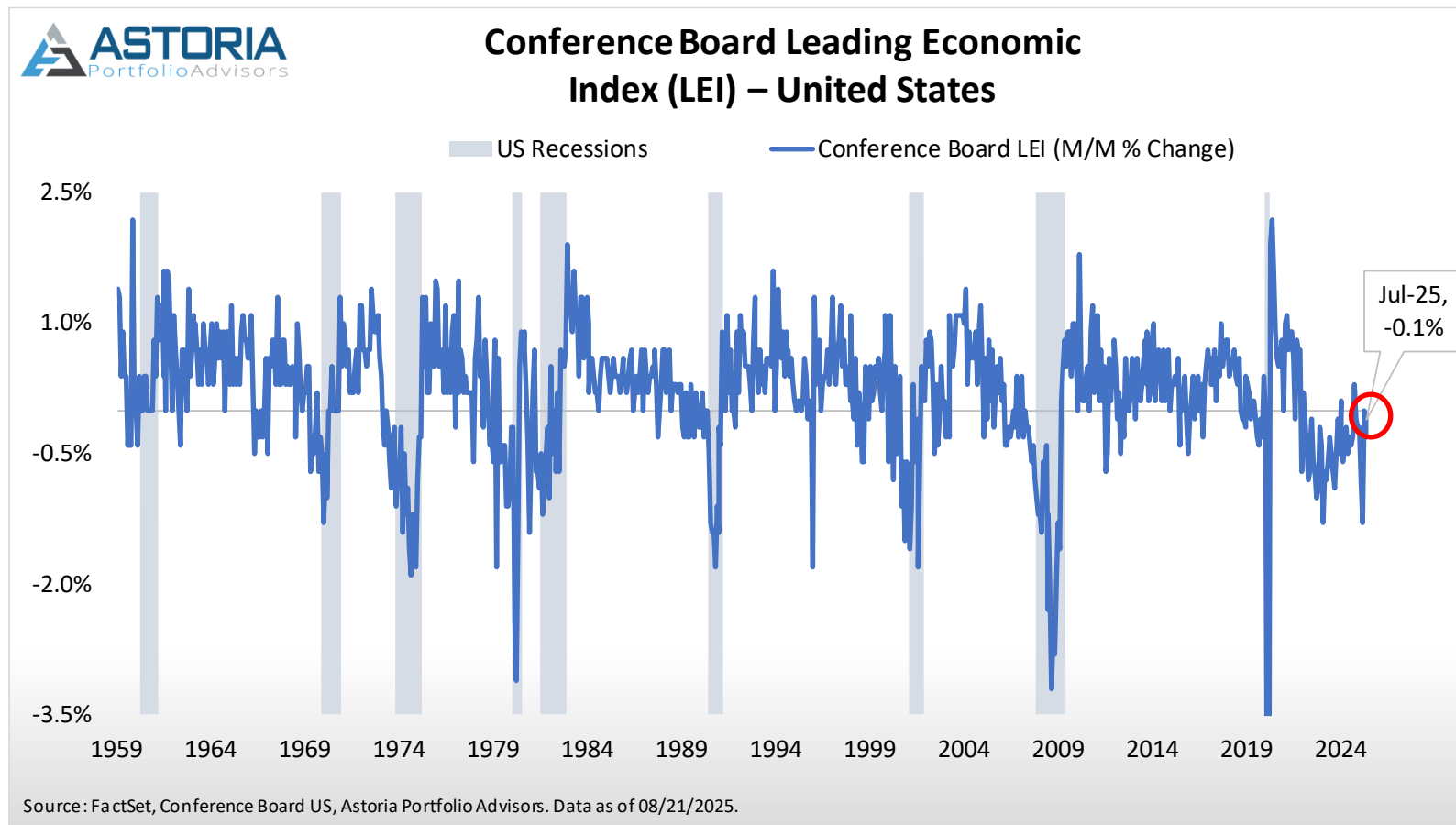
Jul PCE printed mostly in-line and increased from jun, marking fourth straight monthly rise and highest since Jan. Both personal spending increased from the prior month



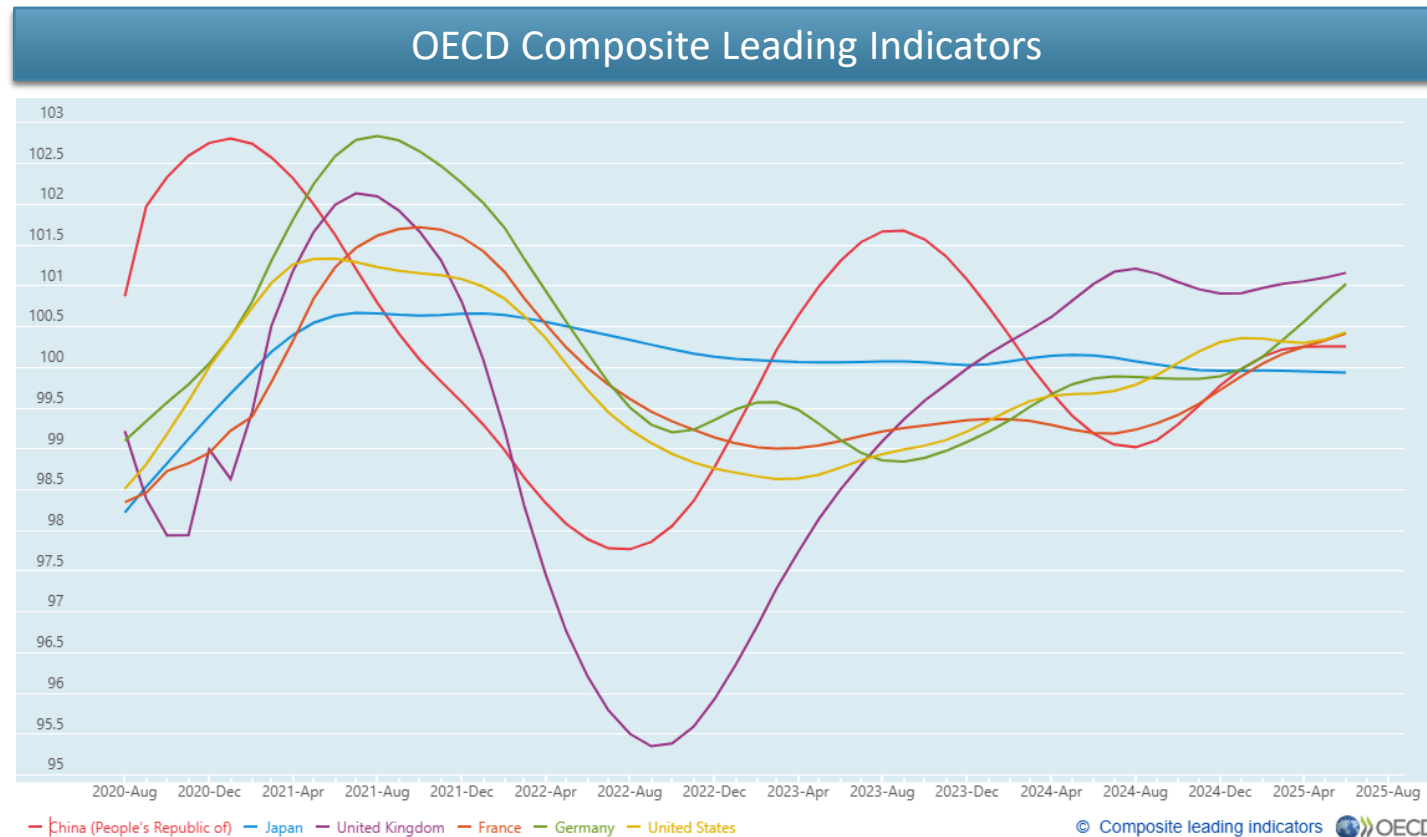
US Real GDP for Q2 2025 printed 3.3% per the second estimate, above the forecast and up from Q1 2025's -0.5%. The Atlanta Fed's GDPNow expects Q3 2025 GDP to maintain the momentum via the latest 3.0% estimate...



... but the Conference Board LEI continued to fall in June, signaling uncertainty for economic conditions ahead

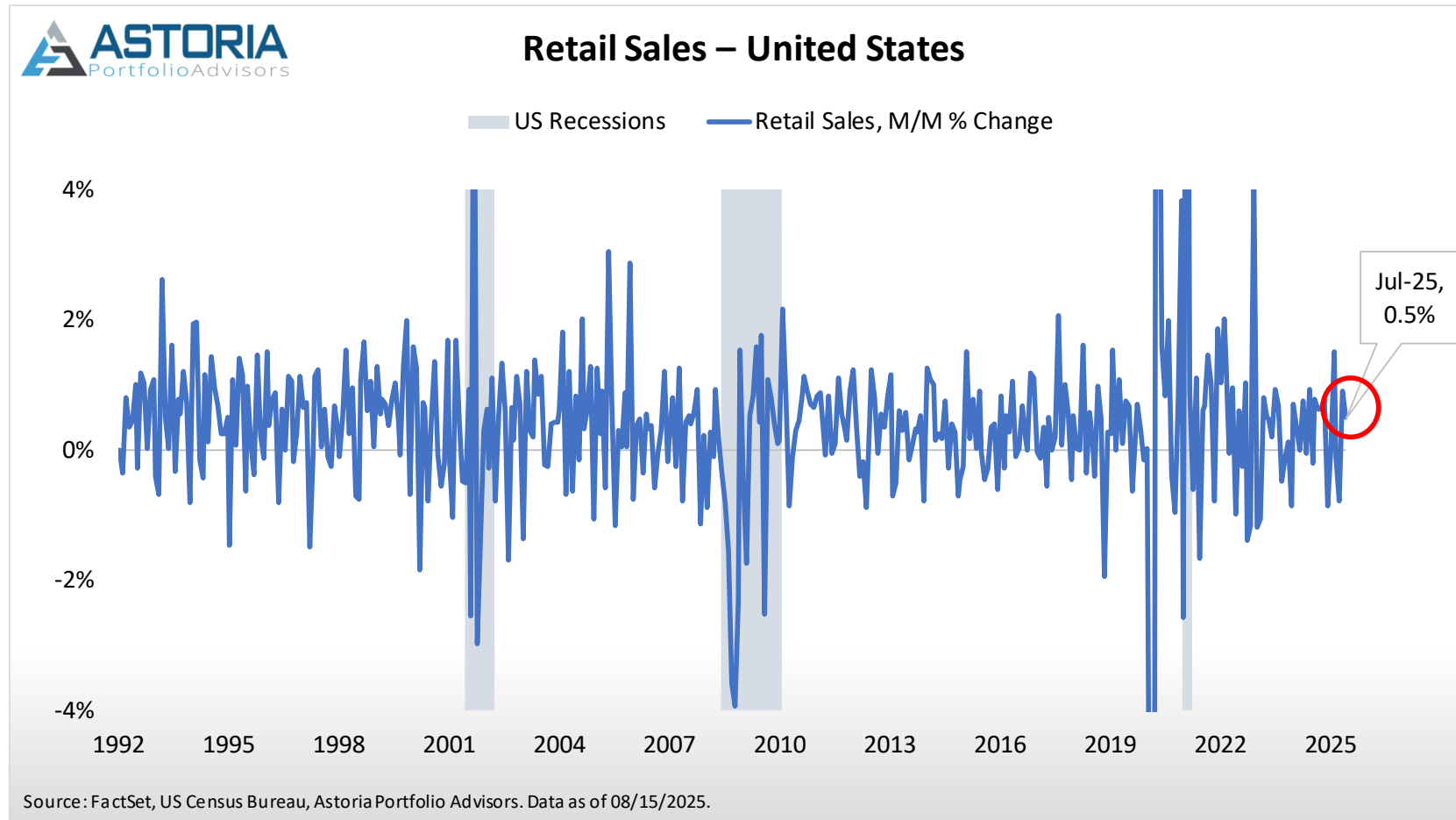


Leading Indicators have improved in United Kingdom (purple) and Germany (green) and remain strong in the United States (yellow), China (Red), and France (orange). Otherwise, they've slightly declined in Japan (blue) (100 = hist. median)

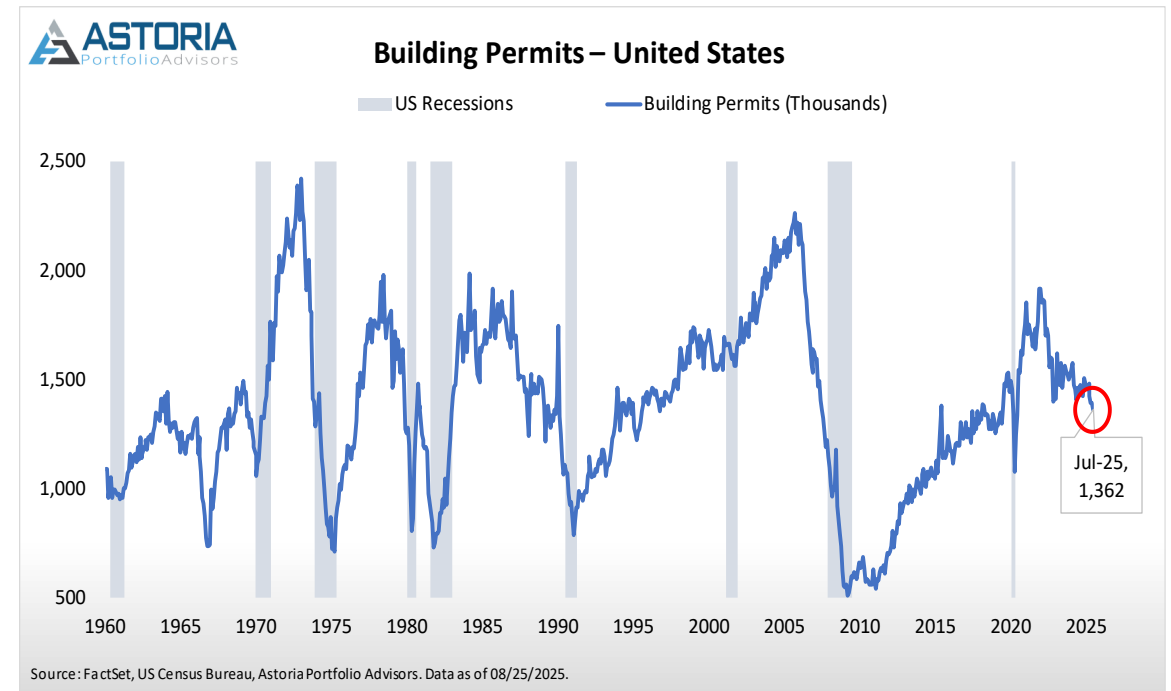
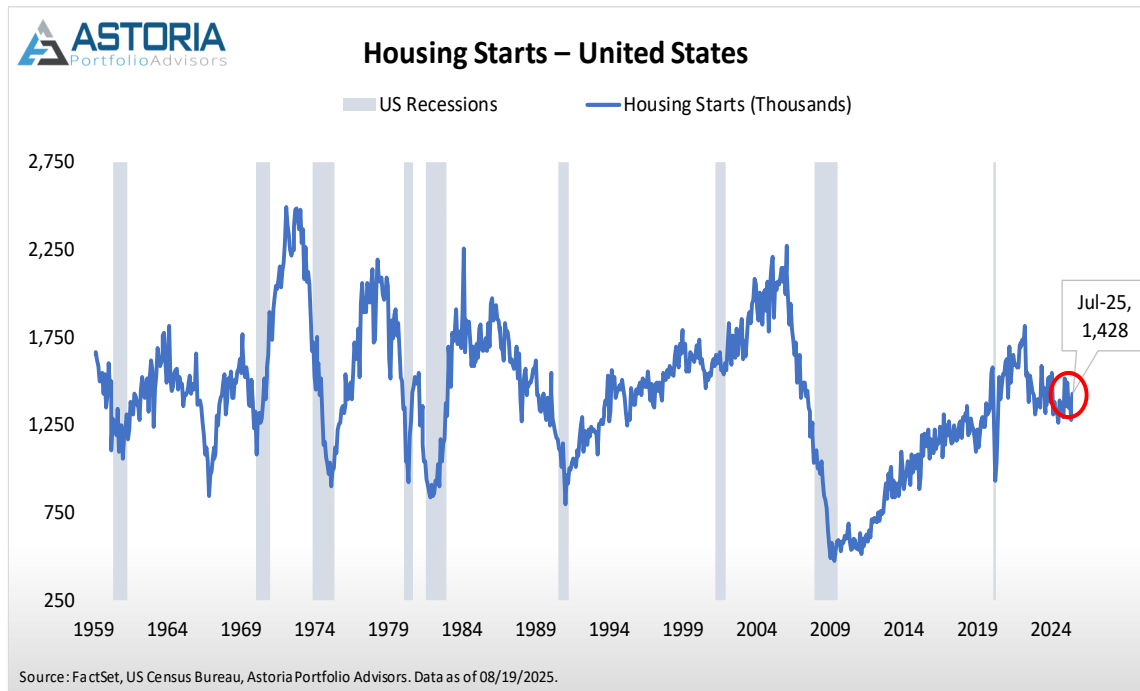


Source: OECD.org. Data as of July 27, 2025.

# Retail Sales increased in Jul, previous month also saw meaningful upward revision

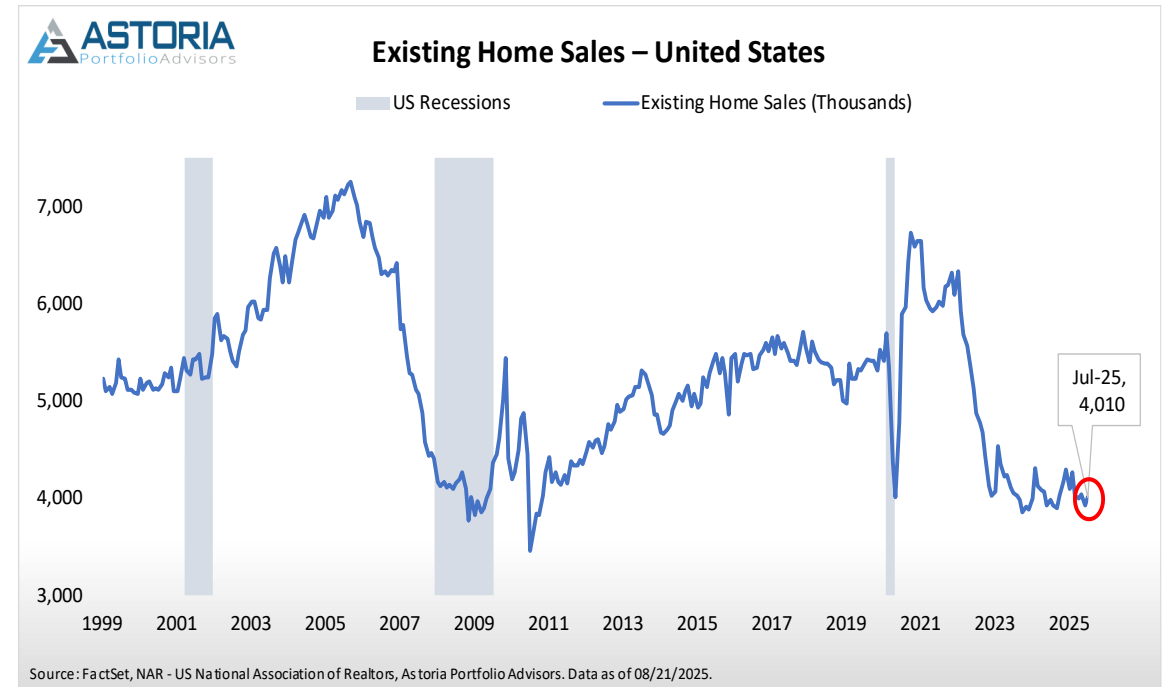
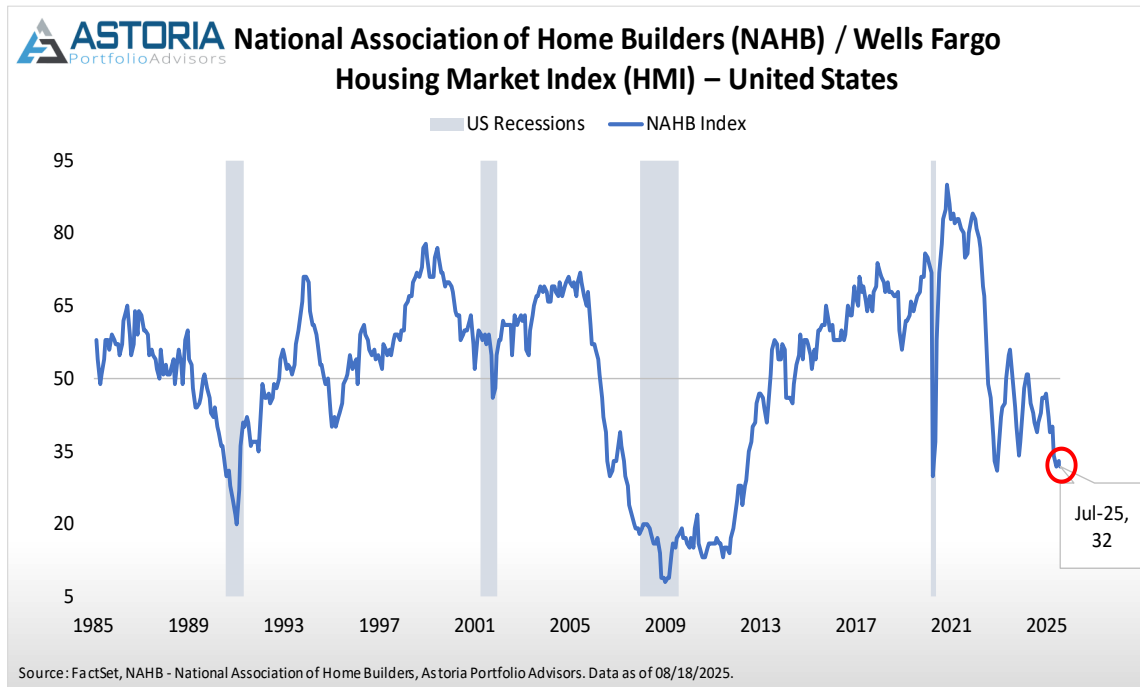


Both Jul Housing Starts and Building Permits (final) rose from prior month. Survey showed mortgage applications decreased by 10%

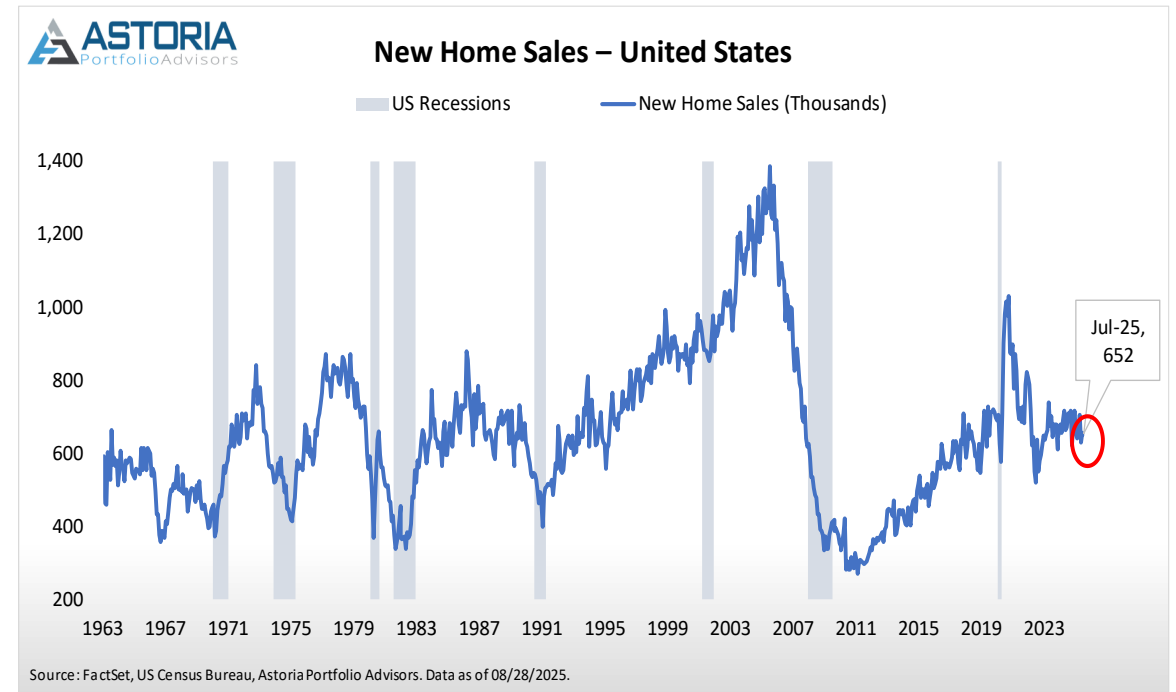
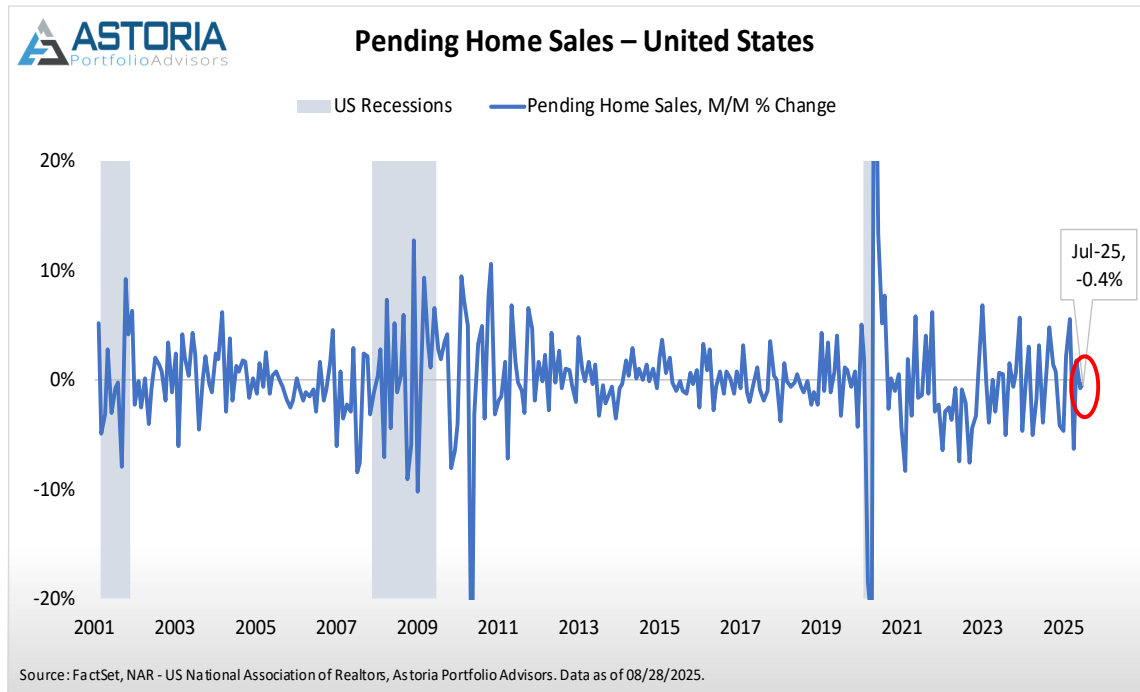




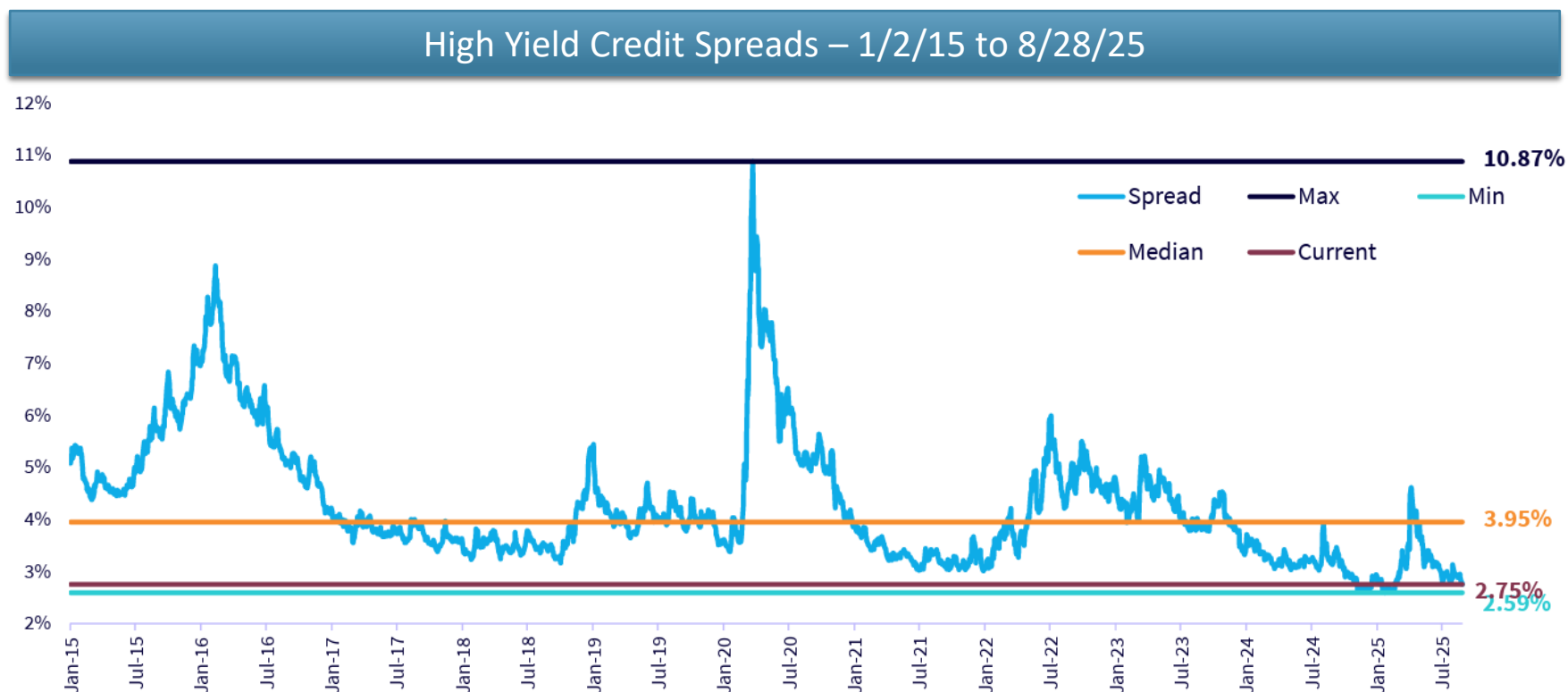
Aug NAHB HMI slightly missed expectation and decreased from Jul; print remains in contractionary territory. Jul Existing Home Sales beat consensus and improved from Jun



Pending Home Sales missed expectations and continue to decline, while Jul New Home Sales slightly declined from Jun. Reports suggest elevated mortgage rates remain a challenge for both buyers and sellers



After spiking earlier in the year, High Yield Credit Spreads have tightened as some policy uncertainty has dissipated, and recession risks have decreased



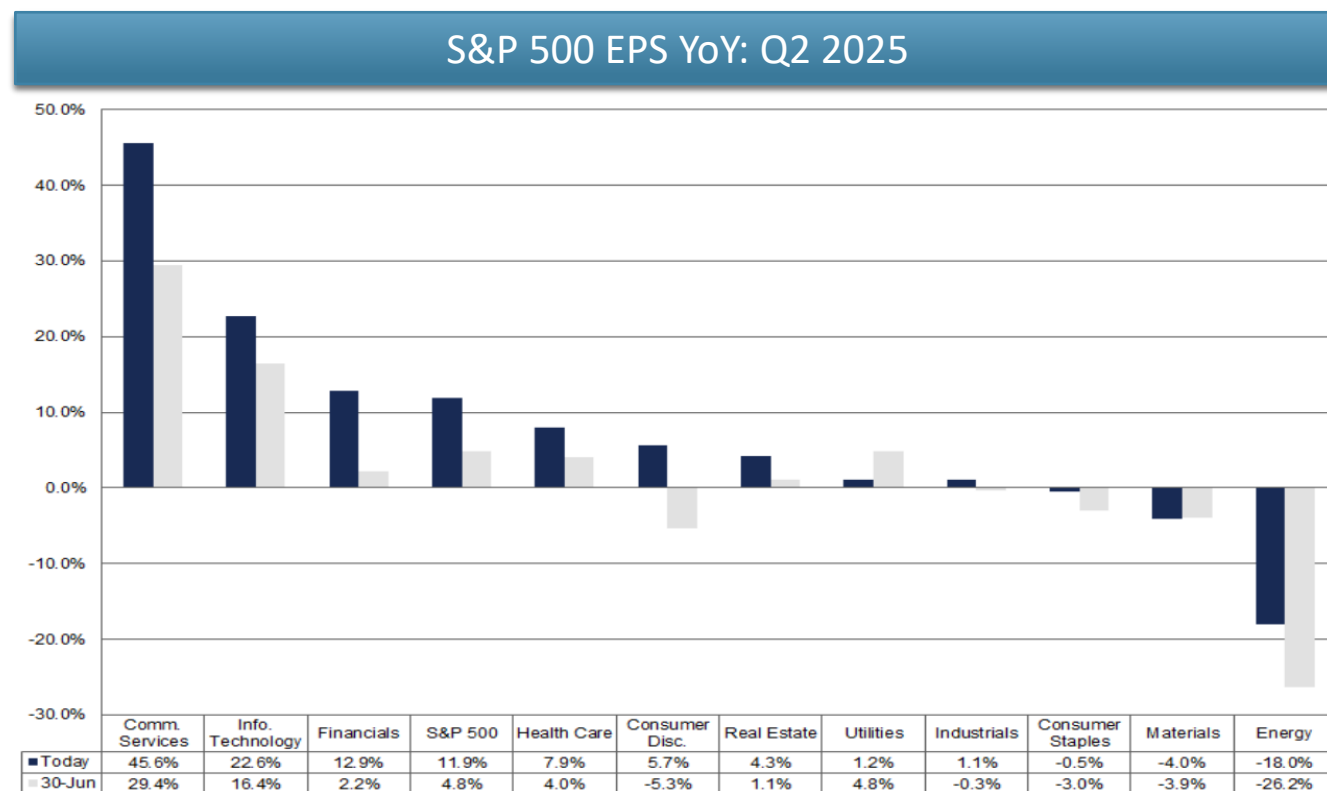
Source: WisdomTree Daily Dashboard. Data as of August 28, 2025.

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# Earnings/Valuation Indicators

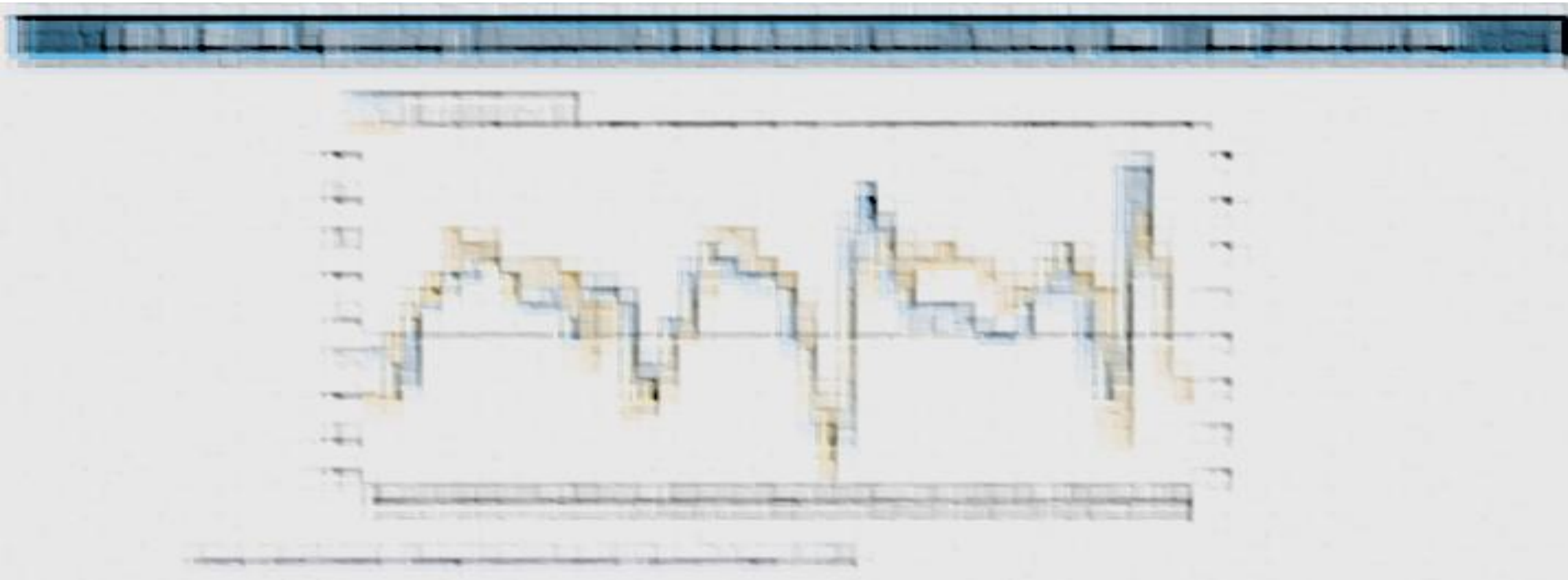


Q2 2025 Earnings: 98% of S&P 500 company have reported actual results, 81% of companies beat; blended earnings growth = 11.9%, above the June end estimate of 4.8%



Source: FactSet. Data as of August 29, 2025.

**To access more of our macroeconomic insights and business cycle indicators on slides 22-47, please contact Frank Tedesco ([ftedesco@astoriaadvisors.com](mailto:ftedesco@astoriaadvisors.com)).**



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