

3/10/2025

## The Week Ahead



## THINGS TO WATCH

## Inflation Data

On Wednesday morning, consumer price index (CPI) data for February is projected to show headline U.S. inflation rose 0.3% last month and by 2.9% on a year-over-year basis. If the readings meet expectations, they would mark slowdowns from 0.5% and 3.0%, respectively, in January.

## Oracle (ORCL)

Investors will be looking for the software giant to maintain a 50% annual growth rate in its Oracle Cloud Infrastructure business when it reports quarterly results post-market today. They will also want to see the company's remaining performance obligations, a key measure of future revenue, reaccelerate after ticking down 2% to \$97 billion last quarter. Any update from ORCL on a potential stake in TikTok or its \$500 billion Stargate joint venture with OpenAI and Softbank will also be newsworthy.

## Retailers

An assortment of U.S. retailers delivers results this week. To get a read on consumer sentiment at both ends of the income spectrum, we'll want to see 1) by how much Dollar General's (DG) customer base has prioritized needs-based purchases over discretionary buys and 2) if high-end home furnishing sales have remained strong for Williams-Sonoma (WSM). Meanwhile, Dick's Sporting Goods (DKS) and Ulta Beauty (ULTA) likely benefitted from strong holiday spending.

## Industrials Conference

At JPMorgan's 2025 Industrials Conference this week, comments from Delta Air Lines (DAL), United Airlines (UAL), and Southwest Airlines (LUV) could shed light on consumer and business travel demand trends heading into the spring. Updates from defense contractors CACI International (CACI) and Lockheed Martin (LMT) could make waves given uncertainty surrounding Pentagon spending priorities. We will also hear from manufacturers tied to the AI data center and electricity grid buildouts, including Vertiv (VRT) and Trane Technologies (TT).

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
ISM Manufacturing PMI	50.3	48.4	▲
ISM Manu. New Orders PMI	48.6	50.3	▼
ISM Services PMI	53.5	52.5	▲
Non-Farm Payrolls (Thousands)	151	261	▼
Unemployment Rate	4.0%	4.1%	▼
Average Hourly Earnings (Y/Y)	4.0%	4.2%	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	42801.72	-0.86%	0.96%	12.48%
NASDAQ	18196.22	-0.81%	-5.65%	13.94%
S&P 500	5770.20	-1.32%	-1.65%	14.11%
MSCI EAFE	2495.73	2.36%	11.67%	9.90%
BB U.S. Aggregate	2236.01	-0.82%	2.15%	3.90%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	4.30%	4.33%	5.38%
10-Year Treasury	4.30%	4.49%	4.08%

REPORTS DUE THIS WEEK	LATEST
NFIB Small Business Optimism	102.8
JOLTS Job Openings (Millions)	7.60
Consumer Price Index (Y/Y)	3.0%
Core Consumer Price Index (Y/Y)	3.3%
Producer Price Index (Y/Y)	3.5%

Total returns are as of 3/7/25. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

## NUMBERS OF THE WEEK

20.6%

The year-to-date return in U.S. dollar terms of the blue-chip German DAX Index through the end of last week. The country's new coalition government plans to dramatically increase fiscal spending focused on defense and infrastructure. This has helped drive fund inflows and boosted investor sentiment. The German market has also benefitted from growing expectations of a truce in the Russia-Ukraine war and the associated reduction of energy input costs for Germany's manufacturing base.

10,000

The decline in federal jobs during February according to last Friday's nonfarm payrolls report, from a 30-year non-recessionary high of 3,017,000 in January. Most economists and market watchers expect federal payrolls to decline by another 5%-10% in 2025 amid cutbacks from the Department of Government Efficiency. Notably, state and local government payrolls gained 16,000 last month to an all-time high of 15,076,000.

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