

3/17/2025

The Week Ahead



THINGS TO WATCH

Fed Meeting: Release the Doves?

On Wednesday, Fed Chair Jay Powell and his colleagues are expected to hold the central bank's policy rate in a range of 4.25%-4.5%, but shift their messaging toward a dovish bias given recent signs of softening economic data and trade war-related uncertainty. Current market expectations are for 0.50%-0.75% worth of rate cuts in the second half of the year. We will get updated projections from Fed officials on where they expect the policy rate, GDP growth, inflation, and the unemployment rate will be at the end of 2025 and beyond.

Relief Rally Prospects

After entering 10%-plus correction territory for a good part of last Thursday, the S&P 500 rebounded from oversold conditions on Friday. For the short-term trajectory of the market, it will be important to see some follow through this week back toward the benchmark's 200-day moving average near 5,740 (1.8% above last week's closing level).

RFK and the Food Companies

U.S. Secretary of Health and Human Services Robert F. Kennedy Jr. will reportedly meet this week with top executives from several major food and beverage firms, including General Mills (GIS) and PepsiCo (PEP). The meeting could serve as a first step in Kennedy's Make America Healthy Again campaign, which blames ingredients in processed foods for increasing chronic diseases in children.

NVIDIA Conference

The world's largest designer of AI-enabled semiconductors will host its annual GTC Developers Conference in San Jose this week. CEO Jensen Huang's keynote address tomorrow at 10am PT will focus on coming trends in agentic AI, real-world applications including robotics, and accelerated computing. Investors will likely focus on Huang's comments regarding demand, production, and profitability trends for its Blackwell family of GPUs.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
NFIB Small Business Optimism	100.7	101.7	▼
JOLTS Job Openings (Millions)	7.74	7.62	▲
Consumer Price Index (Y/Y)	2.8%	2.7%	▲
Core Consumer Price Index (Y/Y)	3.1%	3.3%	▼
Producer Price Index (Y/Y)	3.2%	2.9%	▲
U. of Mich. Consumer Sentiment	57.9	74.0	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	41488.19	-2.98%	-2.10%	8.53%
NASDAQ	17754.09	-2.40%	-7.92%	10.88%
S&P 500	5638.94	-2.23%	-3.86%	10.94%
MSCI EAFE	2443.97	-0.85%	10.71%	9.50%
BB U.S. Aggregate	2239.44	-0.07%	2.07%	5.07%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	4.29%	4.31%	5.39%
10-Year Treasury	4.32%	4.48%	4.29%

REPORTS DUE THIS WEEK	LATEST
Retail Sales (M/M)	-0.9%
Housing Starts (Millions Annualized)	1.37
Building Permits (Millions Annualized)	1.47
Existing Home Sales (Millions Annualized)	4.08

Total returns are as of 3/14/25. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

82%

According to data from Morgan Stanley and the U.S. International Trade Administration, aluminum imports accounted for 82% of total U.S. demand for the metal in 2023. Just 18% of U.S. aluminum consumption is produced domestically. Canada accounts for 58% of aluminum imports into the U.S. by volume. The United Arab Emirates (6%) and China (4%) are a distant second and third place. Rising labor and energy costs have played a major role in the decline of domestic aluminum and steel production for decades.

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The Mortgage Bankers Association's refinance index hit a 22-week high in the week ended March 7 as the average contract rate on a 30-year fixed-rate mortgage fell for a sixth straight week to 6.67%. The pickup in refinancing activity from historically-low levels ahead of spring selling season could provide a much-needed boost for a housing market that has been largely frozen for the better part of three years.

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