

6/2/2025

The Week Ahead



THINGS TO WATCH

May Labor Market Data

Did the U.S. labor market cool last month? Tomorrow morning, the latest Job Openings and Labor Turnover Survey data could show the number of job openings in the U.S. declined in April by 90,000 to a 4-year low of 7.1 million. Preliminary estimates for May's nonfarm payrolls report (to be released Friday morning) indicate the U.S. economy added 130,000 jobs last month, which would be a deceleration from net additions of 177,000 and 185,000 in April and March, respectively.

Broadcom (AVGO)

After the market closes Thursday, the \$1.1 trillion market capitalization networking chip and software specialist will report results for its quarter ended April 30. AVGO's AI chip business is expected to have grown 7% from the previous quarter and 41% from the same period a year ago. The company is widely viewed as the global leader in custom Application-Specific Integrated Circuits (ASICs), with major projects underway for Alphabet (GOOGL), Meta Platforms (META), and ByteDance.

Auto Sales

Total sales of vehicles in the U.S. during May likely dropped to an annualized rate below 16 million units. This follows a spike in the data series above 17 million units in March and April for the first time in four years amid consumers' decisions to front-run U.S. tariffs. Most automakers have resisted raising prices on current inventory so far. That could change this summer, however, when those inventories are exhausted and new production costs are likely to increase.

Big Beautiful Bill Heads to Senate

Among the top priorities of the U.S. Senate after it returns from recess this week will be making revisions to the tax-and-spending bill recently passed by the House of Representatives. Areas of review could include cuts to Medicaid and the Supplemental Nutrition Assistance Program, defense and border control spending, and the increased State and Local Tax deduction cap.

LAST WEEK'S ECONOMIC DATA

	LATEST	3MO PRIOR	CHANGE
Durable Goods Orders (M/M)	-6.3%	0.2%	▼
Conf. Board Consumer Confidence	98.0	100.1	▼
S&P CoreLogic CS 20-City U.S. HPI (Y/Y)	4.1%	4.5%	▼
Core PCE Price Index (Y/Y)	2.5%	2.7%	▼
U. of Mich. Consumer Sentiment	52.2	64.7	▼
U. of Mich. 1-year Inflation Expectations	6.6%	4.3%	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	42270.07	1.67%	0.08%	11.16%
NASDAQ	19113.77	2.02%	-0.73%	15.04%
S&P 500	5911.69	1.90%	1.06%	13.50%
MSCI EAFE	2600.33	0.87%	17.46%	12.85%
BB U.S. Aggregate	2242.58	0.88%	2.55%	5.56%

KEY BOND RATES

	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	4.33%	4.31%	5.40%
10-Year Treasury	4.51%	4.38%	4.48%

REPORTS DUE THIS WEEK

	LATEST
ISM Manufacturing PMI	48.7
ISM Services PMI	51.6
JOLTS Job Openings (Millions)	7.19
Non-Farm Payrolls (Thousands)	177
Unemployment Rate	4.2%

Total returns are as of 5/30/25. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

\$8 billion

As part of its fiscal 1Q26 results last week, NVIDIA (NVDA) identified \$8 billion in forfeited revenue related to the Trump administration's recent ban of H20 chip sales to China. Excluding these H20 sales, NVDA expects to generate \$45 billion in revenue during the May-July period. This would be a 3% sequential gain from the prior quarter and 50% year-over-year growth. If the H20 sales were allowed to occur, the sequential and Y/Y growth forecasts would have been 14% and 77%, respectively.

14%

The UBS High Volatility Index, an equal-weighted basket of 100 publicly listed U.S. stocks with the highest realized price volatility over the last 260 trading days, surged 14% in May. This was more than double the 6.2% return of the S&P 500 last month and the basket's strongest monthly return since November 2024 following the Republican sweep election. Periods in which groups of higher volatility and lower quality stocks outperform often indicate elevated risk appetite.

DISCLOSURES



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