

7/21/2025

The Week Ahead



THINGS TO WATCH

Defense Contractors

Lockheed Martin (LMT), Northrop Grumman (NOC), General Dynamics (GD), RTX Corp. (RTX), and L3 Harris Technologies (LHX) are all set to report earnings this week. Alongside the usual investor focus on backlog growth and program cost trends, management commentary on President Trump's proposed "Golden Dome" missile defense initiative could draw headlines. Investors will also be watching for updates on potential DOGE-related spending cuts, margin pressures tied to tariffs, and the implications of increased European defense budgets.

Trump AI Speech

President Trump plans to unveil his administration's AI strategy in an address on Wednesday titled "Winning the AI Race" at an event organized by White House cryptocurrency czar David Sacks. Trump is expected to emphasize U.S. technological dominance over China. The policy blueprint is expected to promote private investment, reduce regulation, and expand energy infrastructure for AI data centers. It also reverses some Biden-era AI chip export restrictions. The initiative will likely aim to preempt state laws and support innovation through federal oversight.

Tesla (TSLA)

The EV giant will report 2Q25 results Wednesday amid a challenging backdrop of weaker deliveries, profit margin compression, and leadership turnover. Investors will be closely watching to see if price cuts and operational efficiencies can help offset these near-term headwinds. Potential stock catalysts include updates on the timeline for a mass-market vehicle, progress on scaling its robotaxi program, the financial impact of lost EV tax credits, and the 2026 production goal for the Optimus humanoid robot.

Home Sales Data

The June readings of U.S. new homes sales and existing home sales will be released Wednesday and Thursday, respectively. Thirty-year mortgage rates near 7% and high prices continue to strain affordability and keep potential buyers on the sidelines. Homebuilders have increased sales incentives in recent months to deplete bloated inventories.

LAST WEEK'S ECONOMIC DATA

	LATEST	3MO PRIOR	CHANGE
Consumer Price Index (Y/Y)	2.7%	2.4%	▲
Core Consumer Price Index (Y/Y)	2.9%	2.8%	▲
Producer Price Index (Y/Y)	2.3%	3.2%	▼
Retail Sales (M/M)	0.6%	1.5%	▼
Housing Starts (Millions Annualized)	1.32	1.36	▼
U. of Mich. Consumer Sentiment	61.8	52.2	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	44342.19	-0.05%	5.20%	10.98%
NASDAQ	20895.66	1.51%	8.62%	17.79%
S&P 500	6296.79	0.61%	7.83%	15.07%
MSCI EAFE	2629.47	-0.66%	18.88%	13.86%
BB U.S. Aggregate	2255.52	0.06%	3.24%	3.75%

KEY BOND RATES

	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	4.33%	4.32%	5.33%
10-Year Treasury	4.42%	4.39%	4.20%

REPORTS DUE THIS WEEK

	LATEST
Existing Home Sales (Millions Annualized)	4.03
New Home Sales (Thousands Annualized)	623
S&P Global U.S. Manufacturing PMI	52.9
S&P Global U.S. Services PMI	52.9

Total returns are as of 7/18/25. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

3.3%

According to data aggregated by Bloomberg Intelligence as of last Friday, S&P 500 adjusted EPS are expected to rise 3.3% year-over-year in 2Q25, down sharply from 13.6% growth in the first quarter. This marks a notable downgrade from the 7.4% estimate for 2Q25 profit growth in early April. The biggest downward profit growth revisions over the last three months have been in the energy (-10% to -24%), healthcare (10% to 2%), and consumer discretionary (2% to -6%) sectors.

40%

Ethereum has surged nearly 40% month-to-date through last Friday, driven by the passage of the GENIUS Act and rising institutional inflows into ETFs linked to the cryptocurrency. The legislation offers a clear regulatory framework for stablecoins, most of which operate on the Ethereum network. This has seemingly boosted confidence in Ethereum's role as an increasingly important component of global financial infrastructure.

DISCLOSURES



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