

9/8/2025

The Week Ahead



THINGS TO WATCH

Wholesale and Consumer Inflation Trends

In July, we saw a substantial gap open up between the 0.9% monthly increase in the producer price index (PPI) and a more modest 0.2% gain in the consumer price index (CPI). In theory, this would put pressure on future corporate profit margins, as PPI is often viewed as a proxy for input costs, while CPI is an aggregation of prices consumers pay companies for goods and services. PPI data to be released for August on Wednesday morning is expected to show wholesale prices slowed to a 0.3% increase last month, while CPI data on Thursday is projected to have ticked higher to a rate of 0.3%. On a year-over-year basis, CPI is likely to have accelerated to 2.9% from 2.7% in August.

BLS Preliminary Revisions

Tomorrow, the Bureau of Labor Statistics will release preliminary benchmark revisions to monthly payrolls from April 2024 through March 2025. These revisions align monthly job estimates with the more comprehensive Quarterly Census of Employment and Wages. Early analysis suggests payrolls could be revised down by 470,000–740,000 jobs, implying average monthly gains of 88,000–110,000 versus the 149,000 currently reported. This would mark a second consecutive large downward adjustment, reinforcing evidence that the labor market has cooled more than headline data suggested. While revisions largely reflect the late Biden-era economy, a softer job market may strengthen the case for more aggressive Fed rate cuts in September.

Goldman Sachs Conference

Notable companies presenting at Goldman's Communacopia and Technology conference in San Francisco this week include Alphabet (GOOGL), Meta Platforms (META), Broadcom (AVGO), Visa (V), Salesforce.com (CRM), T-Mobile US (TMUS), and Cadence Design Systems (CDNS). The annual conference serves as a platform for companies to discuss business performance, industry trends, and strategic direction with the investment community.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
ISM Manufacturing PMI	48.7	48.5	▲
ISM Services PMI	52.0	49.9	▲
JOLTS Job Openings (Millions)	7.18	7.40	▼
Non-Farm Payrolls (Thousands)	22	19	▲
Unemployment Rate	4.3%	4.2%	▲
Average Hourly Earnings (Y/Y)	3.7%	3.8%	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	45400.86	-0.26%	8.03%	13.33%
NASDAQ	21700.39	1.16%	12.92%	27.62%
S&P 500	6481.50	0.36%	11.18%	19.32%
MSCI EAFE	2699.87	0.34%	23.49%	16.38%
BB U.S. Aggregate	2308.63	0.98%	6.03%	2.96%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	4.00%	4.23%	5.06%
10-Year Treasury	4.08%	4.21%	3.73%

REPORTS DUE THIS WEEK	LATEST
Consumer Price Index (Y/Y)	2.7%
Core Consumer Price Index (Y/Y)	3.1%
Producer Price Index (Y/Y)	3.3%
U. of Mich. Consumer Sentiment	58.2
U. of Mich. 1-year Inflation Expectations	4.8%

Total returns are as of 9/5/25. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

8.29%

The S&P 500 consumer discretionary sector (+7.91%) has outpaced the consumer staples sector (-0.38%) by 8.29% so far in 3Q25 through last Friday. This is the third strongest relative performance in favor of the consumer discretionary sector through the first 10 weeks of the third quarter since 1990. The top 3 performers in the sub-index QTD are homebuilders D.R. Horton (DHI) and Pulte Group (PHM), along with casino operator Wynn Resorts (WYNN).

51

The year-over-year core consumer price index (CPI), which excludes food and energy, has registered a reading above 2% for 51 straight months from April 2021 through July 2025. During this stretch, the measure has ranged from a high of 6.6% in March 2022 to a low of 2.8% in April 2025. The last time core CPI registered a 2%-plus reading for 51 straight months was a generation ago from February 1995 through April 1999. This Thursday, Y/Y core CPI for August is projected to be 2.9%.

DISCLOSURES



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