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The Week Ahead



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THINGS TO WATCH

Fed Decision

The Federal Open Market Committee (FOMC) is widely expected to leave its policy rate unchanged in a 4.25%-4.5% range on Wednesday despite recent public pressure from President Trump and Vice President Vance. At his post-meeting conference, Fed Chair Jerome Powell could be more willing to signal forthcoming rate cuts given four straight months of softer-than-expected consumer price index data. In recent weeks, Powell and his FOMC colleagues have emphasized they will take a wait-and-see approach given the uncertain economic impact of recently imposed tariffs.

Israel-Iran Conflict

Tensions between Israel and Iran remain high following a set of wide-ranging missile attacks late last week. A series of Israeli strikes last Thursday night targeted nuclear development and ballistic missile sites in Iran and killed several high-ranking Iranian military officials. Iran responded Friday by launching hundreds of missiles at targets across Israel. U.S. Secretary of State Marco Rubio said the U.S. was not involved in the air strikes and is focused on protecting American forces and diplomats in the region. WTI crude oil surged 8% to near \$75/barrel last Friday and gold climbed 1.5% to \$3,440/ounce, within 2% of its all-time high.

May Retail Sales

Tomorrow's retail sales data for May could show U.S. consumer purchases of retail goods fell 0.7% last month based on the consensus estimate in a Bloomberg survey. A pullback in spending on items disproportionately produced in China (sporting goods, toys, hobby-store items) after substantial price increases in April could have offset resilient spending in other areas.

Consumer-Focused Earnings

Quarterly results and commentary this week from homebuilder Lennar (LEN), Olive Garden owner Darden Restaurants (DRI), grocery chain Kroger (KR), and used car retailer CarMax (KMX) should provide some insight into consumer spending trends in several key categories.

LAST WEEK'S ECONOMIC DATA

	LATEST	3MO PRIOR	CHANGE
NFIB Small Business Optimism	98.8	100.7	▼
Consumer Price Index (Y/Y)	2.4%	2.8%	▼
Core Consumer Price Index (Y/Y)	2.8%	3.1%	▼
Producer Price Index (Y/Y)	2.6%	3.4%	▼
U. of Mich. Consumer Sentiment	60.5	57.0	▲
U. of Mich. 1-year Inflation Expectations	5.1%	5.0%	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	42197.79	-1.30%	-0.01%	11.13%
NASDAQ	19406.83	-0.61%	0.83%	10.65%
S&P 500	5976.97	-0.36%	2.24%	11.47%
MSCI EAFE	2643.82	-0.57%	18.01%	14.93%
BB U.S. Aggregate	2256.23	0.70%	2.75%	4.03%

KEY BOND RATES

	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	4.35%	4.37%	5.38%
10-Year Treasury	4.41%	4.47%	4.24%

REPORTS DUE THIS WEEK

	LATEST
Retail Sales (M/M)	0.1%
Housing Starts (Millions Annualized)	1.36
Building Permits (Millions Annualized)	1.42
Continuing Jobless Claims (Thousands)	1,956

Total returns are as of 6/13/25. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

5.1%

The University of Michigan's preliminary sentiment survey for June showed U.S. consumers expect inflation to increase 5.1% over the next 12 months, down from 6.6% just two weeks ago in the final survey for May. Softening inflation expectations have coincided with a recent de-escalation in the evolving trade disputes between the U.S. and most other nations. Fed Chair Powell has stressed a major objective of policymakers is to keep inflation expectations well-anchored.

70%

Oracle's (ORCL) management team projected the database software and cloud computing giant's Cloud Infrastructure (OCI) segment would generate 70% revenue growth in the company's fiscal year 2026, up from 50% growth in 2025. They pointed to strong AI-driven demand for its computational power and data storage as the main driver of the optimistic outlook. OCI revenue of \$3 billion in ORCL's quarter ended May 31 accounted for 19% of its \$15.9 billion in total revenue during the period.

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