

5/27/2025

The Week Ahead



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THINGS TO WATCH

NVIDIA (NVDA)

Tomorrow afternoon, the world's largest semiconductor company is expected to report revenue of \$43.4 billion in its quarter ended April 30. This would be a 10% sequential gain from the prior quarter and a 68% increase from the same period a year ago. Analysts expect NVDA's July-quarter (fiscal 2Q26) revenue guidance to be \$46.4 billion, which would mark a slight deceleration in sequential growth to 7%. NVDA's gross margin in the period will be top of mind for investors as the production ramp-up of its Blackwell chip family led management to project the metric would hit a two-year low of 71% this period before rebounding to the mid-70%'s by the end of the year.

Core PCE

On Friday morning, data from the Bureau of Economic Analysis is likely to show the U.S. core personal consumption expenditures (PCE) index rose 0.2% in April following gains of 0.03%, 0.50% and 0.34% in the first three months of the year. On a year-over-year basis, the preferred inflation gauge of Fed officials is expected to register a 2.6% reading, unchanged from March. Investors' timeline for a prospective resumption in Fed rate cuts could get pushed from September to later in the year if core PCE is above expectations.

Key Technical Levels

The S&P 500 could be on the cusp of a consolidation phase in coming weeks after staging a blistering 20% recovery from its April 8 closing low of 4,982.77 to its recent high of 5,963.60 last Monday. The benchmark lost some of its steam last week as higher bond yields and a resumption of tariff tensions resulted in a 2.6% weekly decline and a Friday close of 5,802.82. This week, the index's 100-day moving average (5,766) and 200-day moving average (5,773) will almost certainly be in play and could serve as either important support or resistance levels.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
Continuing Jobless Claims (Thousands)	1,903	1,861	▲
S&P Global U.S. Manufacturing PMI	52.3	52.7	▼
S&P Global U.S. Services PMI	52.3	51.0	▲
Existing Home Sales (Millions Annualized)	4.00	4.09	▼
New Home Sales (Thousands Annualized)	743	662	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	41603.07	-2.43%	-1.56%	8.39%
NASDAQ	18737.21	-2.45%	-2.70%	12.77%
S&P 500	5802.82	-2.58%	-0.82%	11.62%
MSCI EAFE	2579.57	0.92%	16.44%	12.97%
BB U.S. Aggregate	2223.09	-0.43%	1.66%	4.69%

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
Durable Goods Orders (M/M)	7.5%
Conf. Board Consumer Confidence	86.0
Core PCE Price Index (Y/Y)	2.6%
U. of Mich. Consumer Sentiment	50.8
U. of Mich. 1-year Inflation Expectations	7.3%

Total returns are as of 5/23/25. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

\$2,900

According to a recent analysis by the Urban-Brookings Tax Policy Center, the tax-and-spending bill recently passed by the House of Representatives last week by a razor-thin 215-214 margin would provide the average U.S. household a \$2,900 tax cut beginning in 2026. The bill would permanently extend most individual and estate tax provisions from the 2017 Tax Cuts and Jobs Act, add new tax exemptions for overtime pay and tips, and rescind tax credits for electric vehicles and climate projects.

41%

As of last Friday, online prediction marketplace Polymarket listed 41% odds of a recession in the U.S. by the end of 2025 based on criteria outlined by the National Bureau of Economics. This was up slightly from a 6-week low of 36% on May 15, but remains substantially below the 65% probability of a U.S. recession this year listed on April 8 and April 10.

DISCLOSURES



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