

10/6/2025

# The Week Ahead



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## THINGS TO WATCH

### FOMC Minutes

The Federal Open Market Committee's (FOMC) September 16–17 meeting minutes will be released Wednesday, offering insight into the Fed's recent policy shift. Officials voted 11–1 to cut the benchmark rate by 25 basis points to 4.0%–4.25%, with Governor Stephen Miran the lone dissenter. Investors will focus on discussion in the minutes about the pace of rate cuts given the committee raised its 2025 forecasts for economic growth and inflation.

### PepsiCo (PEP)

PepsiCo reports quarterly results Thursday morning, and investors will be watching whether organic sales growth can rebound toward the company's 4%–6% long-term target after a sluggish 18-month stretch. Key questions include whether strong international volumes can offset softer pricing power and margin pressure. Markets will also be listening for management's response to Elliott Investment Management's recent \$4 billion stake and speculation that the activist investor could be pushing for separation of PEP's bottling segment.

### Bitcoin

The world's largest cryptocurrency briefly eclipsed \$125,000 for the first time early Sunday morning. The digital token has benefited from renewed ETF inflows and seems to be getting a boost from enthusiasm about its historical strength in October. Some commentators have suggested the U.S. government shutdown has sparked additional investor demand for Bitcoin as a hedge against expectations for continued U.S. dollar weakness.

### Japanese Politics and Markets

Japan's Nikkei 225 surged 4% overnight to a record high after Sanae Takaichi's surprise victory as leader of the ruling Liberal Democratic Party. Takaichi, known for her support of aggressive fiscal and monetary stimulus, is expected to support a pro-growth policy mix. Shares of major exporters - including automakers and machinery manufacturers - led the rally on expectations of further yen weakness.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
JOLTS Job Openings (Millions)	7.23	7.71	▼
ISM Manufacturing PMI	49.1	49.0	▲
ISM Manu. New Orders PMI	48.9	46.4	▲
ISM Services PMI	50.0	50.8	▼
Conf. Board Consumer Confidence	94.2	95.2	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	46758.28	1.11%	11.36%	12.29%
NASDAQ	22780.51	1.33%	18.60%	26.49%
S&P 500	6715.79	1.12%	15.31%	18.28%
MSCI EAFE	2810.41	2.72%	27.92%	18.77%
BB U.S. Aggregate	2328.90	0.46%	6.46%	4.19%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	3.95%	4.12%	4.58%
10-Year Treasury	4.12%	4.22%	3.85%

REPORTS DUE THIS WEEK	LATEST
Trade Balance (\$ billions)	(78.31)
Continuing Jobless Claims (Thousands)	1,926
U. of Mich. Consumer Sentiment	55.1
U. of Mich. 1-year Inflation Expectations	4.7%

Total returns are as of 10/3/25. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

## NUMBERS OF THE WEEK

**\$500 billion**

OpenAI reached a \$500 billion valuation following a secondary share sale last week that allowed employees to offload \$6.6 billion in stock to investors including SoftBank, Thrive Capital, T. Rowe Price, and Abu Dhabi's MGX. The ChatGPT maker's latest valuation marks a 60% increase from its \$300 billion financing round earlier this year and surpasses SpaceX, making OpenAI the most valuable private company in the United States.

**85%**

Pfizer (PFE) announced last week that it will cut prices on most of its primary care treatments and select specialty drugs by up to 85% and offer them directly to consumers through a new platform called TrumpRx. In return, the Trump administration granted Pfizer a three-year exemption from sectoral pharmaceutical tariffs. PFE shares rallied 15% last week, helping drive an 11% weekly gain in the S&P 500 Pharmaceutical Industry Index.

## DISCLOSURES



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