

11/10/2025

The Week Ahead



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THINGS TO WATCH

Reopening Rally?

Late Sunday night, a small group of Democrats joined Senate Republicans in a 60-40 vote to advance a stopgap spending deal that would reopen the federal government and provide full-year funding for several departments while extending funding through January 30 for others. The bill, which could face procedural delays in the Senate and would be required to be passed by the House of Representatives, would ban new federal layoffs through January 30. Momentum toward a reopening could ignite a fresh rally in U.S. stocks after a two-week consolidation.

Fedspeak Wednesday

Federal Reserve Governors Christopher Waller and Stephen Miran are scheduled to speak at separate events on Wednesday. Treasury Secretary Scott Bessent recently named both governors among five finalists being considered by President Trump for the position of Federal Reserve Chair. Another finalist, Kevin Hassett, Director of the White House National Economic Council, will be interviewed Wednesday at the Economic Club of Washington. Later that same day, Bessent and New York Fed President John Williams will deliver remarks at the U.S. Treasury Market Conference.

Cisco Systems (CSCO)

The networking equipment maker will report October-quarter results Wednesday afternoon. Analysts expect revenue of \$14.77 billion, up 7% year over year, marking a slowdown from growth of 8% and 11% in the prior two quarters. The US government shutdown could weigh on management's outlook for the current quarter, as federal agencies account for roughly 10% of Cisco's sales. Meanwhile, higher memory-chip and commodity costs may pressure near-term profit margins. On a brighter note, Cisco's AI infrastructure business, though still small, is expanding rapidly. The segment stands to benefit from strategic partnerships with NVIDIA (NVDA), Microsoft (MSFT), and several AI startups in Saudi Arabia and Abu Dhabi.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
ISM Manufacturing PMI	48.7	48.0	▲
ISM Services PMI	52.4	50.1	▲
ADP Monthly Employment Change	42	104	▼
U. of Mich. Consumer Sentiment	50.3	58.2	▼
U. of Mich. 1-year Inflation Expectations	4.7%	4.8%	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	46987.10	-1.21%	11.99%	8.67%
NASDAQ	23004.54	-3.03%	19.80%	20.12%
S&P 500	6728.80	-1.61%	15.63%	13.66%
MSCI EAFE	2774.95	-0.76%	26.87%	22.84%
BB U.S. Aggregate	2338.42	0.03%	6.83%	5.77%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	3.84%	3.91%	4.53%
10-Year Treasury	4.10%	4.12%	4.33%

REPORTS DUE THIS WEEK	LATEST
NFIB Small Business Optimism	98.8
ADP Weekly Employment 4-Week Moving Average	14,250
Consumer Price Index (Y/Y)	3.0%
Core Consumer Price Index (Y/Y)	3.0%
Producer Price Index (Y/Y)	2.6%

Total returns are as of 11/7/25. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

81,159

The warehousing (47,878) and technology (33,281) industries accounted for a combined 81,159 of the estimated private-sector job cut announcements in October, according to survey data from Challenger, Gray & Christmas. This represented over 50% of the estimated 153,074 total job cuts last month – the highest monthly figure since March. The survey's administrators attributed the cuts to AI adoption, softer consumer spending, and rising costs.

22.9%

Cummins' (CMI) Power Systems segment EBITDA margin expanded 350 basis points year over year in 3Q25, reaching a record high of 22.9%. The division's revenue climbed 18% in the most recent quarter to \$2 billion, driven by surging demand from AI data centers for backup generators. Strong demand, pricing power, and operational leverage in Power Systems have helped offset weakness in CMI's diesel engine and aftermarket services businesses. CMI shares are up 36% year to date.

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