

12/8/2025

The Week Ahead

THINGS TO WATCH

Powell's Press Conference

On Wednesday afternoon, the Federal Open Market Committee (FOMC) is widely expected to lower its policy rate by 0.25% to a range of 3.5%-3.75%. FOMC Chair Jerome Powell's tone at his post-meeting press conference will likely be a key determinant of market sentiment in the final three weeks of the year. The stock market could struggle to digest a scenario in which Powell expresses skepticism about further rate cuts and the median forecast of the FOMC's quarterly "dot plot" points to little additional easing in 2026. Conversely, a more dovish cadence from Powell amid weak labor market data could help stoke a year-end rally.

Broadcom (AVGO)

Broadcom (AVGO), the \$1.8 trillion semiconductor and software giant, reports its fiscal Q4 2025 results after the market closes on Thursday. The focus of investors will center on the company's surging AI chip segment, which is expected to record \$6.2 billion in quarterly revenue. This translates to a staggering 67% year-over-year growth rate driven by custom chips (XPU's). The segment's growth is fueled by major hyperscaler clients like Alphabet (GOOGL), Meta Platforms (META), and OpenAI. AVGO is the global leader in custom AI Application-Specific Integrated Circuits (ASICs), including its collaboration with GOOGL on the latest Gemini TPU.

Japanese Bond Yields

Global attention has shifted toward Japan's bond market as the Bank of Japan (BOJ) has slowly tightened policy while most other major central banks are easing. Early last week, BOJ Governor Ueda signaled that officials will discuss a possible rate hike at the December 18–19 meeting, reinforcing expectations of gradual normalization. Political dynamics also matter, with the new prime minister favoring looser fiscal policy. Against this backdrop, Japan's 30-year yield climbed above 3.25% last week, the highest level on record.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
ADP Monthly Employment Change - Nov.	-32,000	-3,000	▼
ISM Services PMI - Nov.	52.6	52.0	▲
Core PCE Price Index (Y/Y) - Sept.	2.8%	2.8%	▲
U. of Mich. Consumer Sentiment - Dec.	53.3	55.1	▼
U. of Mich. 1YR Inflation Expectations - Dec.	4.1%	4.7%	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	47954.99	0.62%	14.58%	8.97%
NASDAQ	23578.13	0.93%	22.87%	20.52%
S&P 500	6870.40	0.35%	18.20%	14.54%
MSCI EAFE	2845.76	0.65%	28.90%	23.35%
BB U.S. Aggregate	2344.57	-0.46%	7.00%	5.02%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	3.69%	3.88%	4.44%
10-Year Treasury	4.14%	4.16%	4.18%

REPORTS DUE THIS WEEK	LATEST
NFIB Small Business Optimism - Nov.	98.2
JOLTS Job Openings (Millions) - Oct.	7.23
Continuing Jobless Claims (Thousands) - 11/29	1,939
Trade Balance (\$ billions) - Sept.	-59.6

Total returns are as of 12/5/25. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

\$455 billion

Three months ago, Oracle (ORCL) said its remaining performance obligations, a measure of expected future revenue, surged 359% in its June–August quarter to \$455 billion. With fiscal 2Q26 results due Wednesday, analysts say progress at its Abilene, TX "Stargate" data-center buildout along with color from management on debt financing needs could help counter investor worries about heavy AI-driven capex and reliance on OpenAI, which have weighed on the stock since September's rally.

11.58%

Since the S&P 500 touched a 2-month closing low on November 20, the State Street SPDR S&P Retail ETF (XRT) has rallied 11.58% through the end of last week, outpacing all eleven S&P 500 sectors over this period. Kohl's (KSS), Victoria's Secret (VSCO), Abercrombie & Fitch (ANF), Dollar General (DG), American Eagle Outfitters (AEO), Urban Outfitters (URBN), and Ulta Beauty (ULTA) have all surged by at least 20% over this 15-day stretch.

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