

6/9/2025

The Week Ahead

THINGS TO WATCH

Apple Developers Conference

Apple (AAPL) CEO Tim Cook is expected to unveil an updated artificial intelligence platform in his keynote speech later today to kick off the company's annual Worldwide Developers Conference. Any meaningful progress in AAPL's multi-year quest to design a more personalized, AI-enabled version of its voice-enabled Siri personal assistant could drive headlines. Some AAPL followers have speculated the company could showcase a redesigned Mac Pro and a HomePod with a 7-inch screen designed to compete with Alphabet's (GOOGL) Nest Hub and Amazon's (AMZN) Echo.

Inflation Update

May's consumer price index (CPI) data on Wednesday morning is likely to show stagnant or falling prices in some services sectors offset tariff-related goods inflation. The median estimate in a Bloomberg survey calls for a 0.2% gain in headline inflation last month following readings of 0.2% in April and -0.1% in March. The year-over-year (Y/Y) CPI reading for May is projected to accelerate slightly to 2.5% from 2.3% in April. The effects of reciprocal tariffs could be more easily seen in firmer wholesale prices when the producer price index (PPI) report for May is released Thursday morning (Y/Y May estimate 2.6% vs. 2.4% in April).

Oracle (ORCL)

The revenue growth rate in ORCL's Cloud Infrastructure (OCI) segment will be among the most closely watched components of the software giant's quarterly results after the market closes Wednesday. Year-over-year sales growth at OCI has bounced between 40% and 50% the last three quarters as the company has benefitted from increasing demand for the computational power and storage required to train and deploy AI models. ORCL's remaining performance obligations (RPO), a measure of estimated future revenue, surged 62% last quarter from a year ago to \$130 billion. The company's incremental RPO last quarter did not include any contracts with Project Stargate, a \$500 billion plan to build US AI infrastructure announced in January involving ORCL, OpenAI, and SoftBank.

LAST WEEK'S ECONOMIC DATA

	LATEST	3MO PRIOR	CHANGE
ISM Manufacturing PMI	48.5	50.3	▼
ISM Services PMI	49.9	53.5	▼
JOLTS Job Openings (Millions)	7.39	7.76	▼
Continuing Jobless Claims (Thousands)	1,904	1,892	▲
Non-Farm Payrolls (Thousands)	139	102	▲
Unemployment Rate	4.2%	4.1%	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	42762.87	1.11%	1.31%	12.17%
NASDAQ	19529.95	1.52%	1.46%	14.82%
S&P 500	6000.36	1.12%	2.62%	13.71%
MSCI EAFE	2618.67	-0.02%	18.69%	13.90%
BB U.S. Aggregate	2232.76	-0.25%	2.03%	4.59%

KEY BOND RATES

	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	4.34%	4.30%	5.39%
10-Year Treasury	4.51%	4.29%	4.29%

REPORTS DUE THIS WEEK

	LATEST
NFIB Small Business Optimism	95.8
Consumer Price Index (Y/Y)	2.3%
Core Consumer Price Index (Y/Y)	2.8%
Producer Price Index (Y/Y)	2.4%
U. of Mich. Consumer Sentiment	52.2

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

NUMBERS OF THE WEEK

\$61 billion

The U.S. Treasury will auction a combined \$61 billion in 10-year notes and 30-year bonds this week in a test of bond market investors' appetite for long-duration U.S. debt. In recent weeks, yields on the 30-year maturity have flirted with 18-year highs near 5%. Upward pressure on long-term U.S. bond yields has materialized amid uncertainty surrounding the deficit impact of the tax-and-spending bill working its way through Congress, along with sharply higher Japanese bond yields.

3.8%

As of last Friday, the Atlanta Federal Reserve's GDPNow forecast model for 2Q25 U.S. real GDP growth projected the domestic economy is on pace to expand at an annualized rate of 3.8% in the April-June period. About half of this anticipated growth is due to an expected reversal in the net exports component of the GDP calculation. Imports to the U.S. likely normalized in the second quarter after a massive surge in the first three months of the year ahead of reciprocal tariffs.

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