

5/5/2025

The Week Ahead

THINGS TO WATCH

Will Powell Lean Hawkish?

On Wednesday afternoon, the Federal Open Market Committee (FOMC) is widely expected to hold its benchmark rate in the current range of 4.25%-4.5%. Investors will be closely monitoring the FOMC's statement and Chair Jerome Powell's press conference for insights into the Fed's assessment of inflation risks following the implementation (and partial rollback) of reciprocal tariffs. Several Fed officials have recently expressed concerns about a potential de-anchoring of consumers' inflation expectations. As of last Friday, pricing in fed funds futures markets indicated expectations for 0.75% worth of rate cuts by the end of 2025, with the first cut most likely to occur on July 30.

Uber (UBER)

On Wednesday morning, ride-hailing and food delivery giant Uber Technologies (UBER) is expected to report first quarter EBITDA of \$1.84 billion, which would represent roughly 30% growth from a year ago. The company's top line is projected to have grown at a 16% year-over-year clip to \$11.61 billion in the first three months of the year. Any update from management about the company's partnership with autonomous driving manufacturer Waymo will likely draw investors' focus.

Palantir (PLTR)

The AI-focused cybersecurity and defense technology firm's recent success winning government contracts will be under the microscope when it reports quarterly results after the market closes today. PLTR's U.S. commercial sales are expected to have increased 59% in the first quarter compared to a year ago, which would be a slight deceleration from 63% year-over-year growth in 4Q24. In the span of just 8 months since its addition to the S&P 500 last September, PLTR has become the 26th largest company in the index based on market capitalization. As of last Friday, the stock's market capitalization of \$291 billion was 77-times its expected revenue of \$3.8 billion over the next 12 months.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
JOLTS Job Openings (Millions)	7.19	7.51	▼
Core PCE Price Index (Y/Y)	2.6%	2.9%	▼
GDP (Q/Q Annualized)	-0.3%	2.4%	▼
ISM Manufacturing PMI	48.7	50.9	▼
Non-Farm Payrolls (Thousands)	177.0	111.0	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	41317.43	3.00%	-2.39%	10.03%
NASDAQ	17977.73	3.43%	-6.71%	14.33%
S&P 500	5686.67	2.94%	-2.91%	13.80%
MSCI EAFE	2481.41	2.35%	13.87%	13.66%
BB U.S. Aggregate	2251.28	-0.34%	2.40%	6.31%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	4.31%	4.30%	5.40%
10-Year Treasury	4.30%	4.13%	4.58%

REPORTS DUE THIS WEEK	LATEST
ISM Services PMI	50.8
S&P Global U.S. Services PMI	51.4
Continuing Jobless Claims (Thousands)	1,916
Trade Balance (\$ billions)	-122.7

Total returns are as of 5/2/25. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

\$72 billion

Last Thursday, Meta Platforms (META) updated its capital expenditure forecast for 2025 to a range of \$64 billion to \$72 billion from the prior outlook of \$63 billion to \$68 billion. The high end of this updated range (\$72 billion) would represent an 85% increase on the company's \$39 billion capital expenditures budget in 2024. META cited increased costs for infrastructure hardware essential to continue building out AI processing capacity as the main driver of the budget increase.

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According to data from Port Optimizer available last Friday, 15 vessels leaving China are scheduled to arrive at ports in Los Angeles and Long Beach the week of May 4 through May 10. This is down from 18 the prior week and compares to 23 during the same week a year ago. China is currently evaluating proposals from Trump administration officials to begin negotiations on tariffs.

DISCLOSURES



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