

9/15/2025

The Week Ahead

THINGS TO WATCH

Fed Rate Decision

On Wednesday afternoon, the Federal Open Market Committee (FOMC) is widely expected to cut its policy rate by 25 basis points (bps) to a new range of 4%-4.25%, ending a 9-month pause. Dissent is possible in both directions, as probable new governor Stephen Miran (nominated to replace Adriana Kugler) is expected to push for a 50-bps cut. Meanwhile, Kansas City Fed President Jeffrey Schmid is likely to vote against any cut. Alongside the decision, the quarterly Summary of Economic Projections will present updated forecasts for the policy rate, GDP growth, inflation, and the unemployment rate through the end of 2025 and beyond.

August Retail Sales

Data from the U.S. Census Bureau tomorrow morning are expected to show headline retail sales in the U.S. grew 0.3% in August, down from 0.5% in July and 0.9% in June. A pullback in auto sales last month following the implementation of some tariffs likely weighed on aggregate activity. Investors will be looking for any signs of retailers passing tariff costs on to consumers as they work through pre-tariff inventories.

Trump and Tech Leaders in the UK

The U.S. and United Kingdom are reportedly preparing to sign a major technology agreement this week covering semiconductors, data center infrastructure, generative AI, and quantum computing. The deal is expected to be finalized during President Trump's three-day state visit to the UK, where he will be joined by a delegation of U.S. executives including NVIDIA's (NVDA) Jensen Huang and OpenAI's Sam Altman.

Three Earnings Reports to Watch

Quarterly results and commentary from delivery and logistics network FedEx (FDX), homebuilder Lennar (LEN), and Olive Garden operator Darden Restaurants (DRI) on Thursday should provide investors with an update on the trajectory of activity in several key cyclical industries through August.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
Producer Price Index (Y/Y)	2.6%	2.7%	▼
Consumer Price Index (Y/Y)	2.9%	2.4%	▲
Core Consumer Price Index (Y/Y)	3.1%	2.8%	▲
NFIB Small Business Optimism	100.8	98.8	▲
U. of Mich. Consumer Sentiment	55.4	60.7	▼
U. of Mich. 1-year Inflation Expectations	4.8%	5.0%	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	45834.22	0.76%	9.13%	12.69%
NASDAQ	22141.10	1.58%	15.24%	26.10%
S&P 500	6584.29	1.41%	12.99%	18.56%
MSCI EAFE	2758.96	0.30%	25.11%	17.61%
BB U.S. Aggregate	2329.04	0.10%	6.50%	2.72%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	4.02%	4.22%	4.96%
10-Year Treasury	4.06%	4.29%	3.67%

REPORTS DUE THIS WEEK	LATEST
Retail Sales (M/M)	0.5%
Housing Starts (Millions Annualized)	1.43
Building Permits (Millions Annualized)	1.36
Continuing Jobless Claims (Thousands)	1,939

Total returns are as of 9/12/25. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

359%

Oracle's (ORCL) remaining performance obligations (RPO) - a measure of expected future revenue - surged 359% in the company's fiscal 1Q26 from \$100 billion to a staggering \$455 billion. The RPO growth was fueled by a series of large deals with prominent AI companies, including OpenAI, Meta Platforms (META), and Advanced Micro Devices (AMD) for AI cloud computing services. ORCL projected its OCI segment revenue would grow from \$18 billion in FY26 to \$144 billion in FY30.

911,000

Last week, the Labor Department's annual payroll revisions showed 911,000 fewer jobs were created over the 12 months from April 2024 to March 2025 than were originally estimated. This was the largest preliminary downward adjustment on record and suggests job growth averaged 76,000 fewer per month during this stretch. The industries with the largest negative revisions were leisure and hospitality, professional and business services, and retail.

DISCLOSURES

This publication was prepared by MainStreet Investment Advisors, LLC ("MainStreet Advisors"), an investment adviser registered with the SEC. Registration as an investment adviser does not imply any level of skill or training. Information and opinions herein are as of the publication date and are subject to change without notice based on market and other conditions. The week is calculated beginning with Monday's market open. The specific securities identified are shown for illustrative purposes only and should not be considered a recommendation by MainStreet Advisors. Index and sector statistics are unmanaged and a common measure of performance of their respective asset classes. Indexes are not available for direct investment. Any graph, data, or information is considered reliably sourced and for educational purposes only. Any suggestion of cause and effect or of the predictability of economic or investment cycles is unintentional. This Financial Market Update may contain forward-looking statements and/or candid statements and observations regarding investment strategies, asset allocation, individual securities, and economic and market conditions; however, there is no guarantee that the statements, opinions, or forecasts will prove to be correct. The material included herein was prepared or is distributed solely for information purposes; is not a solicitation or an offer to buy/sell any security or instrument, to participate in any trading strategy or to offer advisory services by MainStreet Advisors; is not intended to be used as a general guide to investing or as a source of any specific investment recommendations; makes no implied or express recommendations concerning the manner in which any client's account should or would be handled; and should not be relied on for accounting, tax or legal advice. There are risks involved with investing including possible loss of principal and the value of investments and the income derived from them can fluctuate. Investing for short periods may make losses more likely. Past performance is not indicative of future results, which may vary. Investors are urged to consult with their financial advisors before buying or selling any securities.