

9/2/2025

# The Week Ahead

## THINGS TO WATCH

### August Employment Report

Labor Department data due Friday morning is expected to show U.S. job creation rebounded in August, with a gain of about 75,000. That follows a weak July (+37,000) and downward revisions totaling 250,000 for May and June. Government and education hiring last month may have received a boost from the Trump administration's July decision to unfreeze federal after-school program funding. The unemployment rate is expected to hold steady at 4.2%, partly reflecting a sharp slowdown in net migration into the U.S. This week's job market data along with next week's inflation readings will be critical factors in determining the Federal Reserve's next move on September 17.

### Market Reaction to Tariff Ruling

A federal appeals court ruled last Friday that President Trump exceeded his authority by imposing sweeping global tariffs under the International Emergency Economic Powers Act. In a 7-4 vote, the court found the law doesn't grant tariff power to the president. The levies will remain in place while litigation continues, prolonging uncertainty over trillions in trade. The administration may seek Supreme Court review or return to the Court of International Trade. A final ruling could unravel Trump's trade deals and spark demands for tariff refunds, though for now all tariffs remain in effect.

### September Stumbles

September has long carried the reputation as the toughest month for U.S. equities, with the S&P 500 suffering an average decline of 1.36% over the final two weeks of the month from 1990 through 2024. The so-called "September Effect" reflects institutional investors trimming risk after the summer and mutual funds engaging in tax-loss harvesting. Federal budget deadlines and Federal Reserve meetings tend to amplify market volatility in September. Major shocks like 9/11 and the collapse of Lehman Brothers have reinforced the month's stigma. Yet, history shows weakness in September often gives way to strength from late October into year-end.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
New Home Sales (Thousands Annualized)	652	706	▼
S&P CoreLogic CS 20-City U.S. HPI (Y/Y)	2.1%	4.1%	▼
Conf. Board Consumer Confidence	97.4	98.4	▼
Core PCE Price Index (Y/Y)	2.9%	2.6%	▲
Continuing Jobless Claims (Thousands)	1,954	1,893	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	45544.88	-0.11%	8.30%	11.45%
NASDAQ	21455.55	-0.18%	11.62%	22.00%
S&P 500	6460.26	-0.08%	10.78%	15.85%
MSCI EAFE	2730.66	-1.88%	23.08%	13.68%
BB U.S. Aggregate	2301.03	0.06%	5.01%	3.10%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	4.14%	4.33%	5.12%
10-Year Treasury	4.23%	4.32%	3.86%

REPORTS DUE THIS WEEK	LATEST
ISM Manufacturing PMI	48.0
ISM Services PMI	50.1
JOLTS Job Openings (Millions)	7.44
Non-Farm Payrolls (Thousands)	73
Unemployment Rate	4.2%

Total returns are as of 8/29/25. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

## NUMBERS OF THE WEEK

62.3%

As of last Friday, 62.3% of the stocks listed on the New York Stock Exchange closed above their 200-day moving averages, the highest reading since the first week of December and up from 51.8% at the end of July. The reading suggests improving market breadth and an equity market rally that is showing signs of expanding beyond a small group of mega-cap technology and tech-adjacent stocks.

\$30 billion

Americans are expected to wager about \$30 billion on the 2025 NFL season, according to the American Gaming Association. That's up 8.5% from last season's revised \$27.6 billion handle. When the NFL regular season kicks off in Philadelphia Thursday night, legal sports betting will be available in 38 states, plus Washington, D.C., and Puerto Rico. As of July, FanDuel (FLUT) held 39% of the U.S. online market, while DraftKings (DKNG) had 34.4%.

## DISCLOSURES



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