

3/3/2025

# The Week Ahead



## THINGS TO WATCH

**Broadcom (AVGO) and Marvell Technology (MRVL)**  
After a mixed reaction to NVIDIA's (NVDA) latest quarterly results and commentary last week, financial performance and guidance from fellow AI semiconductor heavyweights AVGO and MRVL will be closely watched. AVGO and MRVL data center sales are forecasted to have increased 62% and 50%, respectively, in the period.

**Costco (COST) and Kroger (KR)**  
Signs of consumer fatigue in the form of lower average ticket sizes or increased price sensitivity from customers in this duo's results and commentary could add to recent concerns of slowing U.S. growth. Other retail-focused companies to report quarterly results this week include Target (TGT), BJ's Wholesale Club (BJ), Footlocker (FL), and The Gap (GAP). Any remarks from these management teams on plans to navigate forthcoming tariffs will also be particularly relevant given recent developments.

**10-Year Treasury Yield**  
The benchmark 10-year U.S. Treasury yield ended last Friday at a 12-week low of 4.21%, down nearly 60 basis points from a 14-month closing high of 4.79% on January 14. A recent batch of softer-than-expected U.S. economic data along with concerns about the impact of tariffs on domestic growth have put a bid into long-term government bonds. The decline in rates could provide some relief to a historically-weak existing home sales market heading into the spring selling season.

**Did Hiring Slow in February?**  
Disruptive weather and the beginning of Department of Government Efficiency-driven federal layoffs could have restrained the pace of net job growth last month. On Friday morning, the Labor Department's nonfarm payrolls report is expected to show the U.S. economy added 155,000 workers in February, well below the 3-month moving average of 237,000. According to the Bloomberg consensus estimate, the unemployment rate will remain unchanged at 4.0%.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
S&P CoreLogic CS 20-City U.S. HPI (Y/Y)	4.5%	4.6%	▼
Conf. Board Consumer Confidence	98.3	112.8	▼
New Home Sales (Thousands Annualized)	657	623	▲
Core PCE Price Index (Y/Y)	2.6%	2.8%	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	43840.91	1.01%	3.32%	14.41%
NASDAQ	18847.28	-3.45%	-2.31%	17.96%
S&P 500	5954.50	-0.95%	1.44%	18.38%
MSCI EAFE	2441.98	0.05%	7.90%	8.94%
BB U.S. Aggregate	2240.16	1.25%	2.76%	5.83%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	4.29%	4.28%	5.39%
10-Year Treasury	4.21%	4.53%	4.26%

REPORTS DUE THIS WEEK	LATEST
ISM Manufacturing PMI	50.9
ISM Manu. New Orders PMI	55.1
Non-Farm Payrolls (Thousands)	143
Unemployment Rate	4.0%

Total returns are as of 2/28/25. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

## NUMBERS OF THE WEEK

3.65%

The implied federal funds rate at the end of 2025 based on fed fund futures pricing calculated by Bloomberg last Friday afternoon. This suggests market participants expect Fed officials will reduce their benchmark lending rate by another 75 basis points (bps) over the next 10 months. Two weeks earlier (February 14), markets expected only 25 bps of additional policy easing by the end of the year.

\$11 billion

Sales of NVIDIA's (NVDA) next-generation Blackwell general processing units (GPU) in its quarter ended January 31 totaled \$11 billion. CEO Jensen Huang described it as the "fastest product ramp" in the company's history. Most analysts expected a lower quarterly sales figure for Blackwell, which has a higher initial cost profile than previous NVDA GPUs. On the post-earnings conference call, Huang said he expects the recent DeepSeek AI model breakthrough to expand demand for NVDA's products.

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