

Weekly Macro Call

September 22, 2025

MARKET RECAP

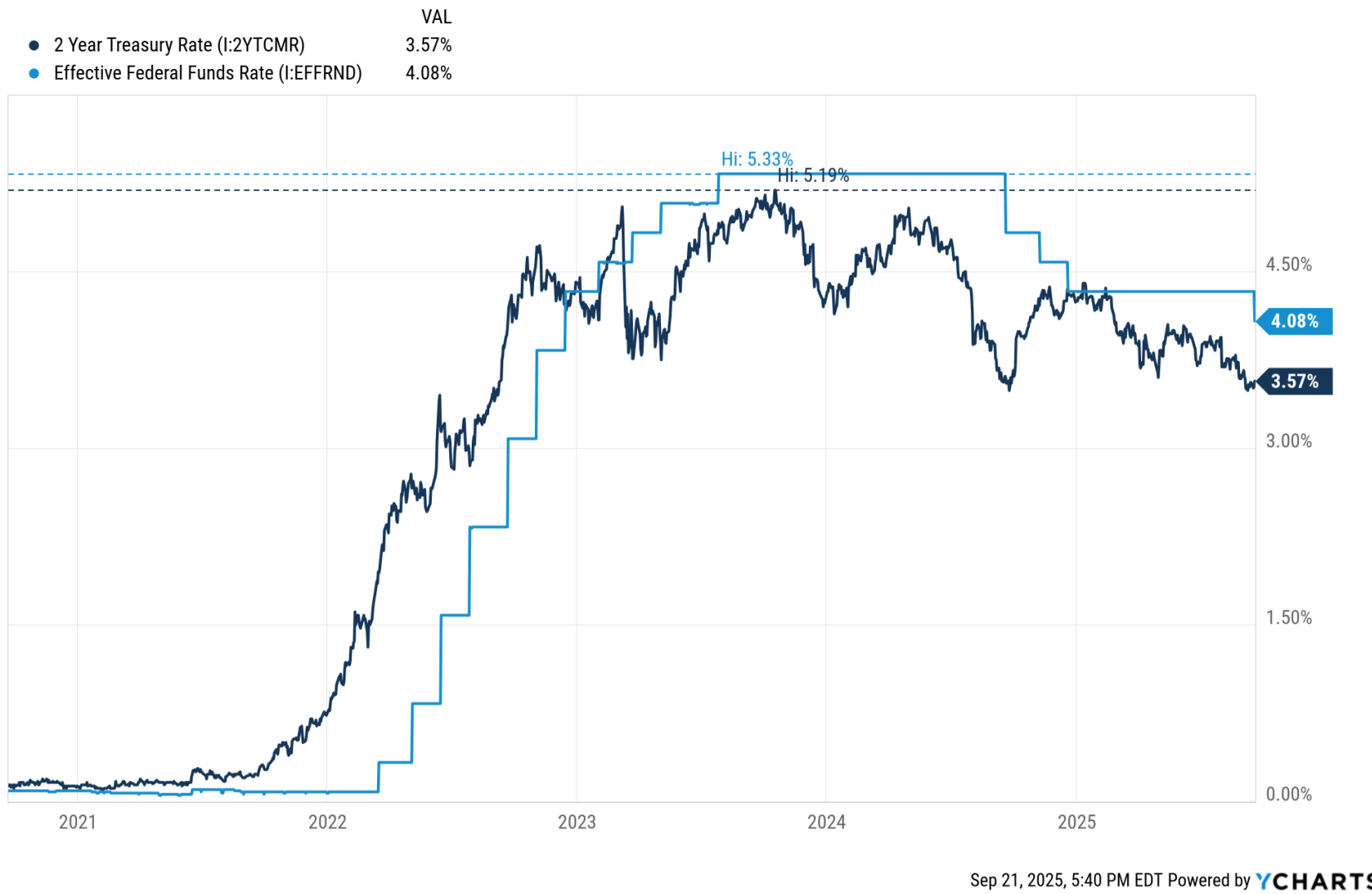
Broad Equity Markets	Level	1 Week	QTD	YTD	3MO	6MO	1YR
S&P 500	6,664.36	1.24	7.67	14.30	11.74	19.39	20.06
NASDAQ 100	24,626.25	2.23	8.75	17.82	13.57	26.85	28.24
Dow Jones Industrial	46,315.27	1.10	5.48	10.28	10.30	12.37	13.52
Russell 2000	6,085.81	2.19	12.85	10.80	16.21	20.21	12.39
FTSE Developed International	2,475.56	0.30	5.17	27.05	8.35	15.13	19.93
FTSE Emerging International	2,040.68	1.25	9.70	22.72	12.75	16.77	25.05
Bloomberg US Aggregate Index		-0.17	2.05	6.16	3.16	3.77	2.69
S&P GSCI		-0.49	2.11	4.26	-4.09	0.77	6.59
Bitcoin	115,191.95	-1.09	7.27	23.01	10.84	40.62	90.98
Gold	339.18	0.32	11.33	39.92	7.90	20.83	41.97

Interest Rates		Last four weeks:				3 Months Ago	1 Year Ago
	Levels as of:	9/19/2025	9/12/2025	9/5/2025	8/29/2025	6/20/2025	9/19/2024
3 Month Treasury Yield		4.14	4.08	4.07	4.23	4.39	4.80
2 year Treasury Yield		3.60	3.56	3.51	3.59	3.90	3.59
10 Year Treasury Yield		3.88	3.81	3.80	3.92	4.16	3.73
30 Year Treasury Yield		4.71	4.68	4.78	4.92	4.89	4.06
CBOE VIX		15.3	14.4	16.6	14.8	16.8	18.2

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STILL TOO TIGHT TO SUPPORT ECONOMIC GROWTH



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TOO LITTLE TOO LATE?



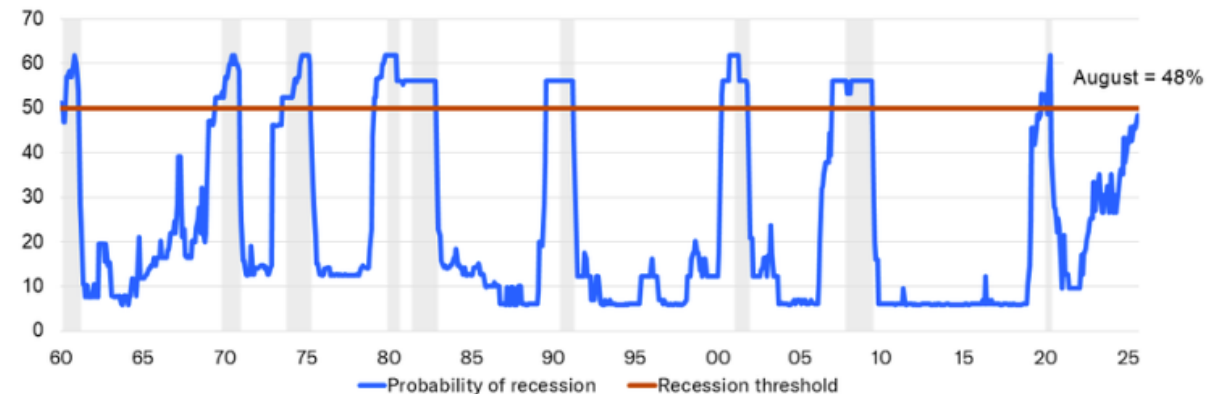
Mark Zandi ✓ @Markzandi · Sep 14



There is an uncomfortably high 48% probability that the U.S. economy will suffer a recession in the next 12 months. That's according to Moody's recently unveiled leading economic indicator, derived using a machine learning algorithm on our extensive databases. It's less than 50%,
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Recession Risks Remain Uncomfortably High

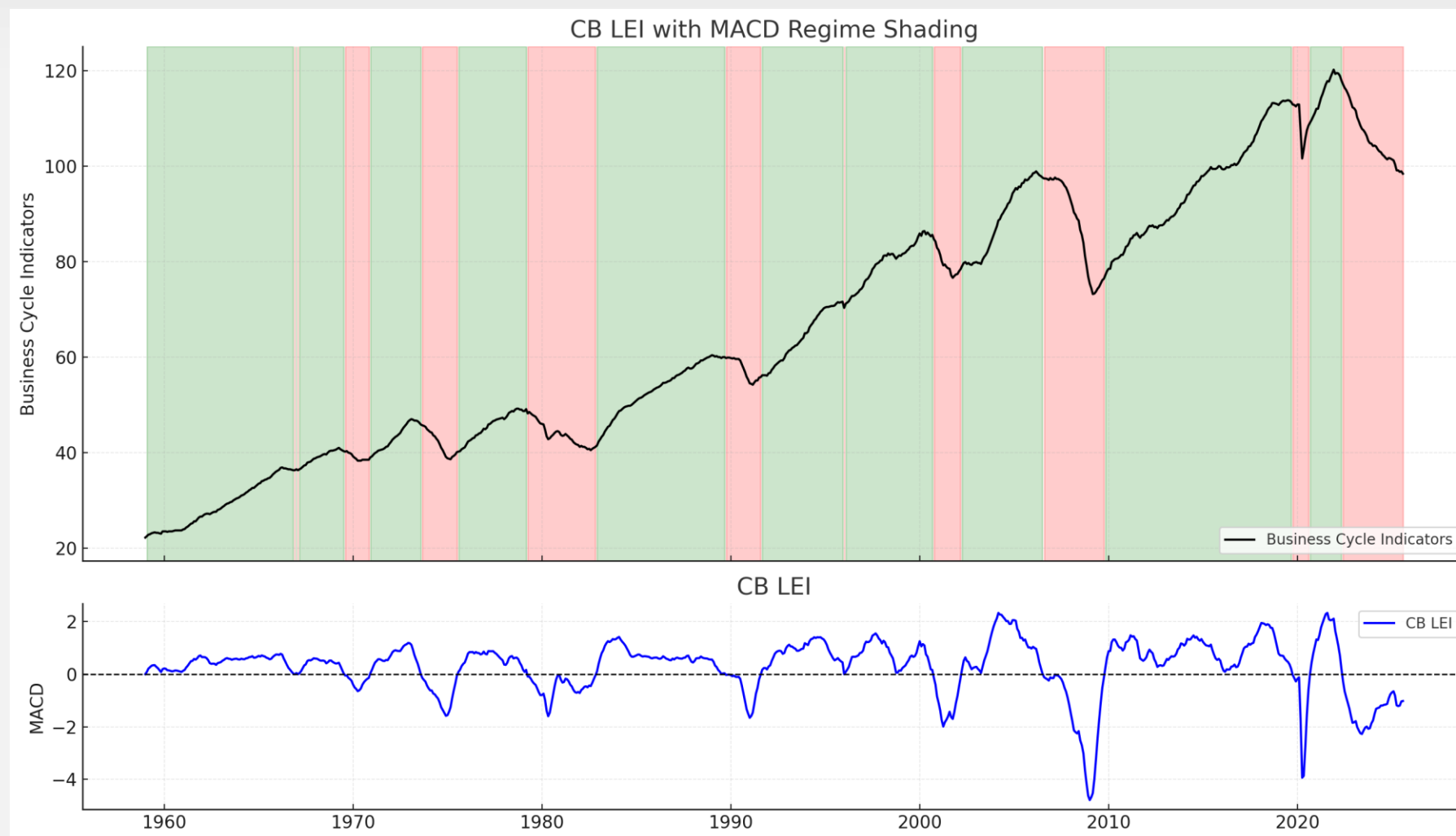
Probability of recession in the next 12 months, %, based on a machine learning model



Source: Moody's Analytics

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GROWTH WILL MOST LIKELY CONTINUE TO SLOW FOR NOW



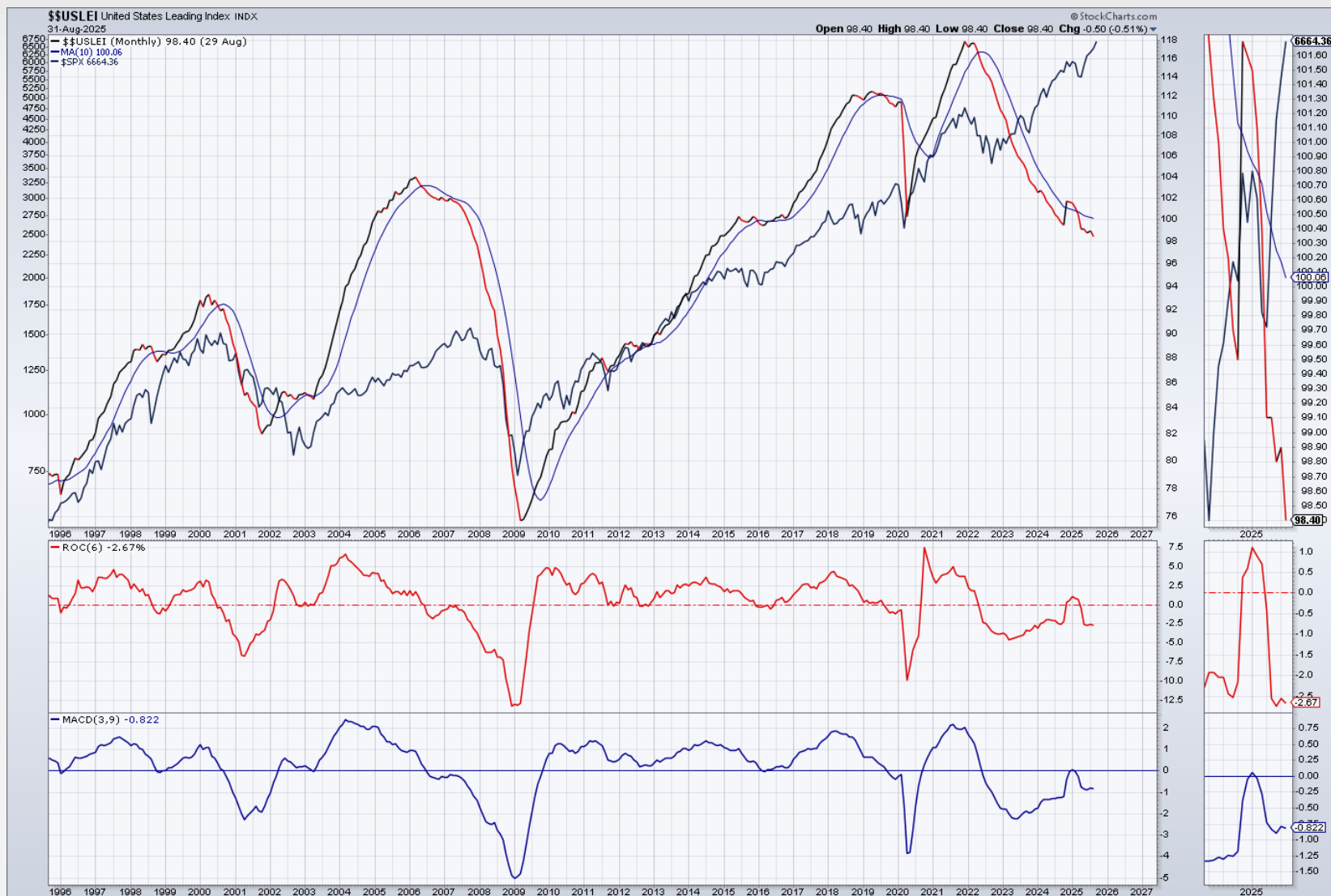
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LONG-TERM RATES REMAIN IN A NEGATIVE TREND



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ASSET PRICE INFLATION MAKING IT DIFFICULT ON POLICY MAKERS



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MARKETS ARE FILLED WITH PRICE TAKERS!



Mohamed A. El-Erian ✓ @elerianm · Sep 15

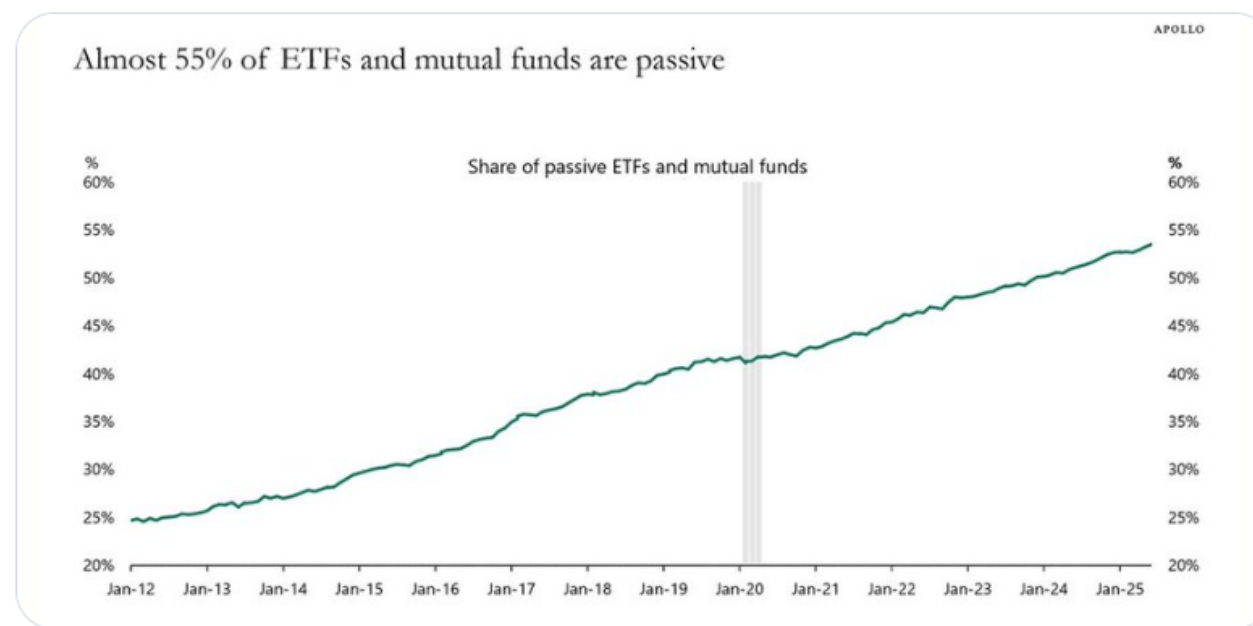


This graph, on the growth of passive funds, comes from Apollo's Torsten Slok who lists the following three implications:

1. Reduced market efficiency and price discovery
2. Increased market concentration and volatility
3. Growing correlation and systemic risk"

[#economy](#) [#markets](#)

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OPPORTUNITIES ARE ABUNDANT



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Equity Insights

Kim Abmeyer, CFA, CFP®, EA

Sectors and Ratings as we Head Into Q4

•**Overall Market Sentiment** Out of 12,351 total ratings, 55.8% are "Buy," which is slightly above the five-year average of 55.2%. Conversely, "Hold" ratings (38.9%) and "Sell" ratings (5.3%) are both below their five-year averages.

•**Most Optimistic Sectors** Analysts show the most optimism in sectors with the highest percentage of "Buy" ratings:

- Energy (65%)
- Information Technology (64%)
- Communication Services (63%)

•**Most Pessimistic Sectors** Analysts are most pessimistic about the Consumer Staples and Utilities sectors:

- **Consumer Staples** has the lowest percentage of "Buy" ratings (41%) and the highest percentage of "Hold" ratings (51%).
- **Utilities** has the second-lowest percentage of "Buy" ratings (46%) and the highest percentage of "Sell" ratings (9%).

•**Recent Changes in Ratings** Since June 30, seven sectors have seen a decrease in "Buy" ratings, while four have seen an increase.

- The most significant decreases were in the **Energy** (from 68% to 65%) and **Utilities** (from 49% to 46%) sectors.
- The most notable increases occurred in the **Consumer Staples** (from 40% to 41%) and **Materials** (from 56% to 57%) sectors.

Broader Strategic Considerations for Q4

•**Broaden Exposure** A recurring recommendation is to diversify portfolios beyond the highly concentrated U.S. mega-cap stocks that have driven much of the market's performance. Strategists suggest looking for opportunities in other areas, such as small-cap and value stocks, which have shown recent strength.

•**Focus on Quality** With the S&P 500's valuation above its historical average, the market is considered relatively expensive. In this environment, a focus on high-quality companies with strong fundamentals—such as high gross margins and resilient balance sheets—can provide a defensive buffer against economic uncertainty.

•**Enhance Diversification** To mitigate risk from the high correlation between stocks and bonds, some experts suggest complementing a core portfolio with liquid alternatives, international equities, or other assets that can provide uncorrelated returns.

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Market Technicals

Sell Rosh Hashanah, buy Yom Kippur

Dates are Sep 22nd i.e. this Monday and October 1st, respectively. It coincides also with post option expiry reversion effect the same week and Sep month end pension selling due to run up Sep MTD and start of buyback black-out.

Déjà Vu All Over Again

Markets are roaring, but the setup is eerily familiar. A 35% global rally, AI mania at hedge-fund extremes, and S&P concentration at record highs. History warns: every time RSI held this long, stocks fell two weeks later. The market set-up screams that there finally will be a trade-able short-term pull-back but are the echoes of 2000 signal that this could be the start of something bigger?

Fast & Furious

The Mag 7 ETF MAGS is now up 60% since the April 8th low.



Bespoke

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Portfolio Company Earnings the Week of 9/22– COST

9/25:

Costco, COST, \$950.86, Div. Yield 0.55%, Ex. Div. Date 8/1/2025:

EPS Estimate: \$5.80

Price targets are \$620-\$1,225

Costco reports August comparable sales up 6.3%, Q4 comparable sales up 5.7%

Costco reported net sales of \$21.56B for the retail month of August, the four weeks ended August 31, an increase of 8.7% from \$19.83B last year. For the 16-week fourth quarter, the company reported net sales of \$84.4B, an increase of 8% compared to net sales of \$78.2B last year. Overall, spending appears stable with a 2.2% increase in average ticket along with stable traffic trend.

DISCLOSURE