

# Weekly market update

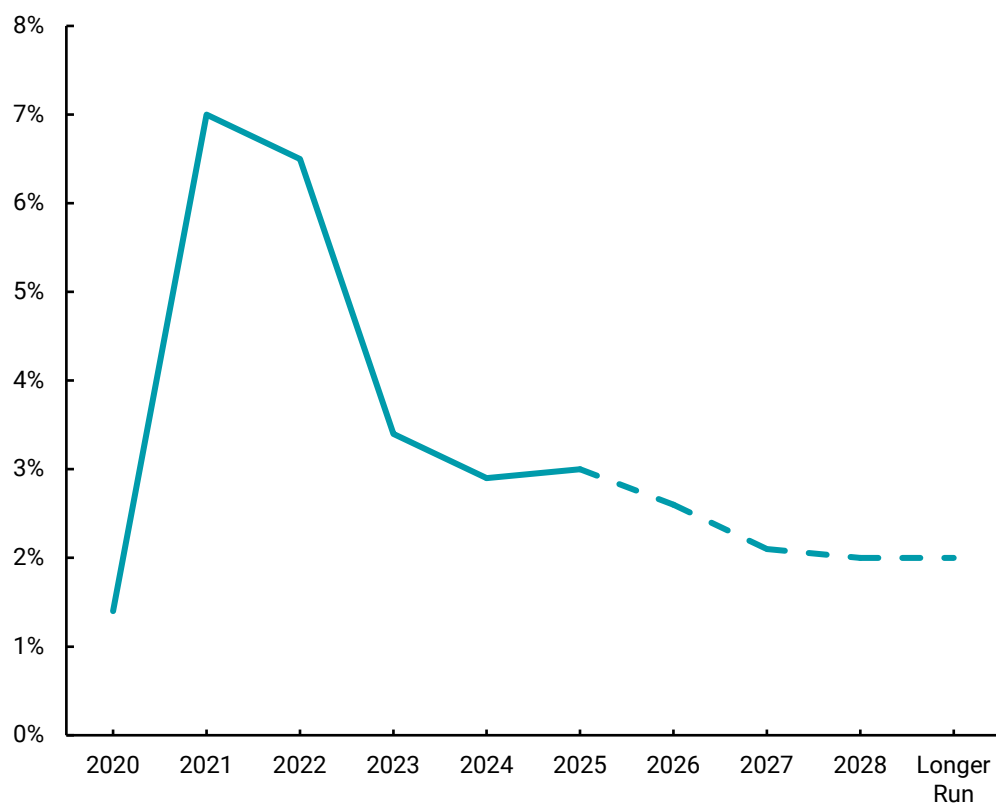
## Chart of the week (Sep. 19, 2025)



### FOMC's Median Economic Projections

#### Personal Consumption Expenditures

Sep. 17, 2025



The Federal Reserve's [decision to cut rates](#) in September was widely expected and, for the most part, priced into the capital markets. The questions going into the Federal Open Market Committee (FOMC) meeting were primarily around the update to the Fed's Statement of Economic Projections, or SEP. In this area, there were some differences worth discussing.

The vote was 11-1 to cut rates by 0.25%. Recall there were two dissents at the last FOMC meeting, and the one at this meeting was new Fed Board Governor Stephen Miran, who wanted a 0.5% cut. The two dissenters from the previous meeting, Governors Waller and Bowman, agreed with the move of 0.25% at this meeting. Looking forward, the central tendency of the dot plot is for two more expected rate cuts this year, but only one rate cut next year, where the market had been expecting three more. Interestingly, Governor Miran's forecast for the rest of this year was for five rate cuts. At least we know he is an ardent supporter of the President's views on rates.

The SEP had unemployment increasing slightly between now and year-end before beginning to decline, but remaining above 4%. Much of what happens to the unemployment rate depends on U.S. immigration policies and their impact on the size of the labor force. The Fed is forecasting continued slow job growth, while the size of the labor force shrinks slightly. Growth is also forecasted to improve as we move into 2026 and 2027, although remaining restrained at levels below 2%.

With all this in mind, our chart this week looks at the Personal Consumption Expenditures Price Index ([PCE](#)), which is the Fed's preferred measure of inflation. Based on the FOMC's projections, PCE will increase through year-end, which is the same as their previous forecast, before beginning to decline. However, now the Fed doesn't see inflation declining to their 2% target until 2028. This could be a key reason the Fed is forecasting fewer rate cuts than what the market was building in. The good news is inflation will be declining; the bad news is it will be a very slow decline to 2%.

We see the factors influencing inflation as mixed at present. Housing, a material part of the inflation picture, is seeing moderation in prices and rents, with some areas seeing outright declines in rents. That is a tailwind for lower inflation. However, changes in the global trade environment and a more aggressive stance on immigration might present headwinds. While investments in plants and equipment and the need for more labor are good, they can lead to somewhat higher costs, which work their way into the inflation picture. Historically, we have seen inflation come in waves, and while the current outlook is not for a second wave of inflation, it seems clear it is going to be a while before inflation nears 2%.

# Weekly market update



## Commentary (Sep. 19, 2025)

### Domestic Equities

- U.S. stocks ended the week higher, with several major indices hitting new all-time highs. The Russell 2000 Index outperformed for the week and hit a new high for the first time since 2021. The gains were driven broadly by a Fed interest rate cut and more specifically by the technology sector.
- The Federal Reserve cut its benchmark interest rate on Wednesday for the first time in over a year, and signaled more rate cuts this year. Stocks rallied broadly on the news, but small caps gained the most. Small caps are more sensitive to interest rates due to higher debt levels and higher concentration in financials.
- Intel's stock soared 23% of Thursday after Nvidia announced a deal to invest \$5 billion in the beleaguered chip-maker. The partnership is focused on developing new products for data center and laptop markets. Intel and Oracle had been lagging the AI boom, but both stocks have soared recently with new investment.

### Bonds

- The U.S. Treasury yield curve steepened after the Federal Reserve provided a less dovish outlook than anticipated and jobs data beat expectations.
- Markets ended the week pricing in just under two additional rate cuts from the FOMC through year-end 2025. This is roughly in line with the Federal Reserve's expectations, with the September dot plot showing a year-end value of 3.63% for the effective Fed Funds rate.
- U.S. investment-grade credit spreads made a new 27-year low on Federal Reserve rate cuts.
- In line with market expectations, the Norges Bank and Bank of Canada cut policy rates by 0.25% this week, while the central banks of Brazil, Taiwan, U.K., South Africa and Japan left rates unchanged. The central bank of Indonesia also announced a surprise 0.25% cut, with the country's sovereign bonds rallying on the news.

### International Equities

- Global investors were focused on the U.S. Federal Reserve's meeting this week because, when the Fed cuts rates after a long pause, other central banks typically follow, causing a bullish condition for global equities.
- Stock markets across Europe and in Japan struggled to gain traction this week as investors digested new economic data and the decisions made by multiple central banks. Japanese stocks slipped after the Bank of Japan took a step towards policy normalization by announcing a plan to begin selling its estimated ¥75 trillion stockpile of ETFs at a pace of about ¥620 billion per year.
- Emerging market stocks advanced for the fourth straight week as key stock markets across Asia and Latin America continued their winning streak. Asian technology stocks related to artificial intelligence continue to drive gains, as emerging market stocks are outperforming foreign developed markets for the quarter.

### Economics

- On Tuesday, retail sales showed a month-over-month increase of 0.6%. This was greater than the consensus estimate of an increase of 0.3%. Despite recent concerns about a softening labor market, the consumer continues to remain resilient.
- On Wednesday, the Federal Reserve cut the Federal Funds Rate by 0.25% to 4–4.25%. While uncertainty around inflation remains, the Fed has cited recent weakness in the labor market as a greater threat.
- On Thursday, jobless claims came in at 231,000 for the week. This was below consensus estimates of 246,000. While continuing claims suggest work is harder to come by, weekly claims show layoffs remain contained.
- On Friday, the Personal Consumption Expenditures (PCE) Index will be released. This tracks price changes for goods and services and is a key indicator used by the Fed to monitor inflation, including the impact of tariffs.

## Weekly Market Update

For Week Ending September 19, 2025

Markets

	Last Price	Change From Prior Week	Change From Year End	Change From Year Ago
Capital Markets				
Dow Jones Industrial Avg	46,315.27	1.1%	10.3%	12.1%
S&P 500 Index	6,664.36	1.2%	14.4%	18.1%
NASDAQ Composite	22,631.48	2.2%	17.8%	26.5%
S&P 400 Midcap Index	3,284.33	0.1%	6.4%	6.7%
S&P 600 Smallcap Index	1,456.07	1.0%	4.6%	3.5%
MSCI EAFE	10,045.29	-0.2%	24.3%	15.8%
MSCI Emerging Markets	728.77	1.2%	27.0%	24.4%
Bloomberg US Agg	2,324.65	-0.2%	6.2%	2.6%
Bloomberg Municipal 5 Yr	519.80	0.1%	5.1%	4.2%
Bloomberg US Corporate	3,520.36	-0.1%	7.0%	3.5%
Bloomberg Glb Agg ex US Hdg	605.47	0.0%	2.1%	3.0%
Bloomberg High Yield	2,880.14	0.3%	7.3%	7.6%
MSCI US REIT Index	2,363.63	-1.5%	2.3%	-4.2%
Bloomberg Commodity Index	256.56	-0.7%	7.5%	9.9%
	Last Price/Yield	Prior Week	Year End	Year Ago
Key Rates				
Fed Funds Target	4.25%	4.50%	4.50%	5.00%
3-Month Treasury	3.96%	4.02%	4.31%	4.71%
1-Year Treasury	3.58%	3.65%	4.14%	3.94%
2-Year Treasury	3.57%	3.56%	4.24%	3.58%
5-Year Treasury	3.68%	3.63%	4.38%	3.48%
7-Year Treasury	3.87%	3.82%	4.48%	3.59%
10-Year Treasury	4.13%	4.06%	4.57%	3.71%
30-Year Treasury	4.74%	4.68%	4.78%	4.05%
Consumer Rates				
30-Year Mortgage	6.37%	6.47%	7.28%	5.83%
Prime Rate	8.00%	8.25%	8.25%	8.75%
SOFR	4.14%	4.42%	4.49%	4.82%
Commodities				
Gold (spot)	3,685.30	3,643.14	2,624.50	2,586.74
Crude Oil WTI	62.68	62.69	71.72	71.95
Gasoline	3.19	3.18	3.06	3.22
Natural Gas	2.89	2.94	3.63	2.35
Copper	4.57	4.59	4.03	4.29
	P/E Forward	P/E Trailing	Price to Book	Current Div Yield
Index Characteristics				
Dow Jones Industrial Avg	21.09	22.80	5.69	1.62
S&P 500	22.75	25.44	5.44	1.22
S&P 500 Value	18.56	19.93	3.45	1.98
S&P 500 Growth	27.96	32.99	10.38	0.59
NASDAQ	29.05	35.35	7.65	0.63
S&P Midcap 400	16.69	17.83	2.63	1.66
S&P Smallcap 600	16.33	17.45	1.96	2.36
MSCI EAFE	15.39	16.46	2.12	3.00
MSCI Emerging Markets	13.84	15.61	2.05	2.52

Equity Style

S&P 500

1 Month\*

Year to Date\*

Yield Curve

Fixed Income Style

1 Month\*

Year to Date\*

Economic Data

	Last Release	Year Ago
Inflation		
CPI Headline Inflation	2.9%	2.5%
CPI Core Inflation	3.1%	3.2%
Personal Consumption Exp (PCE) Core	2.9%	2.7%
Jobs		
Unemployment Rate (U3)	4.3%	4.2%
Broader Unemployment Rate (U6)	8.1%	7.8%
JOLT Survey (in millions)	7.18	7.50
Jobless Claims (000's)	231	222
Change in Non-Farm Payroll (000's)	22	71
Average Hourly Earnings (Y/Y % Change)	3.7%	4.0%
Consumer & Spending		
Consumer Confidence (Conf Board)	97.4	105.6
Consumer Spending (\$ Bil)	20,802	19,866
Consumer Credit (\$ Bil)	5,060	5,045
Retail Sales (\$ Bil)	732	697
Housing		
Housing Starts (000's)	1,307	1,391
Case-Shiller Home Price Index	331.52	325.37
U.S. Productivity		
Real Gross Domestic Product (\$ Bil)	23,704	23,224
Quarter over Quarter Change	3.3%	3.0%
Year Over Year Change	2.1%	3.0%
ISM Manufacturing	48.70	47.50
Capacity Utilization	77.38	77.87
Markit US Composite PMI	54.60	54.60
U.S. General		
Leading Economic Indicators	98.4	102.1
Trade Weighted Dollar Index	120.5	122.7
EUR / USD	1.17	1.12
JPY / USD	147.95	142.63
CAD / USD	0.73	0.74
AUD / USD	0.66	0.68
S&P 500 Sector Returns		
	1 Month	YTD
Communication Services	11.43%	29.18%
Information Technology	5.60%	20.28%
Industrials	1.13%	16.94%
Utilities	-1.29%	13.85%
Financials	3.13%	13.13%
Materials	1.15%	10.45%
Consumer Discretionary	5.27%	6.60%
Energy	4.06%	5.38%
Consumer Staples	-3.26%	4.60%
Real Estate	0.46%	4.58%
Health Care	0.41%	0.72%

Source: Bloomberg

Source: Bloomberg

© 2025 BOK Financial Corp. Services provided by BOKF, NA, Member FDIC. BOKF, NA is the banking subsidiary of BOK Financial Corporation. BOK Financial Corporation (BOKF) offers wealth management and trust services through various affiliate companies and non-bank subsidiaries including advisory services offered by BOKF, NA and its subsidiary Cavanal Hill Investment Management, Inc., an SEC registered investment adviser. BOKF offers additional investment services and products through its subsidiary BOK Financial Securities, Inc., a broker/dealer, member FINRA/SIPC, and an SEC registered investment adviser and BOK Financial Private Wealth, Inc., also an SEC registered investment adviser. The information in the report was prepared by (SIA) Strategic Investment Advisors of BOKF, NA which is a division of BOK Financial Corporation.

This report is not to be considered a recommendation of any particular security, strategy or investment product, nor is it intended to provide personal investment advice. It does not take into account any specific investment objectives, financial situations, or particular needs of any specific person who may receive this report. The information provided in this presentation is for informational purposes only and is not an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction. Investors should seek financial advice regarding the appropriateness of investing in any securities, other investment or investment strategies discussed in this report and should understand that statements regarding future prospects may not be realized. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed.

Investments are not insured by the FDIC and are not guaranteed by any bank or bank affiliate. Investments are subject to risks, including the possible loss of the principal amount invested. This report may not be reproduced, redistributed, retransmitted or disclosed, or referred to in any publication, in whole or in part, or in any form or manner, without the express written consent of BOKF. Any unauthorized use or disclosure is prohibited.

# Disclosures

---



The information provided herein was prepared by the Investment Management team of BOKF, NA. BOKF, NA is the bank subsidiary of BOK Financial Corporation (BOKF), a financial services holding company (NASDAQ:BOKF). BOKF offers trust and wealth management services through its subsidiaries including BOKF, NA (and its banking divisions Bank of Oklahoma, Bank of Texas, Bank of Albuquerque, and BOK Financial) and investment advisory services through its non-bank subsidiaries, Cavanal Hill Investment Management, Inc., and BOK Financial Private Wealth, Inc., each an SEC registered investment adviser, and BOK Financial Securities, Inc., also an SEC registered investment adviser and registered broker/dealer, member FINRA/SIPC (each an "Investment Affiliate") (collectively, "BOKF"). Distribution of this document is intended for informational purposes. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. The opinions expressed herein reflect the judgment of the author(s) as of the date prepared and are subject to change without notice and are not a complete analysis of any sector, industry, or security regardless of the date on which the reader may receive or access the information. The information provided is intended to be educational in nature and not advice relative to any investment or portfolio offered through an Investment Affiliate, and does not constitute any form of regulated financial, legal, or tax advice, or other regulated financial service. The content provided herein is not a solicitation for the investment management services of any Investment Affiliate, nor is it intended to constitute a recommendation for, or advice to, any specific person on behalf of any Investment Affiliate, as it does not take into account the financial objectives, situation, or needs of any specific person. This information is provided on the understanding that the recipient has sufficient knowledge and experience to be able to understand and make their own evaluation of said content, any risks associated therewith, and any related legal, tax, accounting, or other material considerations. Recipients should not solely rely on this material in making any future investment decision. To the extent that the recipient has any questions regarding the applicability of any specific issue discussed above to their specific portfolio or situation, they are encouraged to consult with a qualified lawyer, accountant, or financial professional.

This document may contain forward-looking statements that are based on management's beliefs, assumptions, current expectations, estimates, and projections, the securities and credit markets and the economy in general. Words such as "anticipates," "believes," "estimates," "expects," "forecasts," "plans," "projects," variations of such words and similar expressions are intended to identify such forward-looking statements. Management judgments relating to and discussion of the value and potential future value or performance of any security, group of securities, type of security or market segment involve judgments as to expected events and are inherently forward-looking statements. These statements are not guarantees of future performance. Likewise, past performance is not a guarantee of future results. This content is prepared for the use of the Investment Affiliates and their clients and prospective clients, and may not be reproduced, redistributed, retransmitted or disclosed, or referred to in any publication, in whole or in part, or in any form or manner, without the express written consent of BOKF or BOKF, NA. Any unauthorized use or disclosure is prohibited. Receipt and review of this document constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained herein. This report should not be distributed without the attached disclosures, and is considered incomplete if the disclosures are not attached.

\*This chart is for illustrative purposes only and not indicative of any actual investment.

Asset allocation, diversification, and rebalancing do not ensure a profit or protect against loss in declining markets. Investing involves risks, including possible loss of principal, and there is no guarantee that investment objectives will be achieved.

BOK Financial® is a trademark of BOKF, NA. Member FDIC. Equal Housing Lender. 2025 BOKF, NA.

**INVESTMENT AND INSURANCE PRODUCTS ARE: NOT FDIC INSURED | NOT GUARANTEED BY THE BANK OR ITS AFFILIATES | NOT DEPOSITS | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | MAY LOSE VALUE**