

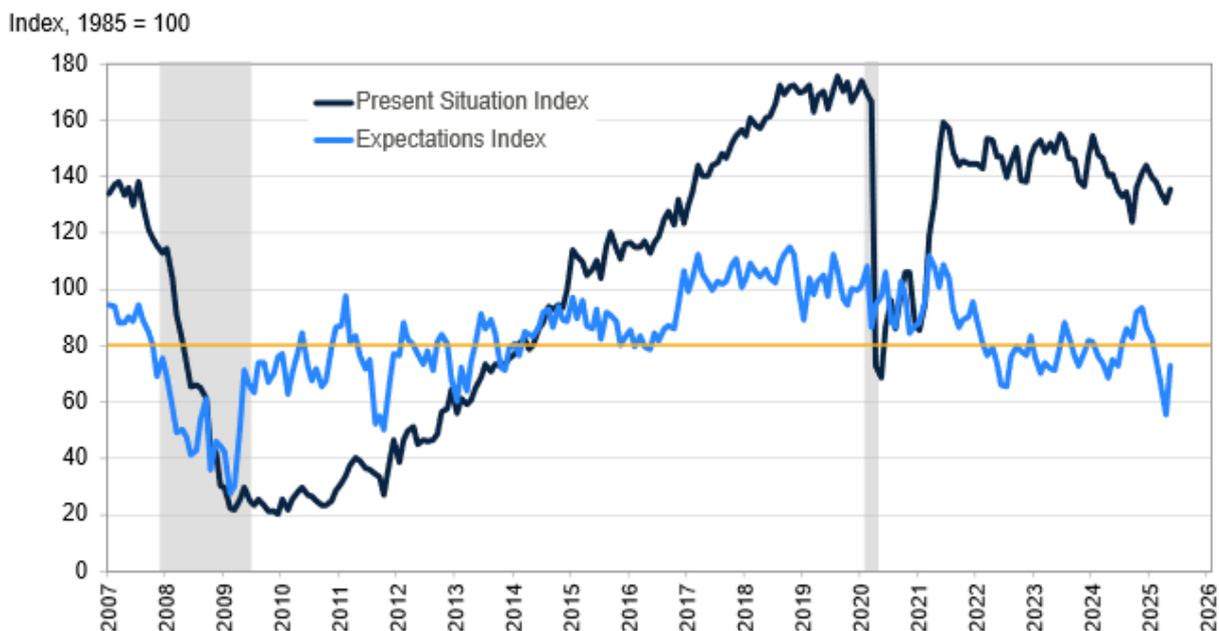
Consumers Are Not As Gloomy

The Conference Board’s consumer confidence index surged from 85.7 to 98.0. Such was the largest one-month increase since 2009! Clearly, progress on trade deals and the delay in implementing tariffs spurred the increase. Moreover, the recovering stock market also boosted consumer confidence. However, bear in mind that the index is coming off its lowest level since May 2020. The present situation index rose slightly, as shown below, but the expectations index jumped from 55.4 to 72.8. It appears consumers are starting to gain confidence about the future. The following line from the report points to the potential for more robust personal consumption.

Compared to April, purchasing plans for homes and cars and vacation intentions increased notably, with some significant gains after May 12. Plans to buy big-ticket items—including appliances and electronics—were also up. Likewise, consumers’ intentions to purchase more services in the months ahead, with almost all services categories rising. Dining out remained number one among spending intentions, followed by streaming services, while plans to spend on movies, theater, live entertainment, and sporting events increased the most over last month.

Also notable in the report is that the average expected 12-month inflation rate decreased from 7.0% to 6.5%. Although still high, it suggests that initial expectations for tariff-induced inflation may be abating. While one month doesn’t make a trend, a potential reversal in consumer inflation expectations may provide some comfort to Fed members worried about inflation.

Present Situation and Expectations Index



*Shaded areas represent periods of recession.
Sources: The Conference Board; NBER
© 2025 The Conference Board. All rights reserved.

What To Watch Today

Earnings

Thursday May 29	EPS	Consensus	Previous	Revenue	Consensus	Previous	MarketCap	Fiscal	Time
CrowdStrike Holdings <small>CRWD</small>	0.66	0.93		1.1B	921M		\$94.17B	Q1	PM
Dell Technologies <small>DELL</small>	1.73	1.27		23.23B	22.24B		\$58.39B	Q1	PM
Zscaler <small>ZS</small>	0.76	0.88		666.36M	553.2M		\$29.97B	Q3	PM
NetApp <small>NTAP</small>	1.89	1.80		1.72B	1.67B		\$16.96B	Q4	PM
Ulta Salon Cosmetics Fragan	5.78	6.47		2.79B	2.73B		\$16.94B	Q1	PM
Hormel Foods <small>HRL</small>	0.36	0.38		2.92B	2.89B		\$16.69B	Q2	AM
Cooper Companies <small>COO</small>	0.93	0.45		996.74M	942.6M		\$15.68B	Q2	PM
Burlington Stores <small>BURL</small>	1.43	1.42		2.52B	2.36B		\$14.43B	Q1	AM
Best Buy <small>BBY</small>	1.08	1.20		8.78B	8.85B		\$12.97B	Q1	AM
Gap <small>GPS</small>	0.44	0.41		3.44B	3.4B		\$6.89B	Q1	PM
Nordstrom <small>JWN</small>	-0.12	-0.24		3.4B	3.22B		\$3.91B	Q1	AM
Five Below <small>FIVE</small>	0.48	0.60		897.14M	811.9M		\$3.54B	Q1	PM
American Eagle Outfitters <small>AEO</small>	0.31	0.34		1.16B	1.14B		\$2.03B	Q1	PM
Ambarella <small>AMBA</small>	0.0384	-0.26		84.01M	54.5M		\$1.81B	Q1	PM
Foot Locker <small>FL</small>	-0.01	0.22		1.92B	1.87B		\$1.07B	Q1	AM
American Woodmark <small>AMWD</small>	1.72	1.70		440.61M	453.3M		\$820.9M	Q4	AM
Kohl's <small>KSS</small>	-0.50	-0.24		2.97B	3.38B		\$681M	Q1	AM

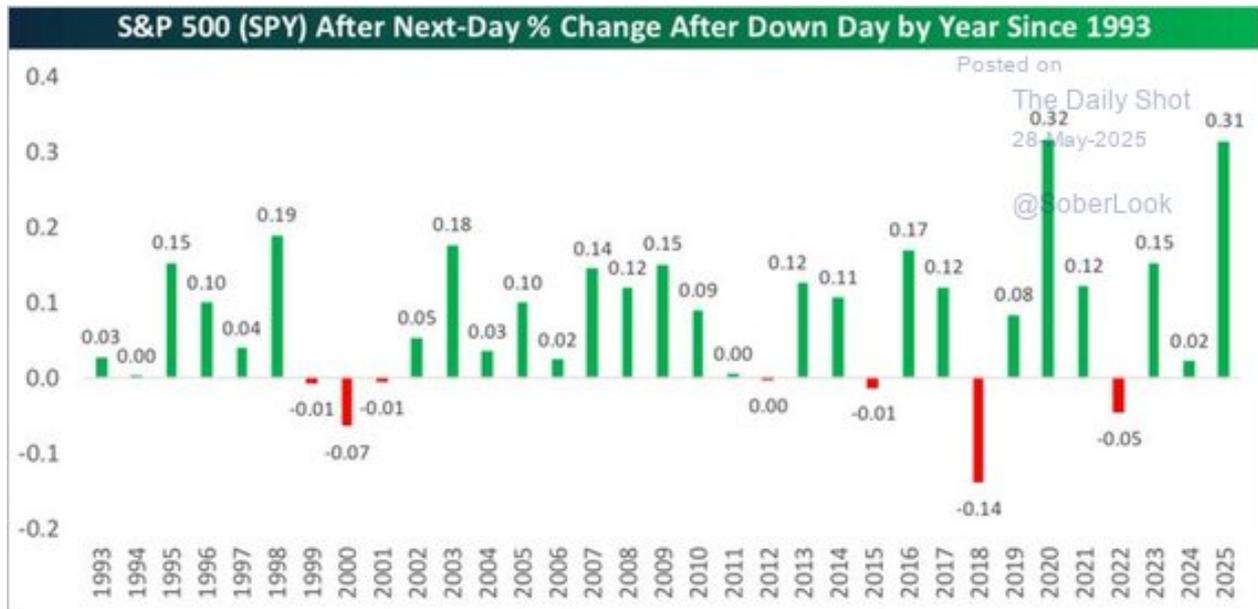
Economy

Thursday May 29 2025	Actual	Previous	Consensus	Forecast	
06:30 AM US GDP Growth Rate QoQ 2nd Est <small>Q1</small>	2.4%	-0.3%	-0.3%	-0.3%	
06:30 AM US Corporate Profits QoQ Prel <small>Q1</small>	5.9%	5.9%	4%	4%	
06:30 AM US Fed Barkin Speech					
06:30 AM US GDP Price Index QoQ 2nd Est <small>Q1</small>	2.3%	3.7%	3.7%	3.7%	
06:30 AM US Initial Jobless Claims <small>MAY/24</small>	227K	230K	230K	230K	
06:30 AM US Continuing Jobless Claims <small>MAY/17</small>	1903K		1907K	1907K	
06:30 AM US Core PCE Prices QoQ 2nd Est <small>Q1</small>	2.6%	3.5%	3.5%	3.5%	
06:30 AM US GDP Sales QoQ 2nd Est <small>Q1</small>	3.3%	-2.5%	-2.5%	-2.5%	
06:30 AM US Jobless Claims 4-week Average <small>MAY/24</small>	231.5K		233K	233K	
06:30 AM US PCE Prices QoQ 2nd Est <small>Q1</small>	2.4%	3.6%	3.6%	3.6%	
06:30 AM US Real Consumer Spending QoQ 2nd Est <small>Q1</small>	4%	1.8%	1.8%	1.8%	
08:00 AM US Pending Home Sales MoM <small>APR</small>	6.1%		-1.5%	-1.5%	
08:00 AM US Pending Home Sales YoY <small>APR</small>	-0.6%		1.9%	1.9%	
08:30 AM US EIA Natural Gas Stocks Change <small>MAY/23</small>	120Bcf				
08:40 AM US Fed Goolsbee Speech					

Market Trading Update

As [noted yesterday](#), the market was reaching more overbought levels on both a momentum and relative strength basis. While this is not a significant correction warning in itself, it does tend to suggest that the upside could be somewhat limited until a pullback or consolidation occurs. However, one indicator we watch closely is *money flows*. As we discussed yesterday on X:

On [@cvpayne](#) show, we were discussing the [#BuyTheDip](#) mentality of [#retail](#) [#investors](#). The S&P 500's average gain of 0.31%, following down days in 2025, marks the strongest *buy-the-dip* responses since 2020.



Of course, what is interesting about that is that the backdrop between today and 2020 is vastly different.

Backdrop	2020	2025
Economy	Recession	Slow Growth
Interest Rates	Falling	Stable
Inflation	Falling	Stabilizing
Fed Rate Policy	0%	4.30%
Monetary Policy	QE \$120 Bil (Mth)	QT -\$5 Bil (Mth)
Gov't Policy	Massive Stimulus	No Stimulus

We can visualize those money flows on a technical basis. As shown, the strength of positive money flows is at levels usually seen near short-term market peaks. With the MACD indicator and money flows elevated, the risk of a consolidation or pullback in June is more probable. We will pay close attention to the flows over the next few weeks. If they begin to decline sharply, the market will likely follow.



With earnings season wrapping up and the share buyback window getting ready to close by mid-June, pay attention to your portfolio's risk profile. We are currently overweight cash and are looking for a more strategic opportunity to deploy that cash in the near future.

SimpleVisor™

Don't invest alone.
Tap into the power of SimpleVisor.

[> Sign up now](#)

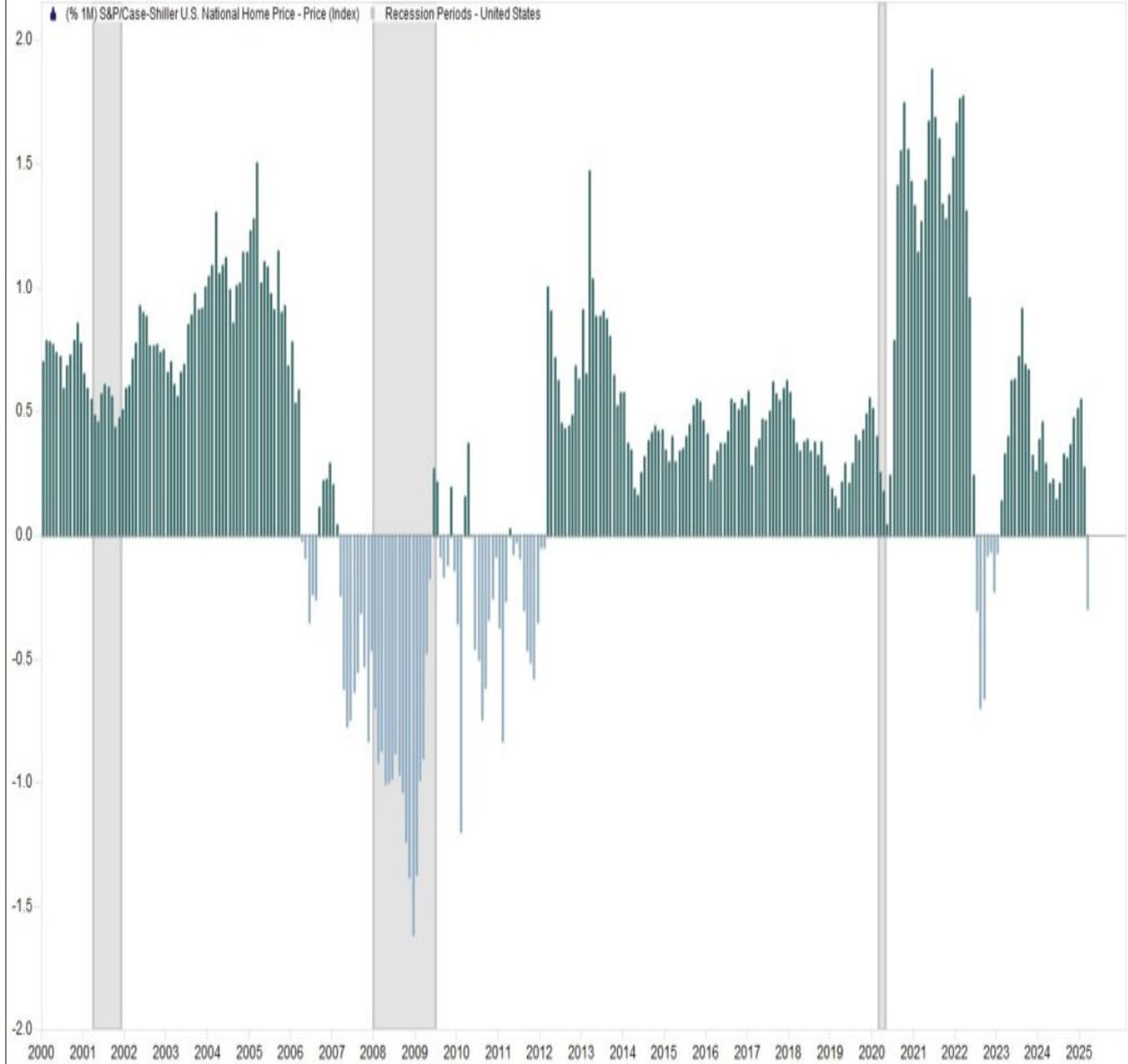
The Coming Disinflation Push In A Few Graphs

We have often discussed the outsized role that rent and implied rental prices, i.e., shelter prices, play in the Consumer Price Index (CPI) data. Given its importance, we share a few graphs to help you appreciate that CPI may be much lower in the coming months when lagging CPI shelter prices catch up to market prices and fundamentals. First, however, consider that excluding shelter prices, the CPI is running at 1.4%, exactly in line with its level in the few years preceding the pandemic. Furthermore, the shelter price index within CPI lags real-time shelter prices significantly.

- The first graph shows that the most recent Case-Shiller Home Price Index declined last month for the first time in two years.
- The CPI rent sub-index has been rising at an approximate 0.3% a month rate. But, according to Apartment List and other private sector rent indexes, apartment rent prices have been flat to declining for over a year. Moreover, the Cleveland Fed's New Tenant Rent Index, a measure of current rent prices, has declined over the last three quarters.
- The third graph shows that rental vacancies have been rising steadily and are now at their highest level since 2018. More supply of apartments provides leverage for renters to secure better rental rates.
- The last graph highlights that the construction of 5-unit or larger housing units is and has been running hot. Therefore, a continued heavy supply of apartments should help keep apartment rental prices constrained in the future.

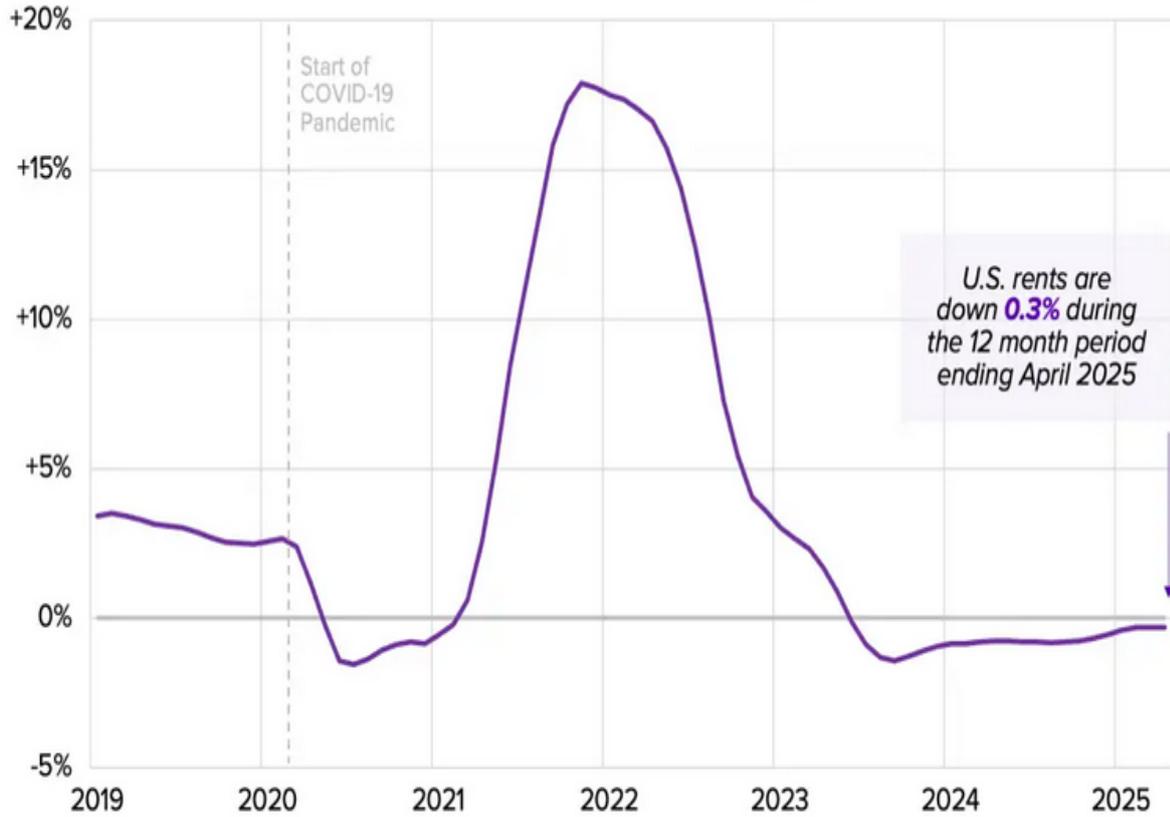
U.S. National Home Price Index

1-Month Change (%), Seasonally Adjusted



Source: Cetera Investment Management, FactSet, Standard & Poor's. Data as of 03/31/2025.

Annual Change in National Rent Index (2019 - Present)



U.S. rents are down **0.3%** during the 12 month period ending April 2025

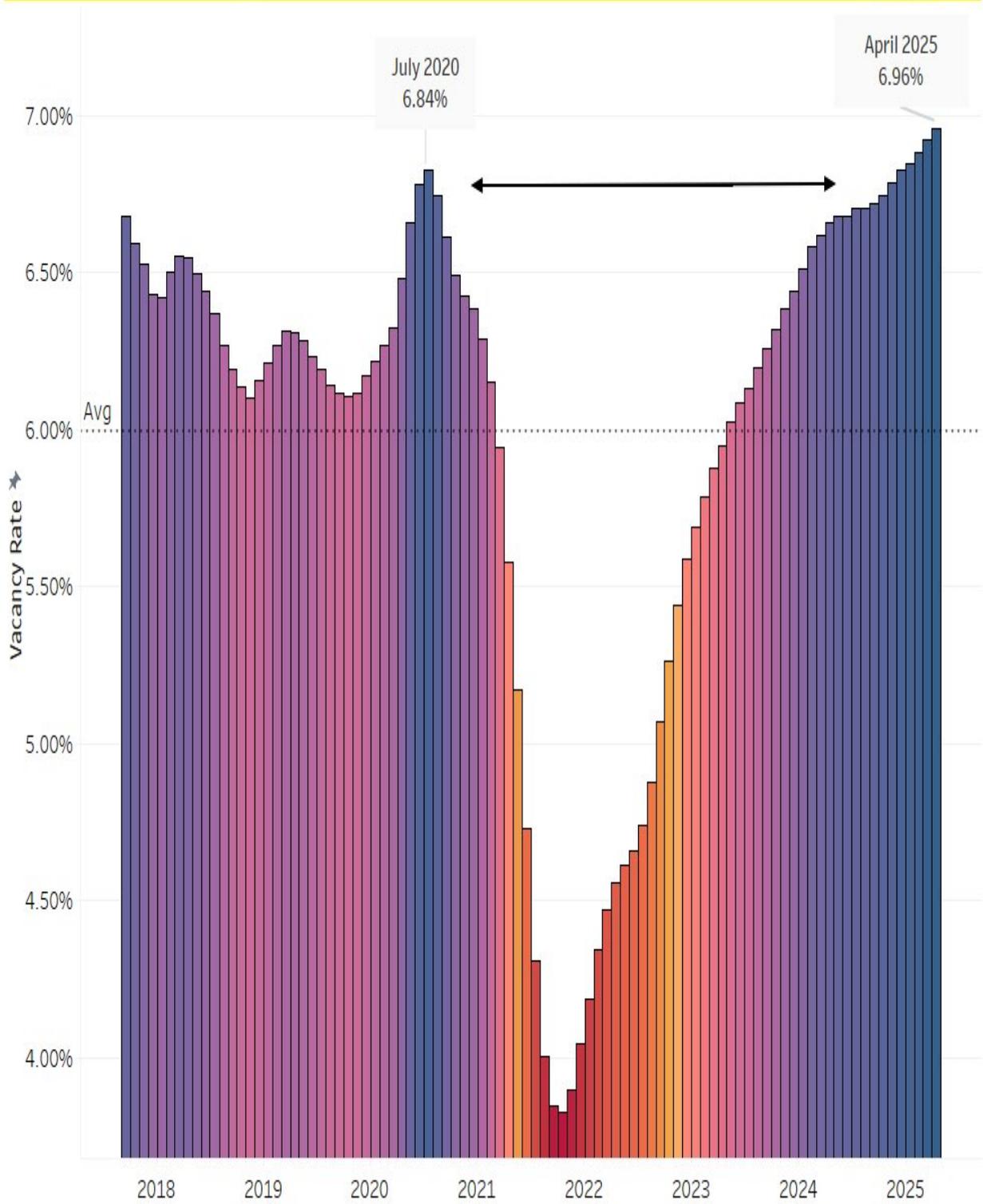
Source: Apartment List Rent Estimates

Data Available: www.apartmentlist.com/research/category/data-rent-estimates

Apartment  List

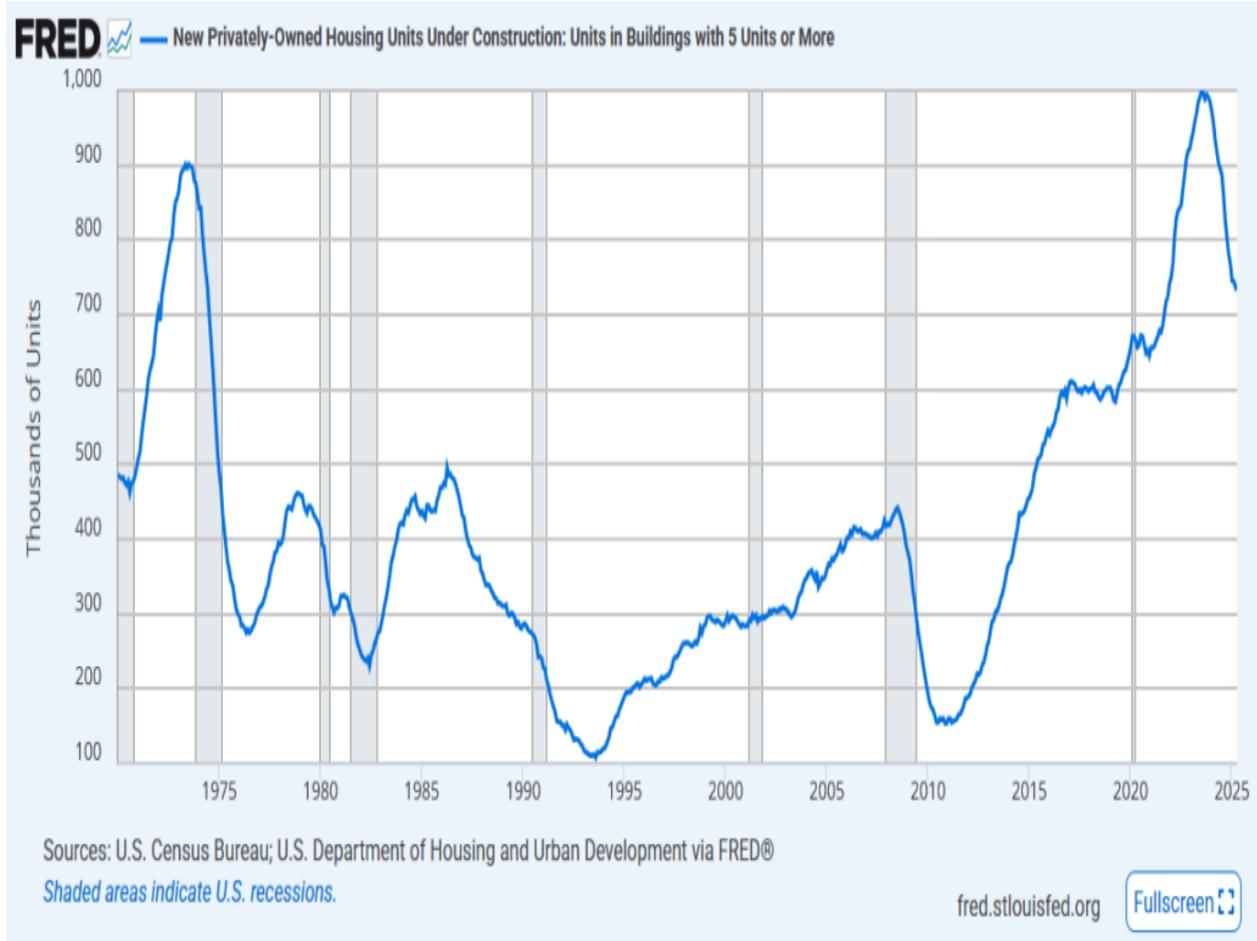
U.S. Rental Vacancy Levels

Apartment List National Vacancy Index



Data Source: Apartment List

© 2025 Arbor Research & Trading, LLC. All Rights Reserved
datascience.arborresearch.com



Narratives vs. Fundamentals: Battle In The Bond Market

Looking beyond the day traders, narratives often determine the short to medium-term price trends. **These narratives, which can last days, weeks, months, or longer, are stories or themes that shape how traders and investors interpret and react to changes in the financial markets.** They simplify complex topics into easily digestible explanations. Sometimes, market narratives accurately explain why markets are moving in one direction or the other. However, other times they prove false. Whether grounded in hard data or not, market narratives can perpetuate market trends by shaping shorter-term investor behaviors. Furthermore, as narratives gain popularity, they are amplified by the media and, more recently, social media platforms.

[READ MORE?](#)

Tweet of the Day

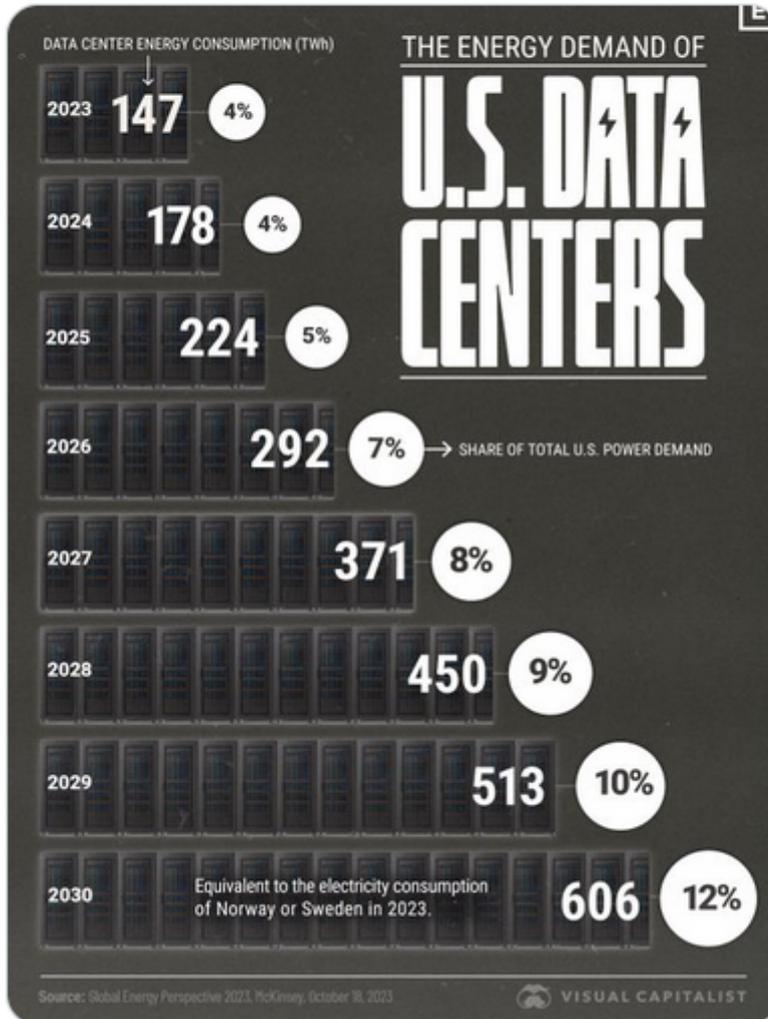


Trevor Noren @trevornoren · 18h



"In absolute terms, U.S. data center energy demand is set to jump from 224 terawatt-hours in 2025 to 606 terawatt-hours in 2030."

visualcapitalist.com/charted-the-en...



?Want to achieve better long-term success in managing your portfolio? Here are our [15-trading rules for managing market risks.](#)

Please [subscribe to the daily commentary](#) to receive these updates every morning before the opening bell.

If you found this blog useful, please send it to someone else, share it on social media, or contact us to set up a meeting.