WEEKLY ECONOMIC UPDATE SEPT. 2, 2025

Stocks ended the week slightly lower as mixed economic data led to some profit-taking by investors ahead of the holiday weekend.

The Standard & Poor's 500 Index edged down 0.10 percent, while the Nasdaq Composite Index slipped 0.19 percent. The Dow Jones Industrial Average slid 0.19 percent. The MSCI EAFE Index, which tracks developed overseas stock markets, skidded 1.53 percent.[1,2]

Stocks Rise, Then Falter

Stocks initially rose but then took a breather as investors continued to process Fed Chair Powell's comments from the Fed's annual symposium.[3]

Stocks regained momentum midweek as investors waited for the Q2 corporate report from the nation's most influential artificial intelligence (AI) company. The AI chip maker posted results Wednesday night, with a mixed reception in after-hours trading. On Thursday, the stock rallied, which helped the S&P 500 close above 6500 for the first time.[4,5]

On Friday, the Fed's favorite inflation gauge, the Personal Consumption Expenditures (PCE) Index, aligned with expectations. Still, stocks were under pressure from the opening bell as investors appeared to take profits ahead of the Labor Day weekend.[5]

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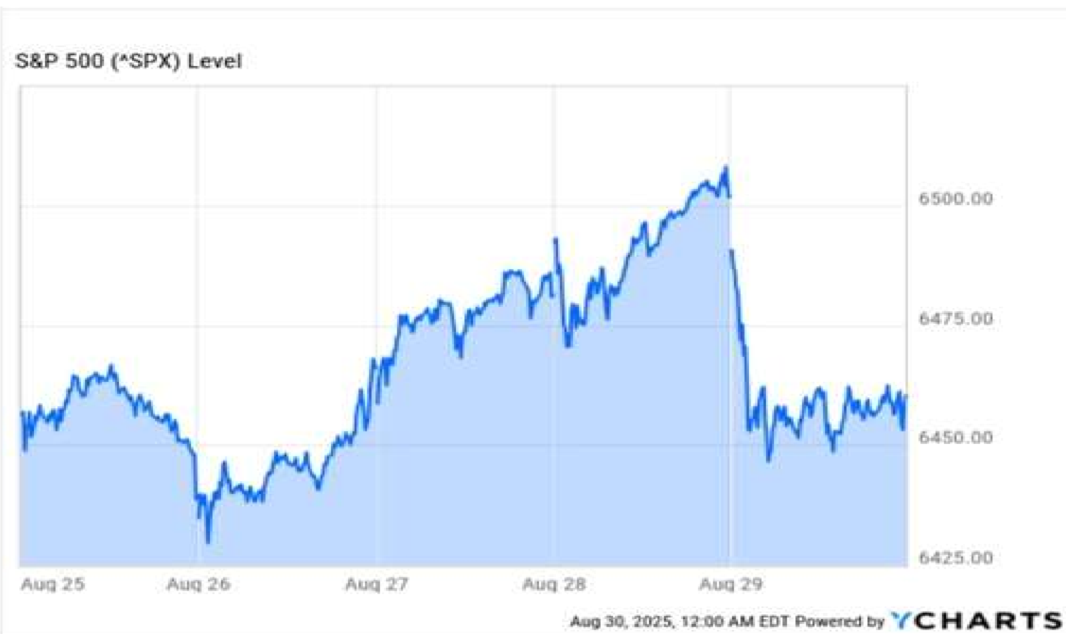
Weekly Market Insights (WMI)

Major Index Return Summary

Name	1M TR	YTD TR	1Y TR	5Yr TR
MSCI EAFE	2.58%	23.68%	15.14%	66.72%
Nasdaq Composite	2.56%	12.89%	24.48%	92.66%
Dow Jones Industrial Average	1.94%	8.46%	13.00%	75.53%
S&P 500	1.87%	11.49%	17.81%	99.74%

S&P 500 Daily Close



10-Year Note Review

Indicator Name Date	Latest Value	1M Ago 3M Ago 1Y Ago	1M Change 3M Change 1Y Change
10 Year Treasury Rate 08/29/25	4.23%	4.34% 4.43% 3.87%	-2.53% ▼ -4.51% ▼ 9.30% ▲

Mixed Economic News

Revised gross domestic product (GDP) numbers showed the economy grew more quickly in Q2 than initially thought, which was a win for the economic bulls. However, the economic bears pointed out that orders of durable goods declined and the trade deficit was wider than expected. The PCE report, while in line with expectations, was at a 2.9 percent annual rate in July.[6,7,8]

Investors are closely watching every piece of economic data for insights about what the Fed will do with interest rates at its two-day meeting, which ends September 17. So expect attention to focus on speeches by Fed officials until the Fed enters its blackout period before the September meeting.

This Week: Key Economic Data

Monday: MARKET HOLIDAY

Tuesday: ISM Manufacturing. Construction Spending.

Wednesday: Job Openings. Factory Orders. Fed Beige Book. Auto Sales. Minneapolis Fed President Neel Kashkari speaks.

Thursday: ADP Employment Report. Weekly Jobless Claims. Productivity. Trade Deficit. ISM Services. New York Fed President John Williams and Chicago Fed President Austan Goolsbee speak.

Friday: Jobs Report.

"Technological progress has merely provided us with more efficient means for going backwards"

– Aldous Huxley

Of Note

President Trump recently caused a stir after he fired the head of the Bureau of Labor Statistics (BLS) hours after it released a weaker-than-expected jobs report. In a post on his social media site Truth Social, the president blamed the Biden-appointed BLS commissioner, Dr. Erika McEntarfer, for manipulating jobs numbers to prop up Democrats and make his administration look bad. He promised to appoint someone "much more competent and qualified."

Many of his critics sought to frame the move as a childish yet dangerous attempt to brazenly warp reality to Trump's liking. Even outlets that are generally sympathetic to most of the president's domestic economic policies warned that the move represented the same kind of politically perilous denial of economic reality that doomed the Biden administration while also threatening to lower trust in the federal government's economic data.

As they've done earlier in the wake of Trump attacks on the federal judiciary and Federal Reserve, establishment "experts" rushed to reassure the public about the "independence" and "nonpolitical" nature of the BLS and the federal data collection apparatus more broadly. An effort was made to portray these federal data collectors as rigorous statisticians obsessed only with the truth and to assure readers that there is no evidence for the kind of brazen data editing that Trump suggested was taking place in his Truth Social post.

But while Trump's assertion of BLS data manipulation was characteristically imprecise, there's no question that the political establishment has been concealing, spinning, and even outright manipulating government economic data for its own benefit.

There isn't clear, undeniable evidence that officials at the BLS are editing or making up the jobs numbers that go out to the public. But it's easy to see why people think that they are when you look back at the series of dramatic downward revisions the Bureau has made in recent years—especially during Biden's presidency.

The monthly jobs report is a recurring, previously scheduled drop that all major media outlets publish immediately. And whenever the headline number is dramatically large or at all higher than expectations, White House officials are quick to seize on the news to frame it as a consequence of their brilliant economic agenda. However, when these jobs figures consistently get revised at a later date—ostensibly due to new information—the revisions are rarely given the same level of attention by the media and are therefore only really noticed by the small subset of the population that is closely monitoring economic data.

So, as an example, the Biden administration was able to loudly celebrate BLS reports showing dramatic job growth month after month. And when almost all of that growth was revised away in future reports, very few people noticed. The consistently inaccurate jobs reports gave the public the false impression that the economy was booming. The fact that this was due to the same kind of mistake apparently being made over and over again struck many as suspicious. And rightfully so.

It is important to note, however, that this has continued after Biden left office. So if the BLS really was propping up initial jobs reports to make the economy look stronger under Biden, then by every meaningful indication, they have done the same thing under Trump—at least so far.

Beyond relatively unseen revisions, the government can also boost employment numbers by using tax dollars to create new government jobs. Similarly, it can boost economic growth as measured by GDP simply by increasing government spending on any program. And as anyone who's studied the history of US monetary policy knows, the Federal Reserve can and does generate artificial economic booms by printing money and injecting it into the credit markets.

While the inner workings of the jobs report revisions are vague enough for some deniability, there is no question that the federal government has used these other tools to make the economy appear better than it actually has been over the past few years.

They have needed to because the trillions of dollars the Fed created out of thin air and injected into the credit markets in the years since the housing bubble collapsed—and especially during the pandemic—locked in some serious economic pain that has to occur at some point. After all, an immediate economic collapse could easily be pinned on them.

Unfortunately, Trump's substantial embrace of tariffs this time around has, in all likelihood, handed the establishment the scapegoat it needed to avoid blame when the economy next falls apart. The idea that tariffs alone can cause recessions is economically illiterate, but that won't matter.

Sound economic theory and a proper understanding of economic history make it clear that we will have to face an economic recession at some point. And if the federal bureaucrats who have so far been doing all they can to cover up any economic slowdown that's already occurring are really now pulling back, it may even come soon.

But whether it's soon or years down the road, it would be a mistake for the right to take after the Biden administration and completely dismiss any sign of economic pain, even though they are correct to question the motivations of the officials in charge of much of the data. When the pain comes, people need to understand that it was the established political class and their banking cartel—the Federal Reserve—that truly caused it. Pretending like everything is fine will only help these perpetrators escape the blame they deserve.[9]

Footnotes and Sources

1. WSJ.com, August 29, 2025
2. Investing.com, August 29, 2025
3. CNBC.com, August 25, 2025
4. CNBC.com, August 27, 2025
5. CNBC.com, August 28, 2025
6. WSJ.com, August 29, 2025
7. CNBC.com, August 28, 2025
8. MarketWatch.com, August 29, 2025
9. mises.org/mises-wire/no-matter-who-president-dont-trust-government-data

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