

7/6/25<sup>★</sup>

# Sunday Dump

WEEKLY NEWSLETTER



Welcome to the Sunday Dump, your weekly 5 minute digest of the most exciting developments in finance, economics and current events.

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# Economic Data



## **Recession or not?**

The Bureau of Economic Analysis released GDP data for the first quarter of 2025. For the first time since 2022, US GDP decreased. After increasing by 2.4 percent in the last quarter of 2024, GDP fell by 0.5 percent in the first three months of 2025. Many of Trump's tariffs have or will take effect in the second quarter, mounting fear of a potential recession.

A recession is classified as two consecutive quarters of declining GDP. But while last quarter's data is concerning, there's reason to believe next quarter won't see a similar decline. GDP refers to domestic spending and is thus calculated by subtracting imports, or spending on foreign goods. Imports actually increased in the first quarter of 2025 in an attempt to purchase foreign goods before Trump's tariffs took effect. While this did bring GDP down in the first quarter, with more tariffs in effect for the second quarter GDP won't be dragged down by imports as much.

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# Economic Data Contd.



There's still cause for concern, though. On July 1st the Conference Board released its Consumer Confidence data for June. Their Consumer Confidence Index decreased 5 points from 98.4 to 93.0 (based on a scale where 1985 was 100). When consumers lose confidence about the economy, they begin spending less and saving more, which can decrease GDP enough to cause a recession and perpetuate the cycle. Even if tariffs themselves aren't as bad as anticipated, their mere perception could be enough to cause the US economy to contract.

Meanwhile, the Personal Consumption Expenditures Index, the inflation metric preferred by the Federal Reserve, found inflation to be at a seasonally adjusted rate of 2.7 percent. The Fed normally targets a rate closer to 2 percent, making a rate cut that much less likely. Depending on the potential inflationary effect of tariffs as they roll in, this could change, but for now a rate cut is relatively unlikely.

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# Stock of the Week



This past week, Centene Corporation (CNC) plunged around 38% (\$53.83 to \$33.30). This news came shocking to investors, as a drop this large is usually rare in the healthcare space. The main reason for this decline was a change in the company's financial outlook - this change greatly worried investors and caused the sudden drop.

Centene is a for-profit healthcare company that operates government sponsored healthcare programs - also known as Medicaid. The company unreleased its financial predictions for the rest of the year, causing investors to panic. This means that they no longer stood by the projections and estimates of their revenue and profits. The reason for this decision was that after a closer look at its business, there was lower than expected growth and higher than expected costs. Specifically, in several states where they provide health plans, they found that there was a large shortfall of revenue which leads to a much smaller earnings per share than what they initially told their investors. This news caused many shareholders to sell off their shares, causing the big drop. Additionally, many other healthcare companies' stocks fell because of the Centene news.

This drop led to more than \$11 billion of shareholder value being wiped from Centene Corporation, highlighting the sensitive nature of revisions to financial goals by large companies.

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# Sunday Dump

## Upcoming Week...

WEEK OF 7/6/25

### Monday

### Tuesday

 CPI M/M

### Wednesday

 CPI Y/Y

 \$JPM Earnings


### Thursday

 Retail Sales

### Friday

 Consumer  
Sentiment

### Sat-Sun

 Sunday Dump  
Seminar

 Key Economic Data

 Key Stock Events

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# Thanks for reading



SUNDAY DUMP'S WEEKLY  
NEWSLETTER

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