

Rate Reductions, Benchmark Updates, and Home Highs

December 22nd, 2025

- **Rate Reduction** – The Federal Reserve authorized a 0.25% rate cut on December 10, 2025. There is still disagreement among the board, with Stephen I. Miran wanting a 0.50% cut and Austan D. Goolsbee and Jeffrey R. Schmid preferring no change (source: Federal Reserve).
- **Benchmark Bettin'** – Citigroup increased its 2026 year-end S&P 500 target to 7,700, citing AI infrastructure buildouts as a key factor. This benchmark estimates a 12.7% gain for the year (source: Reuters).
- **Decreasing Deficit** – The September 2025 goods and services deficit was \$52.8 billion, which is a \$6.4 billion decline from August 2025. September 2025 imports were \$289.3 billion, while exports were \$342.1 billion (source: U.S. Bureau of Economic Analysis).
- **Crumbling Competition** – Nvidia will acquire SchedMD, an AI software firm, to increase its AI ecosystem and eliminate rising competition. The financial terms of the deal were undisclosed (source: Reuters).
- **Need a Job?** – October 2025 job openings remained unchanged at 7.7 million. During October 2025, there were 2.9 million quits and 1.9 million layoffs and discharges (source: U.S. Bureau of Labor Statistics).
- **Final Financing** – Spirit Airlines secured a \$100 million emergency financing package in an attempt to support operations during its recent bankruptcy filing. Since its second bankruptcy filing, Spirit Airlines has cut jobs, left 14 airports, eliminated leases on 80 aircrafts, and reduced routes (source: Reuters).
- **Home Highs** – The National Association of Home Builders / Wells Fargo Housing Market index rose one point to 39 in December 2025, which is the highest level since April 2025. However, the index remained below the 50 break-even point for the 20th consecutive month (source: Reuters).
- **Paycheck Progress** – Compensation costs increased by 0.8% between June 2025 and September 2025, bringing the 12-month increase to 3.5% (source: U.S. Bureau of Labor Statistics).
- **Talkin' Time Travel** – Pew Research found that 45% of U.S. adults would choose to live sometime in the past, 40% would live in the present, and 14% would like to live sometime in the future. Even more surprising, republicans are nearly twice as likely as democrats to want to live in the past (source: Pew Research Center).
- **Finalized Fate** – The Kansas City Chiefs have officially been eliminated from the playoffs following the loss to the Los Angeles Chargers on December 14, 2025. This brings their ten straight playoff streak to an end, which was the second-longest postseason run in NFL history (source: NFL).

[Definitions and Indexes](#)

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