WJ Charts of the Month

September 2025

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WJ Charts of the Month Intro

"WJ Charts of the Month" is a comprehensive monthly slide deck designed to showcase recent significant financial events and data. The presentation is organized into four sections, beginning with a "Highlights" slide that sets the stage for the subsequent content.

1. What Happened Last Month: This section features a curated collection of charts and images from various publications, offering a visual summary of the previous month's key events.

2. WJ State of the Economy: Our team at WJ has created an array of charts to emphasize crucial economic factors and trends.

3. WJ State of the Markets: Similarly, this section comprises a series of charts crafted by WJ to provide an overview of the core markets we monitor.

We strive to maintain consistency across the charts to facilitate easy comparison month-over-month. However, we may adjust or emphasize specific charts if their relevance shifts over time.

Our objective with this publication is to establish a "One-Stop Shop" for the most vital financial information, presented in a concise and easily digestible format. **We value your feedback to help us achieve this goal.** If you have suggestions regarding the format, or if there's particular information you'd like to see in future editions, please don't hesitate to let us know.

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Highlights

Inflation is Heating Up

Employment Situation Deteriorating

AI Boom is Fueling Growth…and Prices

Canadian Boycott

What Happened

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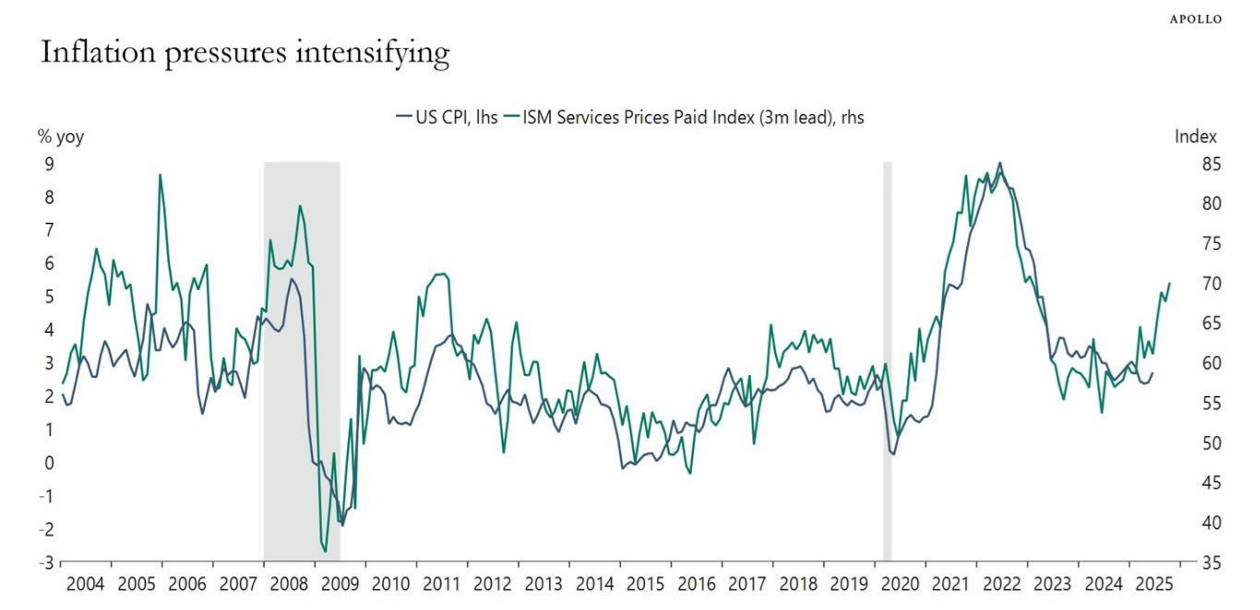
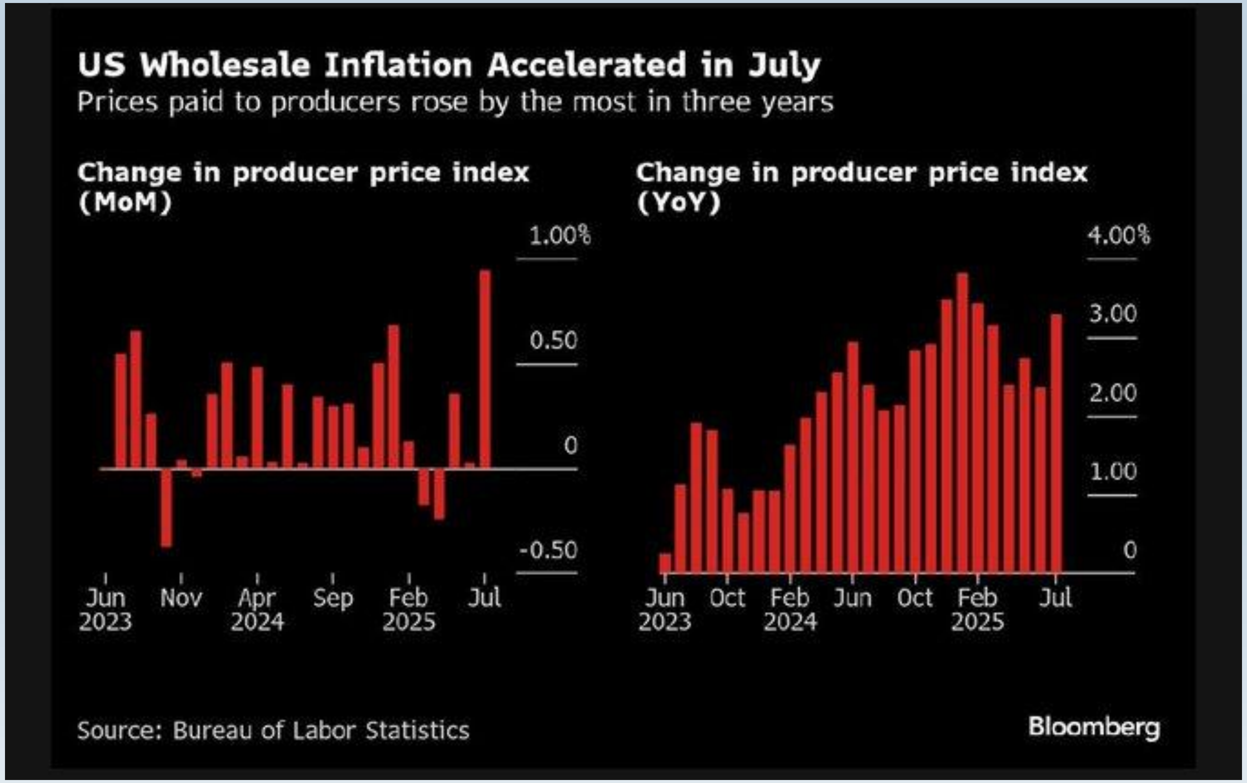
Inflation is Heating Back Up

The effect of tariffs on prices has been relatively muted YTD, but that is starting to change. Up to now, business have chosen to eat most of the tax (according to Goldman Sachs), but they expect businesses to pass on those costs going forward.

Perhaps more worrying is the impact on domestic manufacturers. Goods manufactured in the US don't pay tariffs. **However,** if they use materials sourced from overseas to build their goods, that raises the cost to the end consumer. The first chart shows a survey of prices paid (green line) for various manufacturers, which is spiking.

In addition, the PPI (producer price index) which tends to lead certain components of CPI (consumer price index) is also is spiking. This is worrisome because many of these prices paid are for goods that haven't hit store shelves yet.





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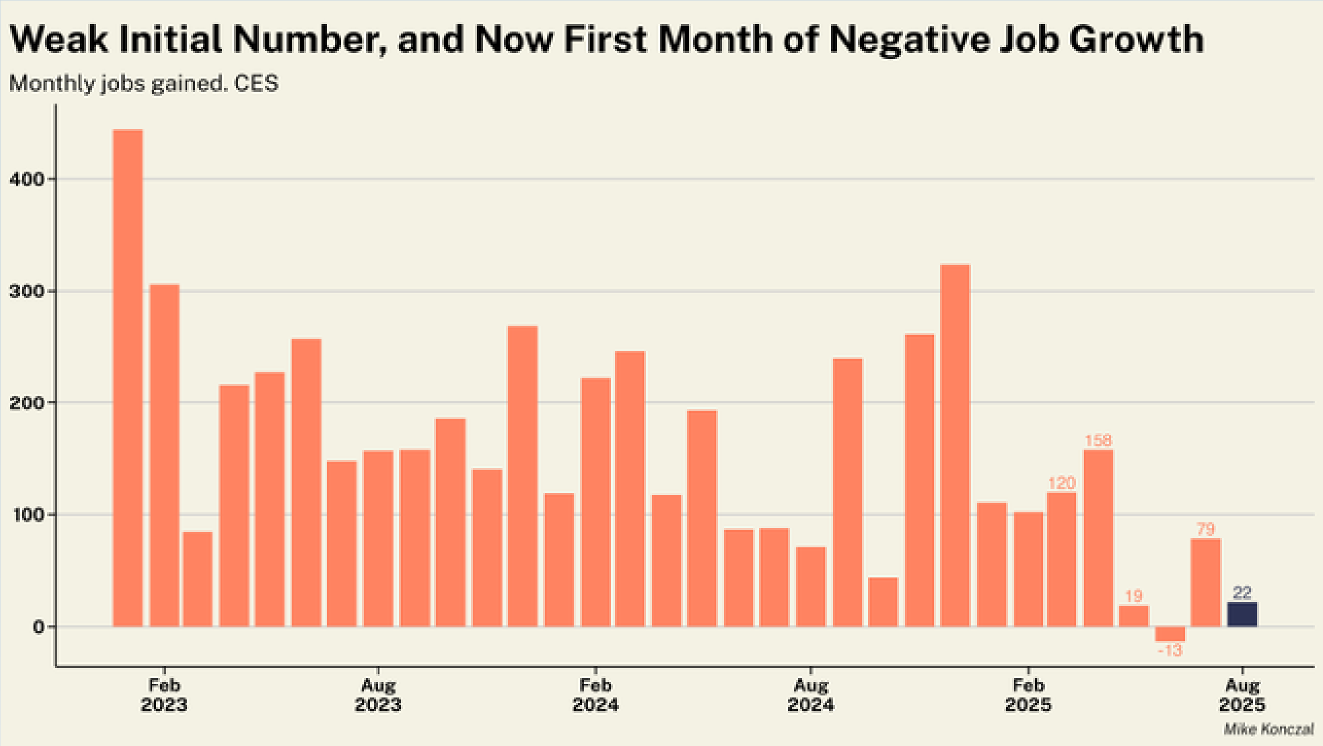
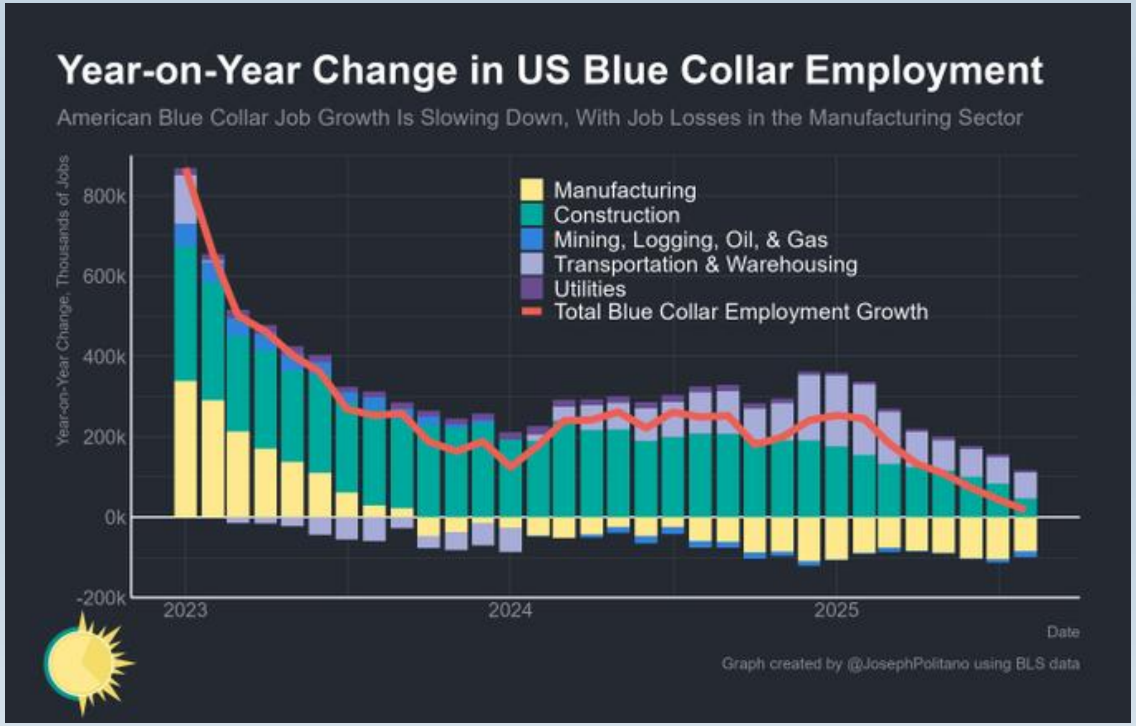
Employment Situation Deteriorating

More apparent is the decline in job growth over the last several months. The BLS latest payroll number was again weak, and past numbers were once again revised lower. In fact, we are now learning that there were net jobs lost in June of this year.

Much of this is concentrated in blue collar work, which is now hovering around no growth. Particularly concerning is where those jobs are being lost. The green (construction) is nearing 0 growth, and manufacturing employment is outright negative.





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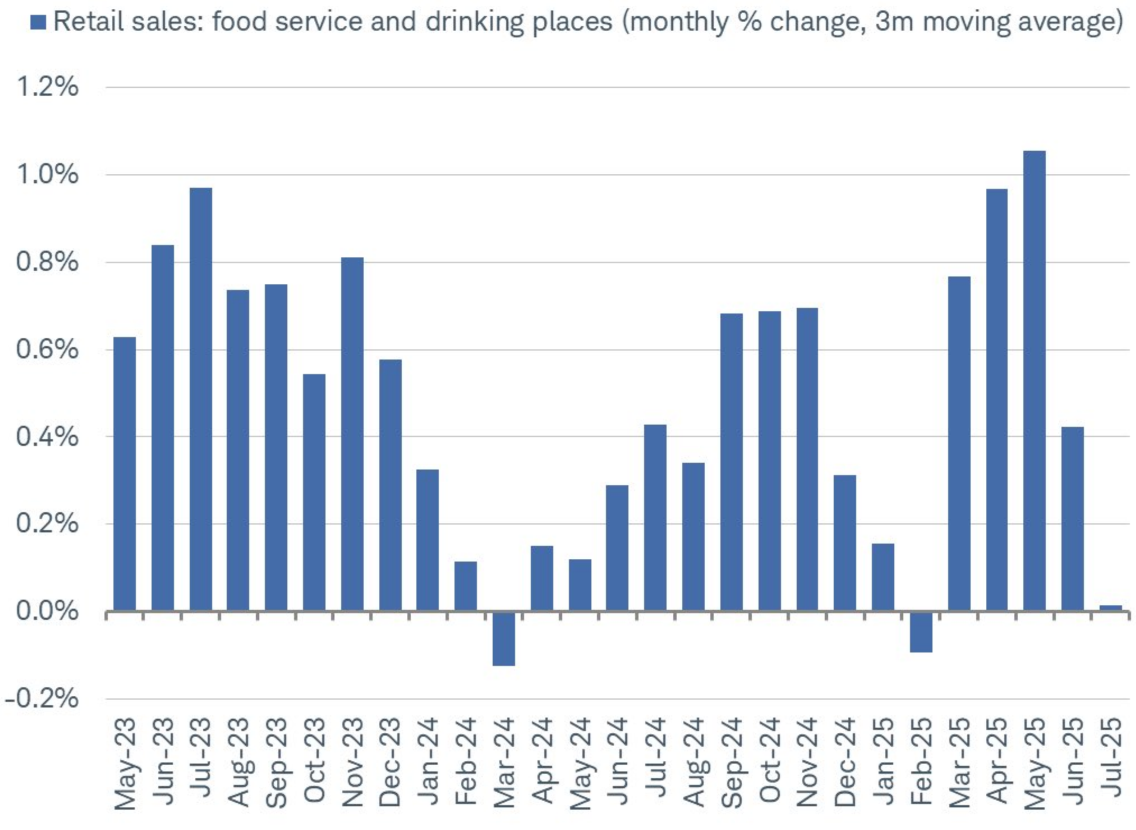
Maybe Impacting Eating Habits?

Potentially related is the steep drop off in the restaurant business, particularly for fast food. I've posted anecdotes here and there, but now we're getting a fuller picture of the industry. They are not growing, and in most cases are seeing declines in same store sales.

Many of the CEOs site consumer weakness, though I'd take that with a grain of salt. They aren't going blame themselves after all.



Source: Charles Schwab, Bloomberg, as of 7/31/2025.

Jonathan Maze
@jonathanmaze

U.S. limited-service chain same-store sales from last quarter:

McDonald's 2.5%
Starbucks -2%
Taco Bell 4%
Wendy's -3.6%
Burger King 1.5%
Domino's 3.4%
Chipotle -4%
Pizza Hut -5%
KFC -5%
Popeyes -0.9%
Jack in the Box -7.1%
Del Taco -2.2%
Papa Johns 1%
Dutch Bros 6.1%
Sweetgreen -7.1%
Potbelly 3.6%

Not a great quarter at all.

AI Boom is Powering GDP

Here are a series of charts illustrating the impact that AI/Data Center spending is having.

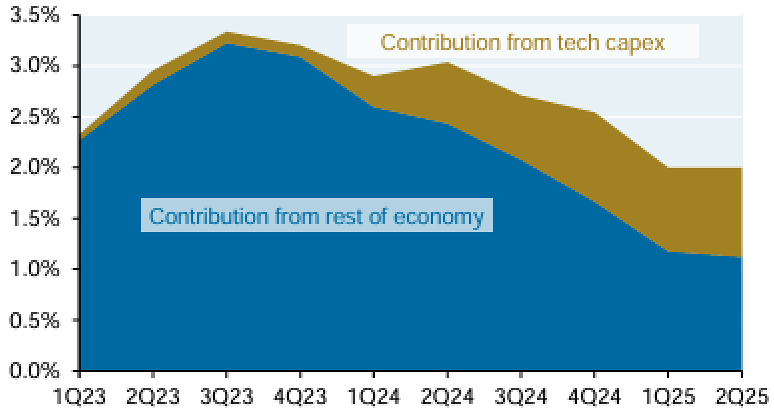
First shows how the spending from large tech firms is contributing about 1/3rd of all of economic growth!

The second chart on the top shows just how much the “Magnificent 7” companies are spending. Next year is projected to be about $750 billion.

The first chart on the bottom shows that the Capex spending is contributing more to growth than personal consumption. Though this is coming from both the fact that capex spending is high, and personal consumption is falling fast.

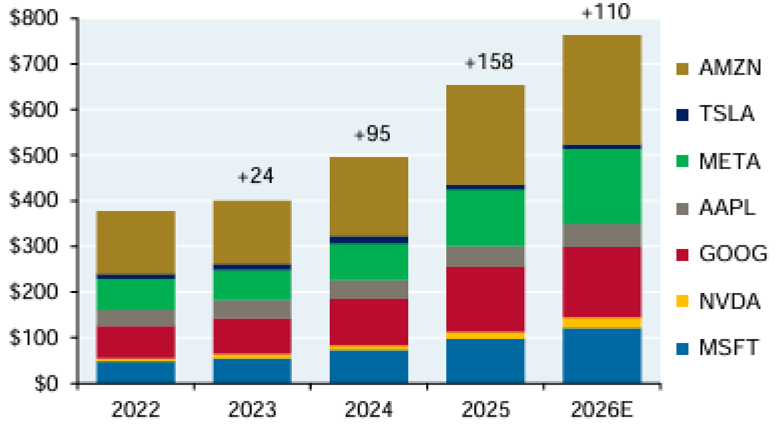
Finally, the last chart shows how much of a companies annual revenue they are spending on AI related capex. While most are around a staggering 35%, Meta is spending about 65% of its revenue!

US real GDP growth contribution from tech capex
Percent



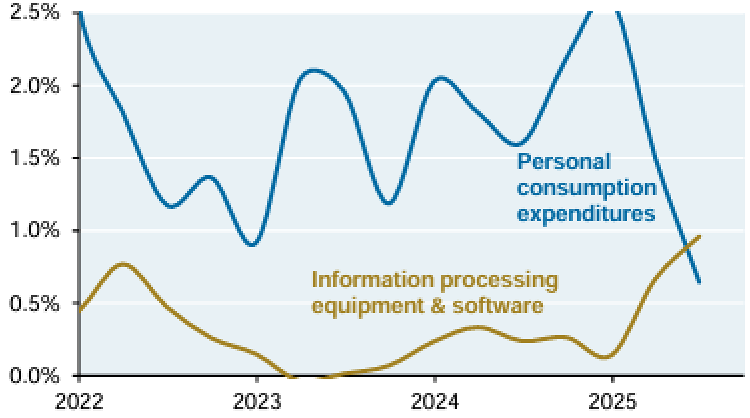
Source: Bridgewater, August 2025

Mag 7 capex & R&D
US$, billions



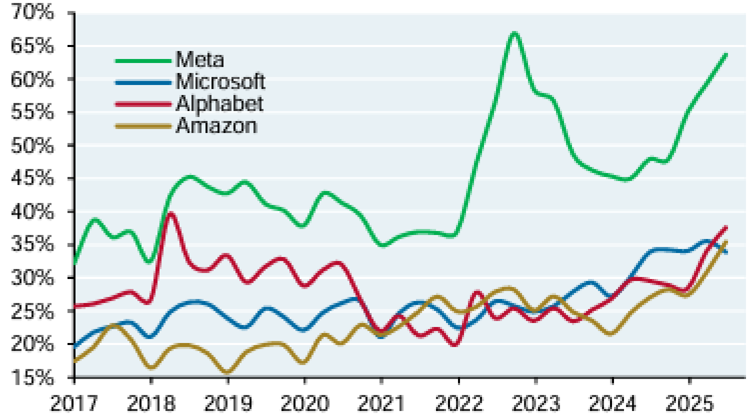
Source: Bloomberg, JPMAM, August 2025

Contribution to real GDP growth
Percent, 2Q rolling average



Source: BEA, Bloomberg, JPMAM, Q2 2025

Hyperscaler capex and R&D as a share of revenues
Percent



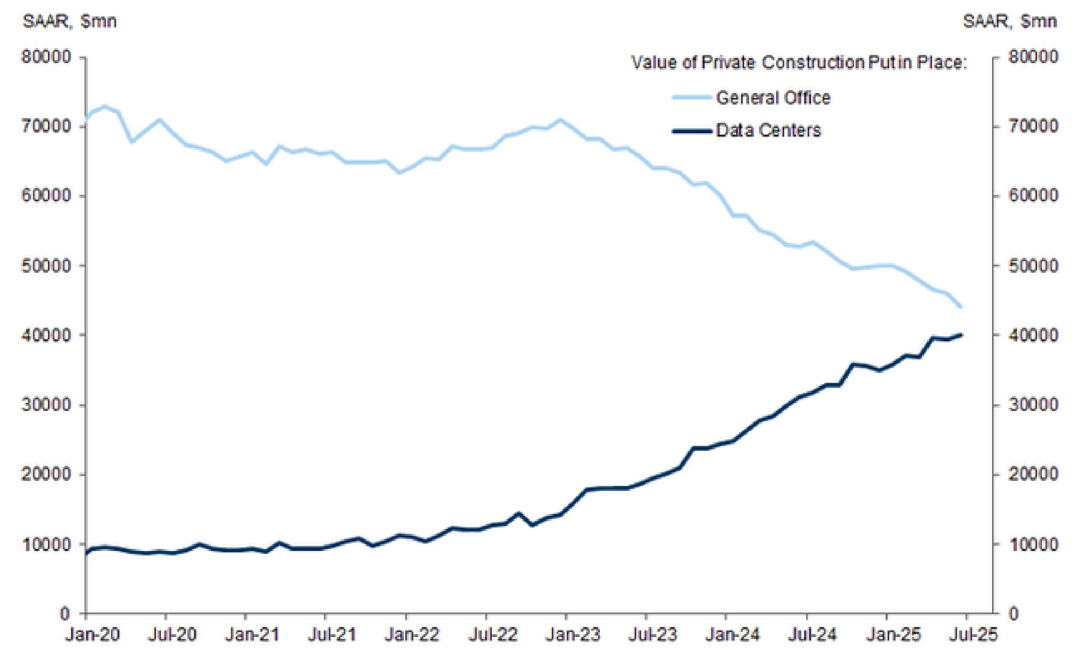
Source: Bloomberg, JPMAM, Q2 2025

And also Electric Prices

The black chart shows how electricity prices are skyrocketing to 19 cents per kWh. These AI data centers need a lot of power, and thus a lot of investments is having to be made to meet that demand. The cost of that infrastructure spending is showing up in our electric bill unfortunately.

Somewhat related but interesting, we are now spending as much on building data centers as we do on offices in the US.

Exhibit 7: Data center construction soon to surpass general office construction



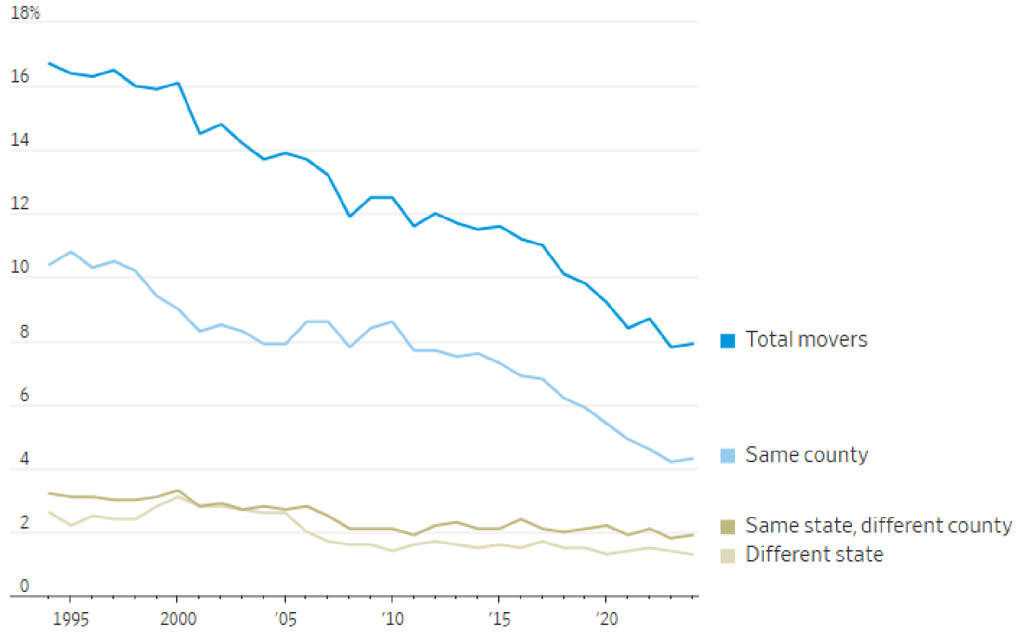
Source: Haver Analytics, Goldman Sachs Global Investment Research, ZeroHedge

People Aren’t Moving Anymore

The number of people moving has drastically been decreasing over the last 30 years. I could understand why that’s happening now, with housing being unaffordable for many Americans. But its interesting that this has been a sustained trend for so long. Perhaps this is purely a demographic story (boomers moving to their forever home), but I’m yet to see an explanation.

Related are the two tables on the right that show where people are moving to and from.

Share of Americans moving annually



Source: Census Bureau, Current Population Survey

Most moved-to cities

City	State	2025 rank	2024 rank
Myrtle Beach	NC	1	1
Ocala	FL	2	2
Raleigh	NC	3	6
Greenville-Spartanburg	SC	4	4
Dallas-Fort Worth	TX	5	Unr
Charlotte	NC	6	5
Boise	ID	7	11
Knoxville	TN	8	8
Nashville	TN	9	13
Jacksonville	FL	10	9
Chattanooga	TN	11	Unr
Huntsville	AL	12	16
Portland	ME	13	12
Johnson City	TN	14	15
Spokane	WA	15	Unr
Atlanta	GA	16	14
Greensboro	NC	17	20
Asheville	NC	18	10
San Antonio	TX	19	Unr
Dover	DE	20	17

Source: 2025 PODS Moving Trends Report

Most moved-out-of-cities

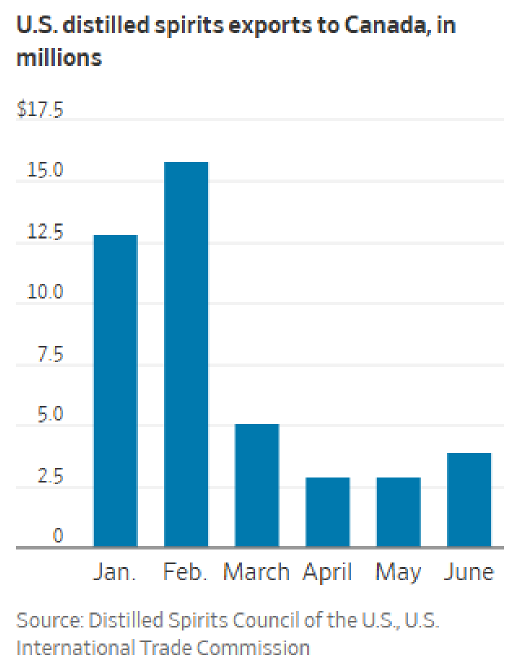
City	State	2025 rank	2024 rank
Los Angeles	CA	1	1
San Francisco Area	CA	2	2
South Florida/Miami area	FL	3	3
Long Island	NY	4	4
San Diego	CA	5	8
Central Jersey	NJ	6	6
Chicago	IL	7	7
Boston	MA	8	13
Hudson Valley	NY	9	10
Denver	CO	10	12
Santa Barbara	CA	11	11
Seattle	WA	12	Unr
Stockton-Modesto	CA	13	9
Washington	DC	14	Unr
Hartford	CT	15	15
Tampa Bay	FL	16	Unr
Fresno	CA	17	7
Austin	TX	18	5
Bakersfield	CA	19	18
Philadelphia	PA	20	Unr

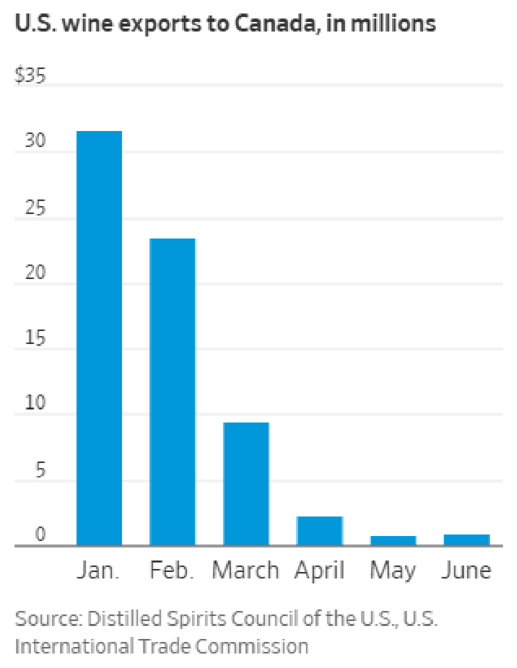
Source: 2025 PODS Moving Trends Report

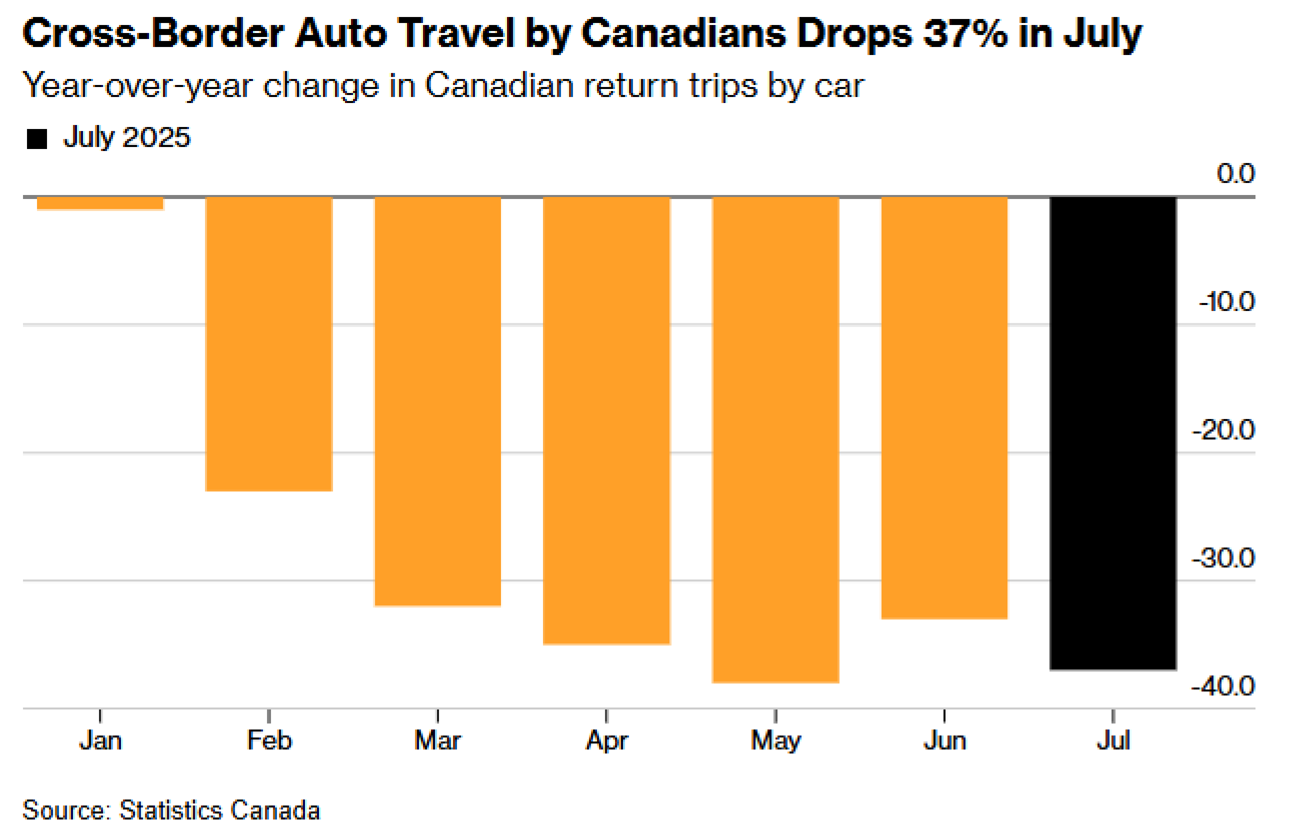
Canada Continues to Boycott US

Quietly, Canadians have been boycotting many American products in services in response to some of the trade related conflicts throughout the year. The chart shows how abrupt the change has been. Many liquor stores in Canada have cleared their shelves of American liquor and wine. Our exports went from about $45 million per month in January, to around $3 million today.

In addition, Canadians are opting to vacation somewhere else. The orange chart shows that Canadians are driving in about 37% less than they used to.







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WJ State of the Economy

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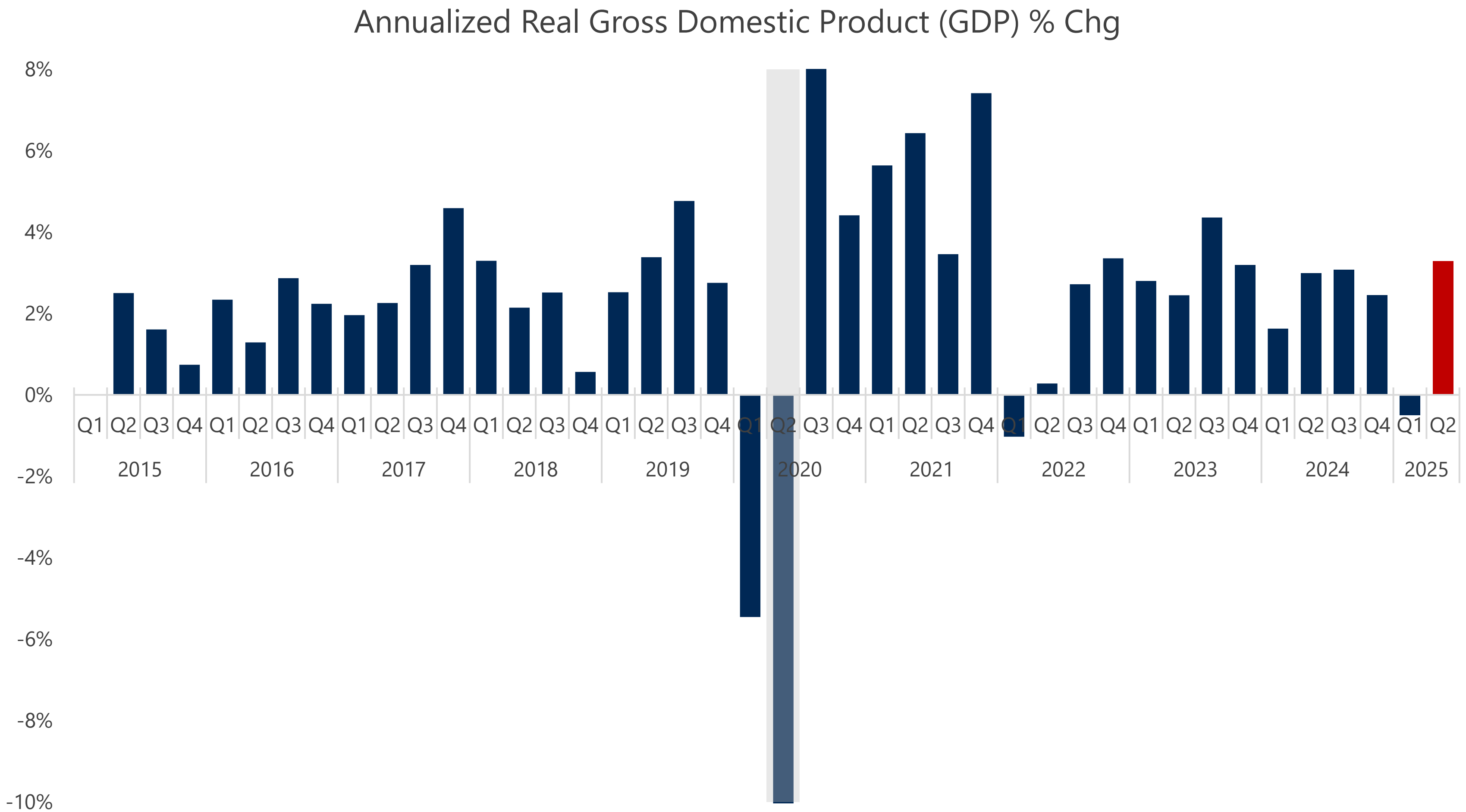
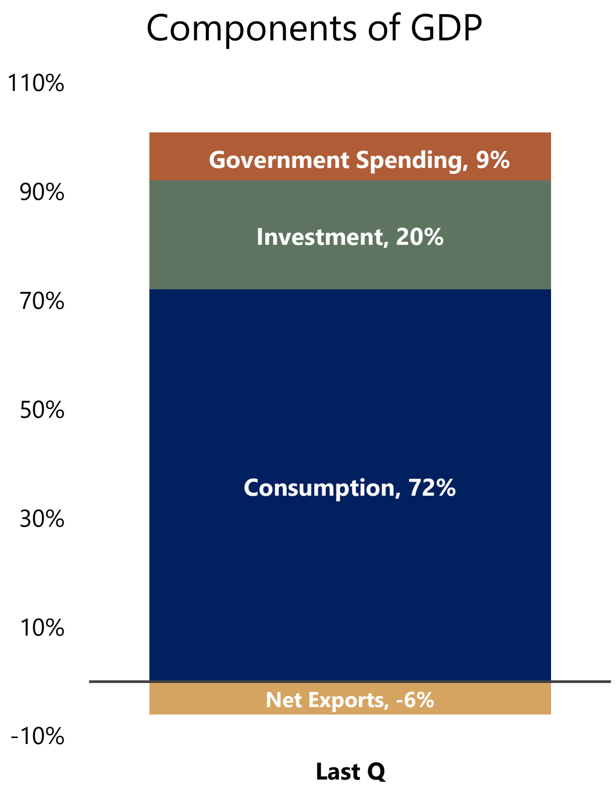
Q1 GDP Revised Lower, -0.5%





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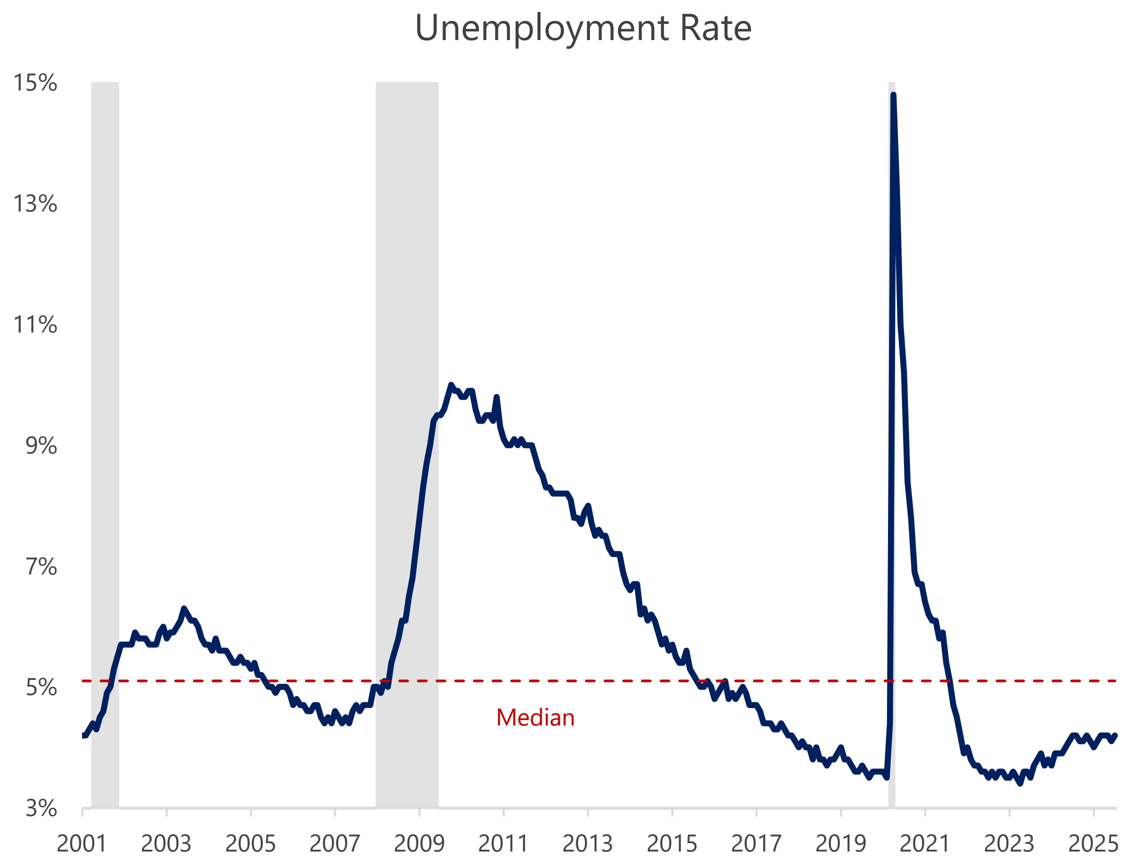
Source: Federal Reserve Economic Database (FRED). Real Gross Domestic Product (left). Components from U.S. Bureau of Economic Analysis, "Table 1.1.6. Real Gross Domestic Product, Chained Dollars" (right). Recessions from NBER based Recession Indicators for the United States from the Period following the Peak through the Trough

Employment Situation Still Solid



Source: Federal Reserve Economic Database (FRED). Unemployment Rate (left) and Job Openings: Total Nonfarm divided by Unemployment Level as well as Quits: Total Nonfarm (right). Recessions from NBER based Recession Indicators for the United States from the Period following the Peak through the Trough

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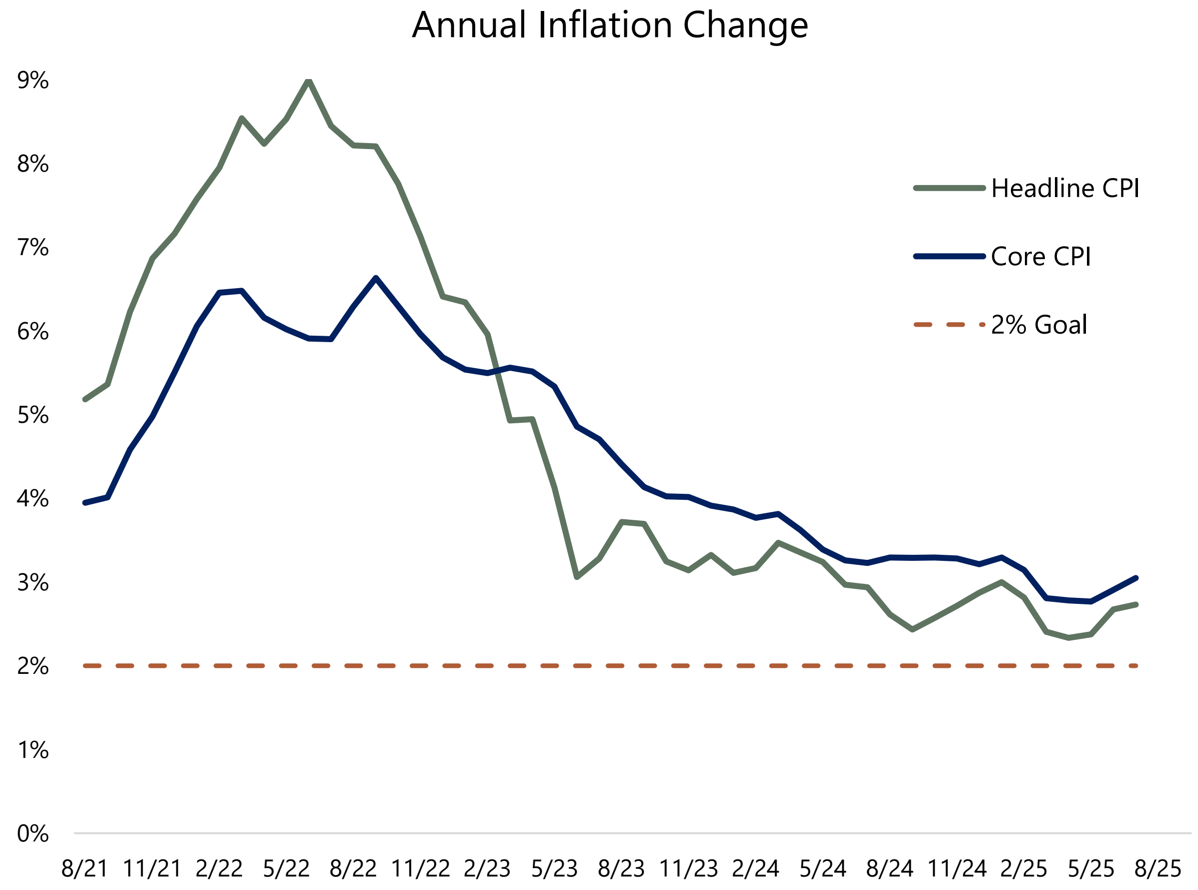
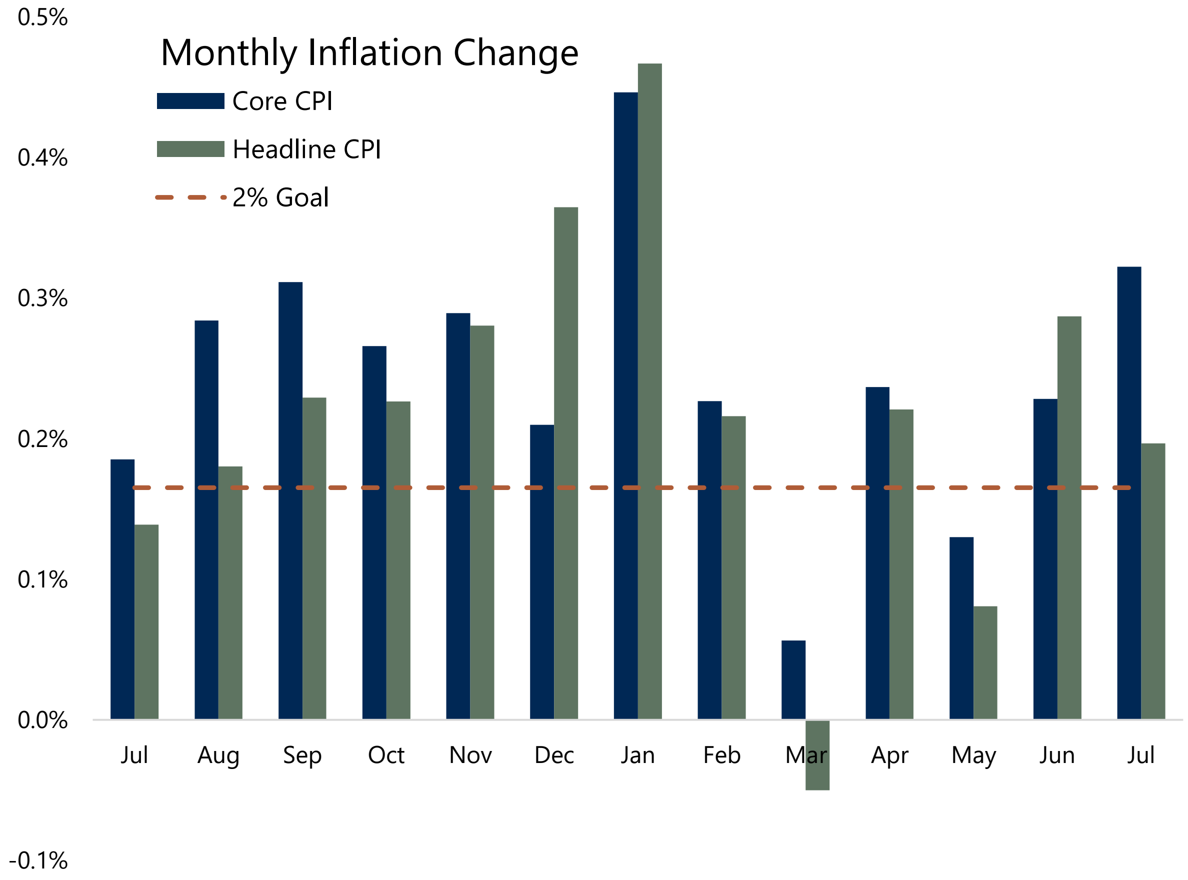
Inflation Reaccelerating





Source: Federal Reserve Economic Database (FRED). Consumer Price Index. Annual CPI Forecasts are made by WJ using past month over month CPI data and extrapolating forward with different growth rates.

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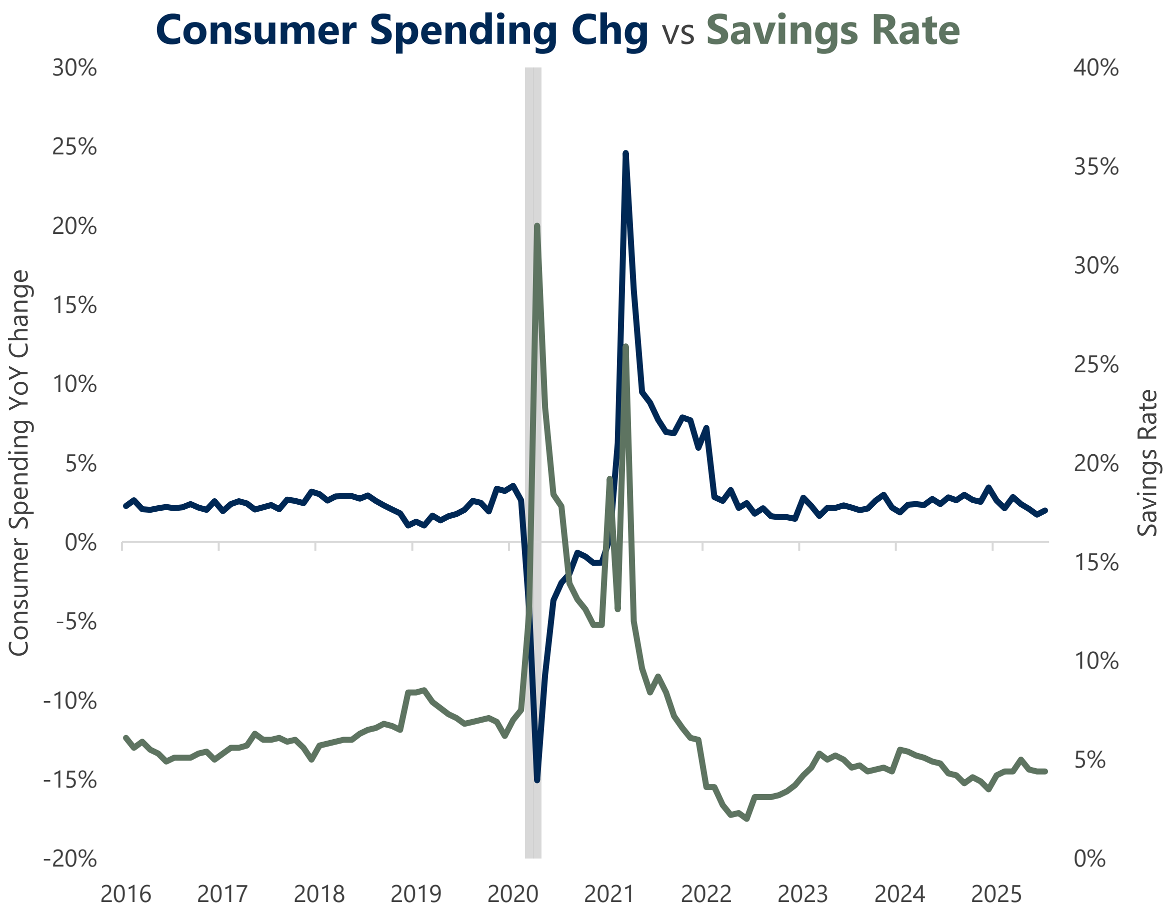
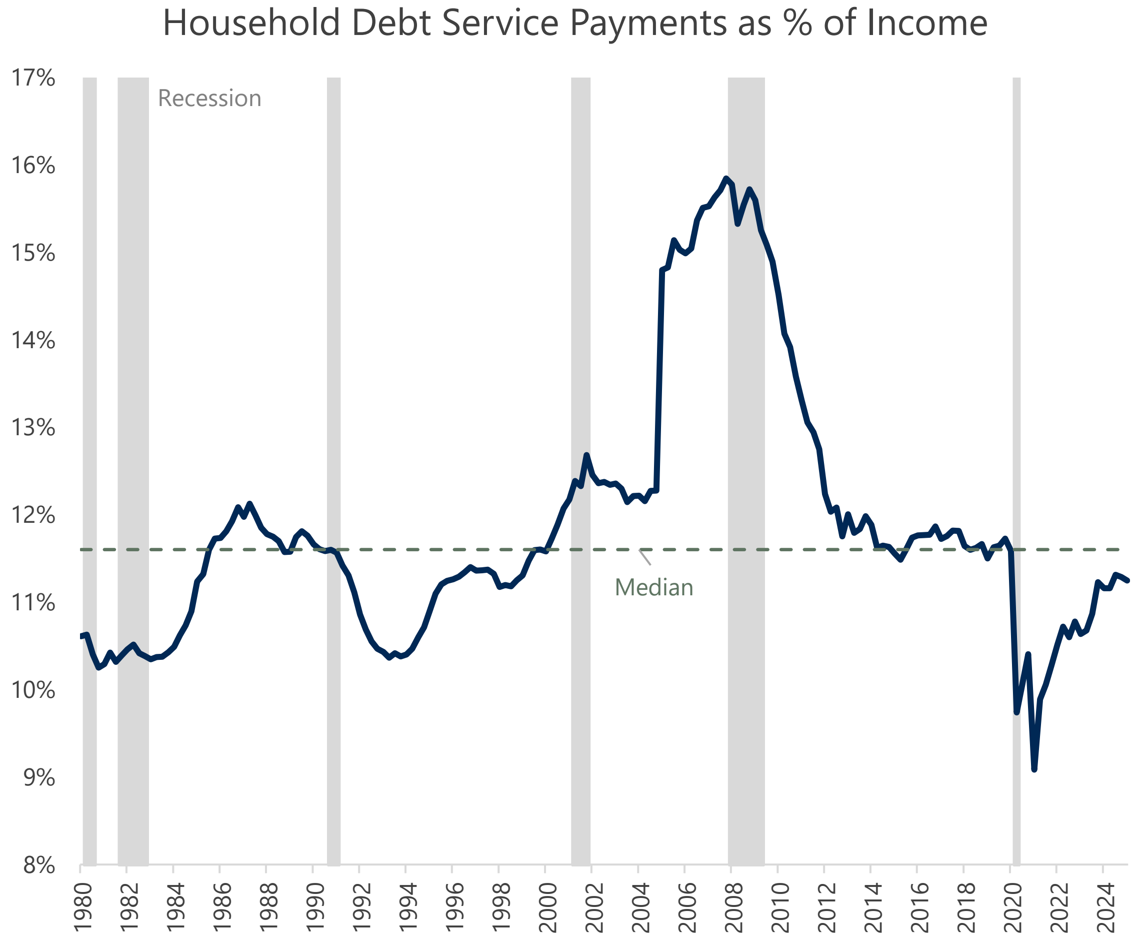
Consumer is Still Strong





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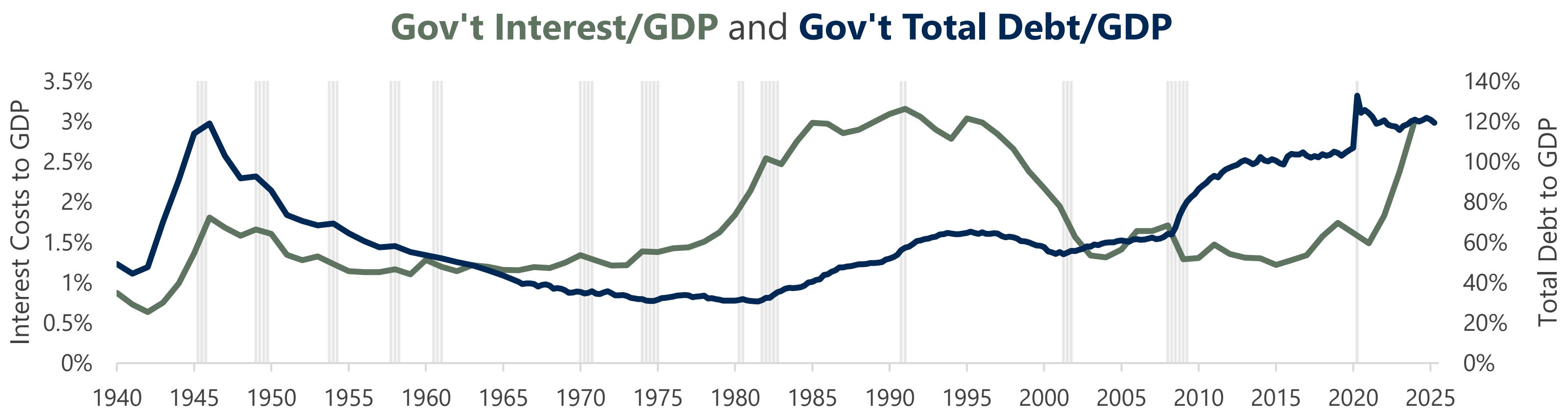
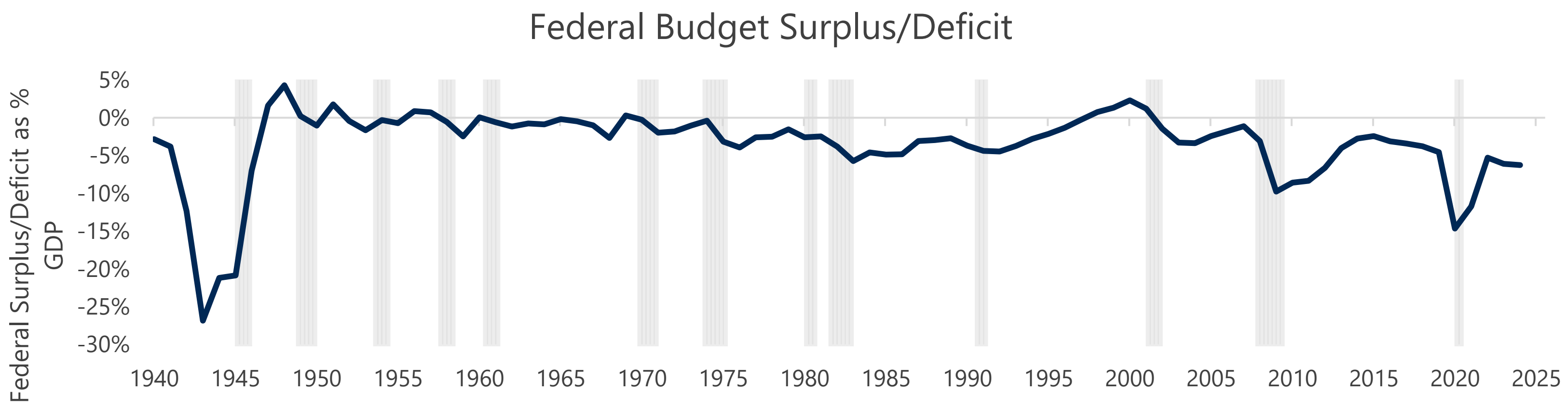
Source: Federal Reserve Economic Database (FRED). Personal Saving Rate plus Real Personal Consumption Expenditures (left) and Household Debt Service Payments as a Percent of Disposable Personal Income (right). Recessions from NBER based Recession Indicators for the United States from the Period following the Peak through the Trough

Interest Costs and the Deficit Rising





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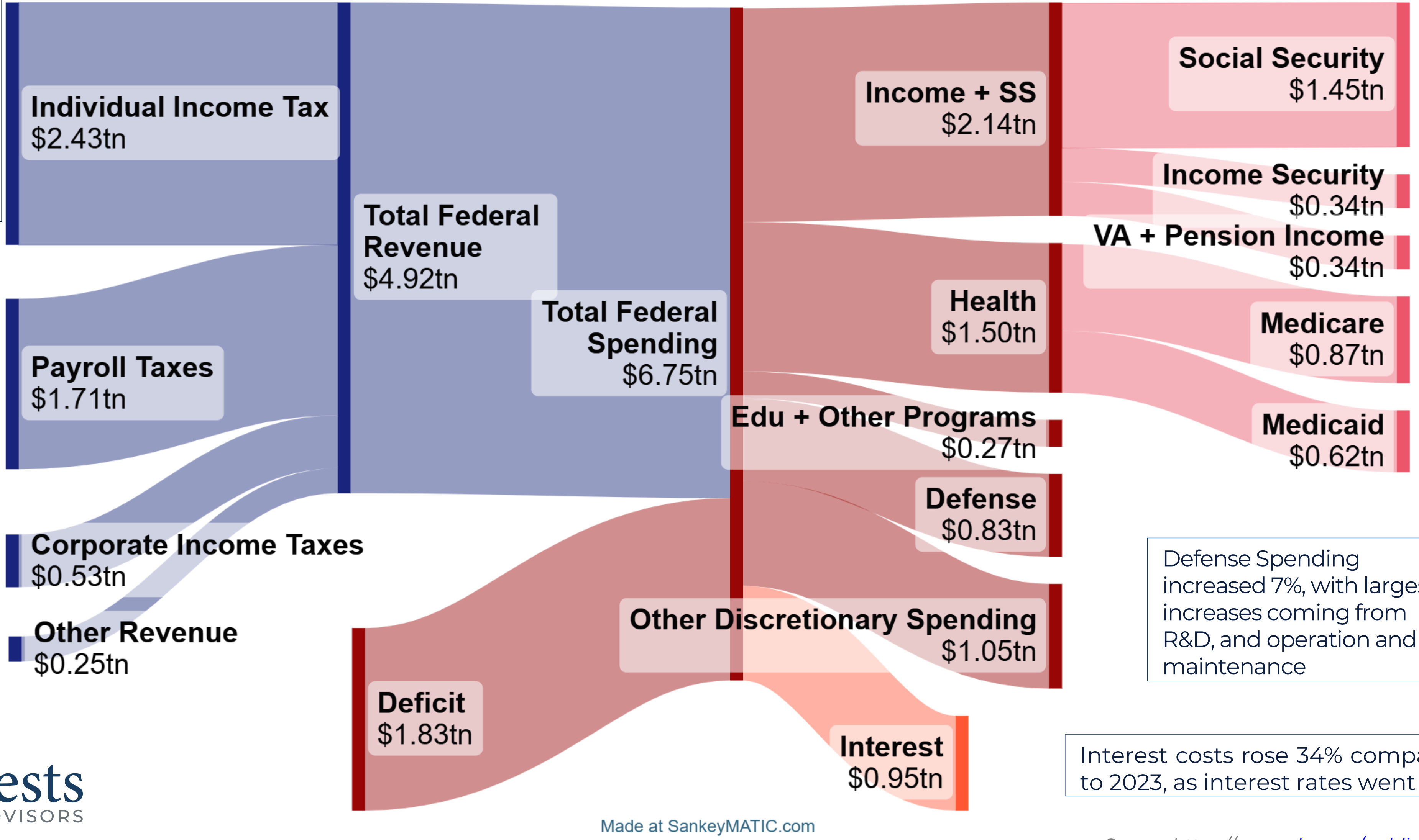
Source: Federal Reserve Economic Database (FRED) Federal Surplus or Deficit [-] as Percent of Gross Domestic Product (top) and Federal Debt: Total Public Debt as Percent of Gross Domestic Product plus Federal Outlays: Interest as Percent of Gross Domestic Product (bottom). Recessions from NBER based Recession Indicators for the United States from the Period following the Peak through the Trough

Government Expenditures 2024

This is an in depth look at how the US makes and spends money. On the spending side, the top 3 categories are known as "mandatory spending" and are unable to change without major reform. That leaves "Defense" and "Other Discretionary Spending" as the two categories congress can change on any year.

Total Receipts were up 11% in fiscal year 2024 compared to 2023. Most of these came from higher income tax receipts, and deferalls from 2023 that were paid in 2024.



Total Outlays were up 10% in fiscal year 2024 compared to 2023

SS and Medicare rose 8% and 9% respectively, due to cost of living adjustments and more beneficiaries.

Defense Spending increased 7%, with largest increases coming from R&D, and operation and maintenance

Interest costs rose 34% compared to 2023, as interest rates went up.

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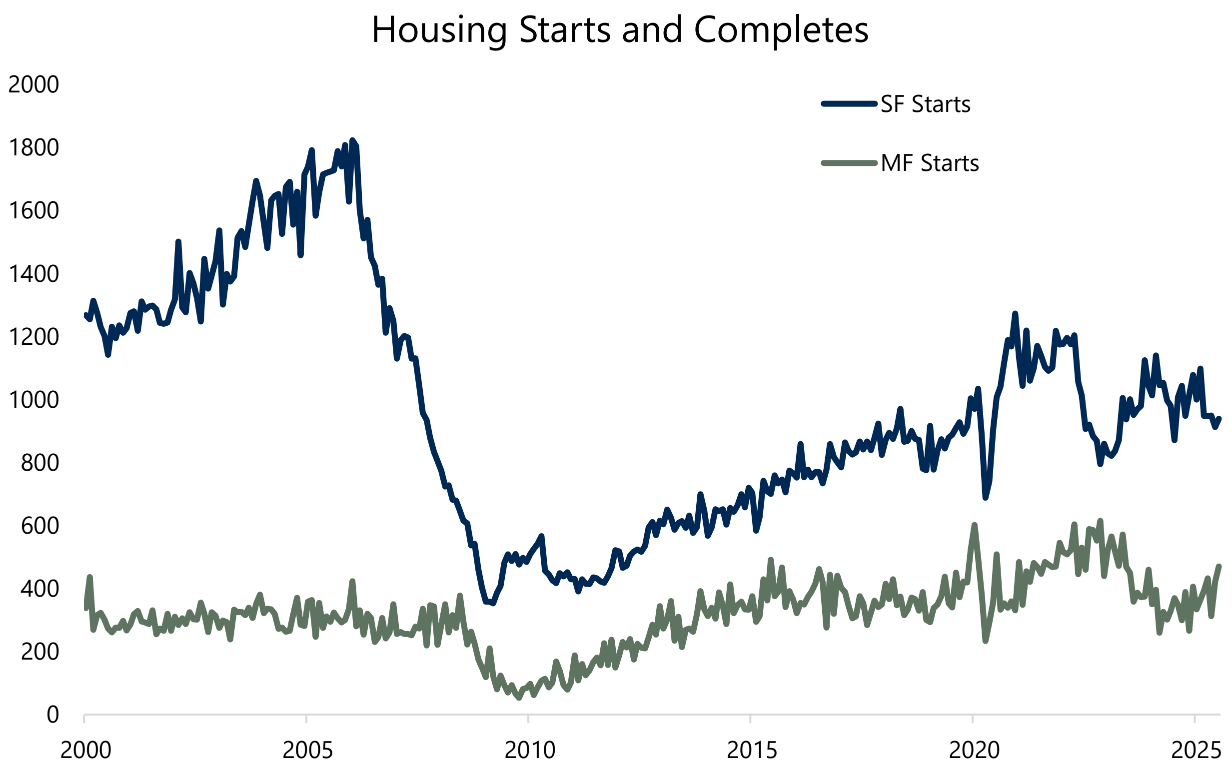
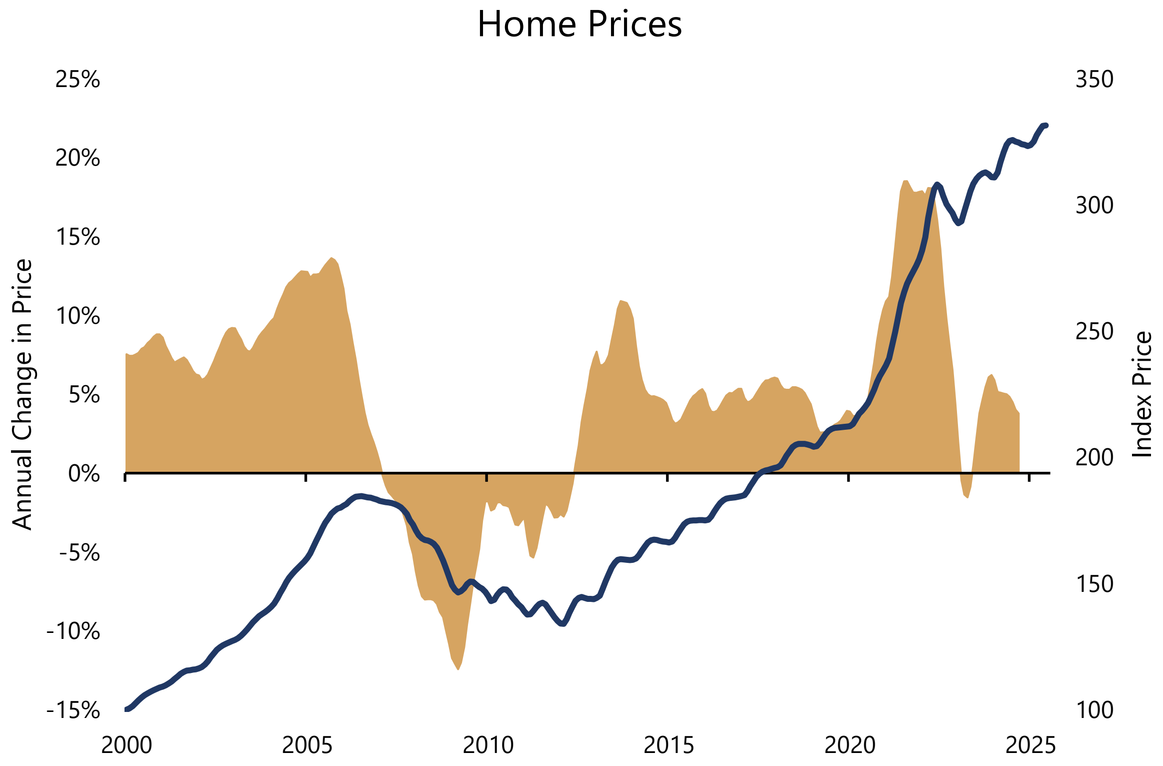
Source: https://www.cbo.gov/publication/59544/html

SF and MF Starts Drop





A housing start is the beginning of construction on a new residential housing unit and indicates how much new housing supply is on the horizon. On the right we show home prices over time, as well as the annual rate of change. Prices surged in 2021-2022 but have stopped growing altogether. What they do next will depend on how much pent-up demand there is, and how much housing we build going forward. Note of how significantly starts dropped after the 2008 crisis, and led to the undersupply we have today.

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Source: Federal Reserve Economic Database (FRED) (LEFT)New Privately-Owned Housting Units Starts: Single-Family Units and New Privately-Owned Housting Units Started: Units in Buildings with 5 units or More. (RIGHT) S&P CoreLogic Case-Shiller U.S. National Home Price Index

WJ State of the Markets

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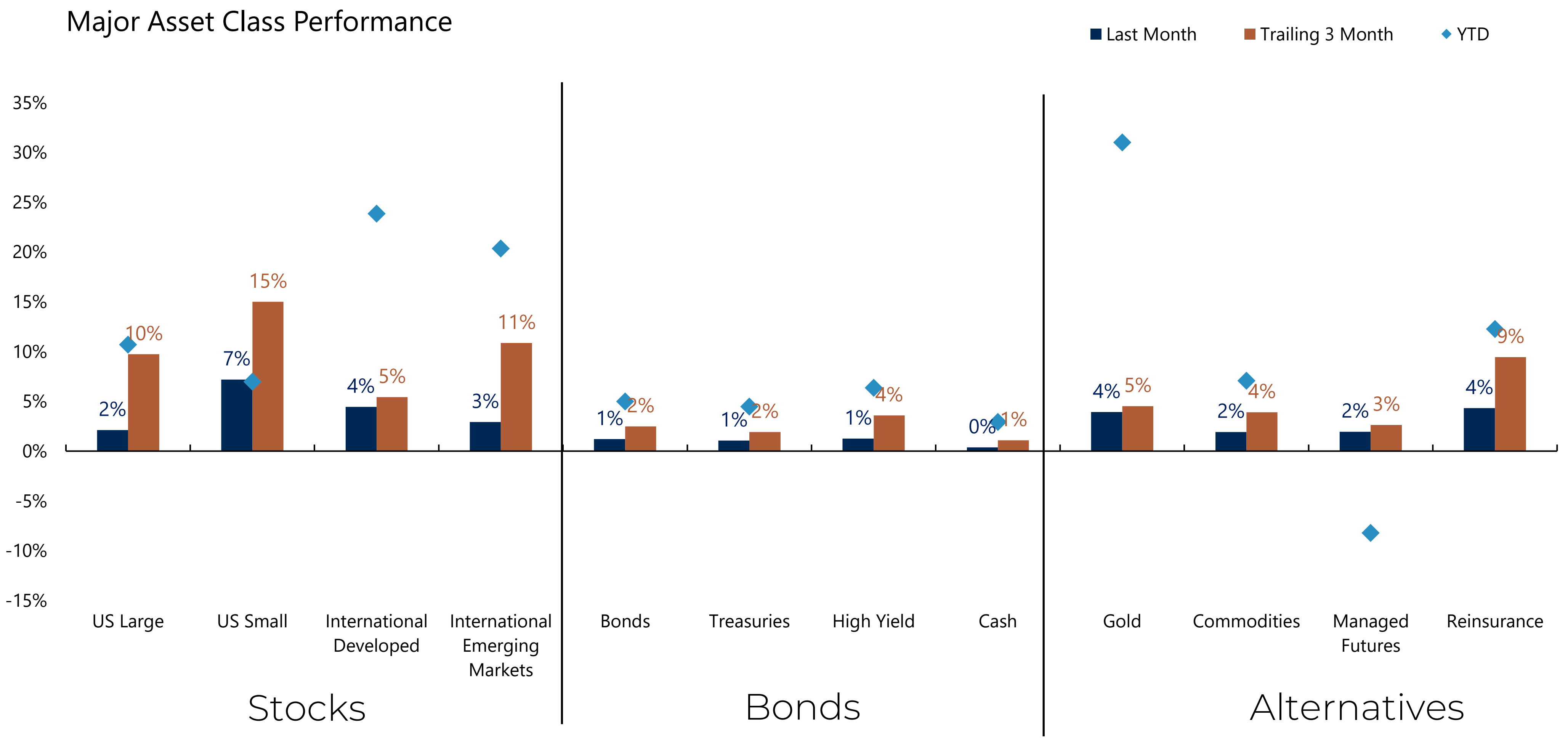
Strong Year Across Most Assets so Far



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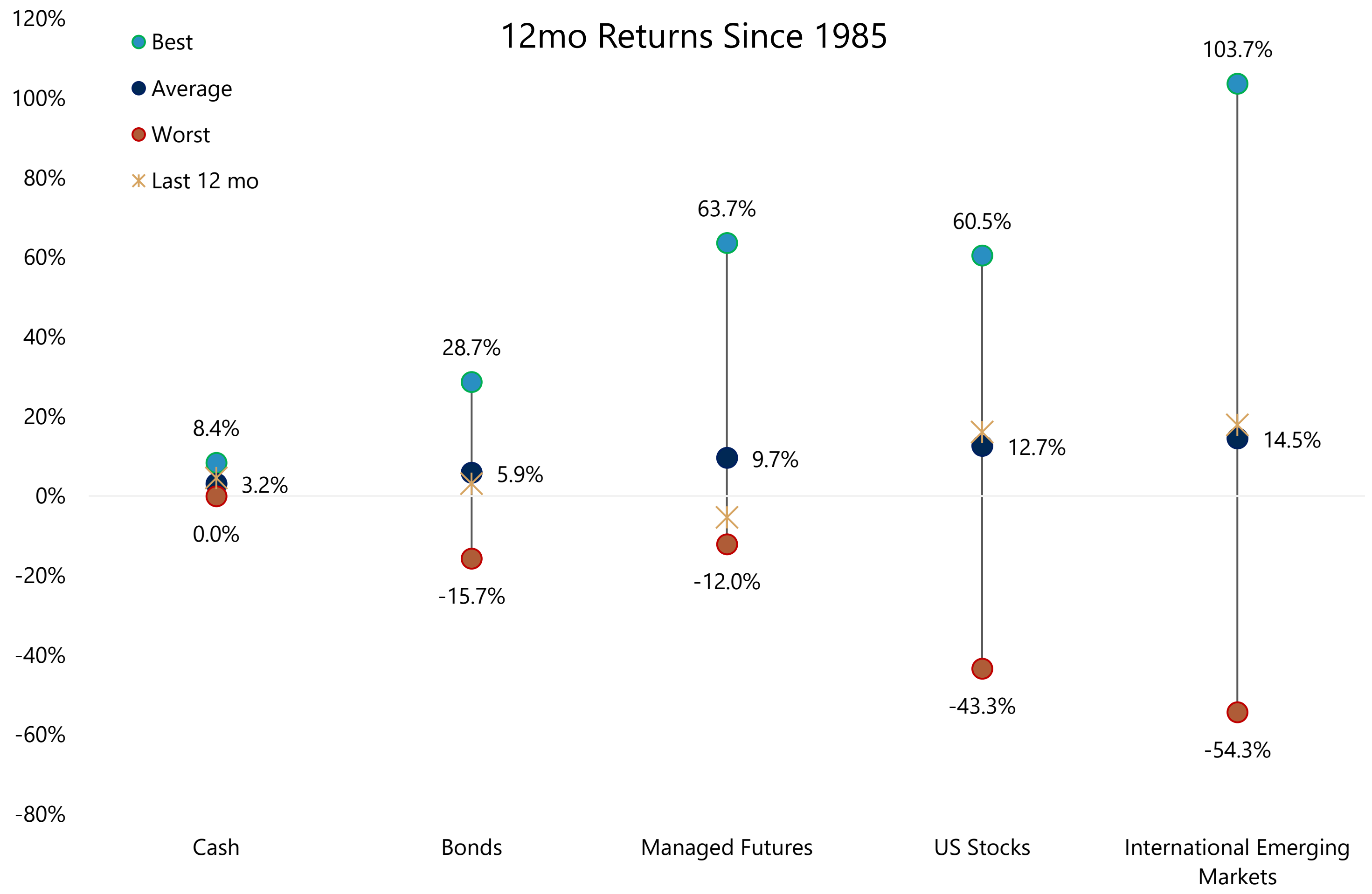
Source: Morningstar Direct. Categories in table are represented by (left to right) iShares Russell 1000 (IWB), iShares Russell 2000 (IWM), iShares Core MSCI EAFE (IEFA), iShares Core MSCI EM (IEMG), Bloomberg US Agg Bond TR, Bloomberg US Treasury TR USD, Bloomberg US Corporate High Yield TR USD, IA SBBI US 30 Day TBill TR USD, SPDR Gold Shares, Bloomberg Commodity TR USD, CISDM CTA EW USD, Stone Ridge Reinsurance Fund

Historical Asset Class Return Range



This chart shows the range of 12 month returns historically, by asset class. As you'd expect, the riskier investment leads to a greater potential gain, as well as loss.

The X on the line represents the last 12 months.

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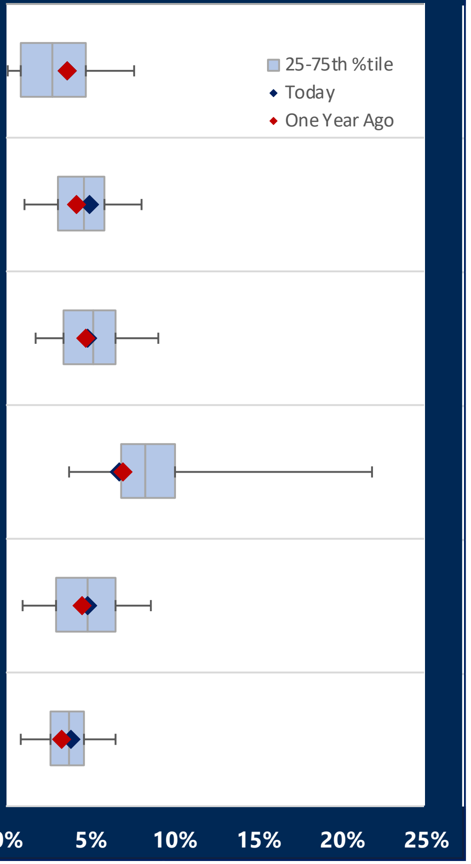
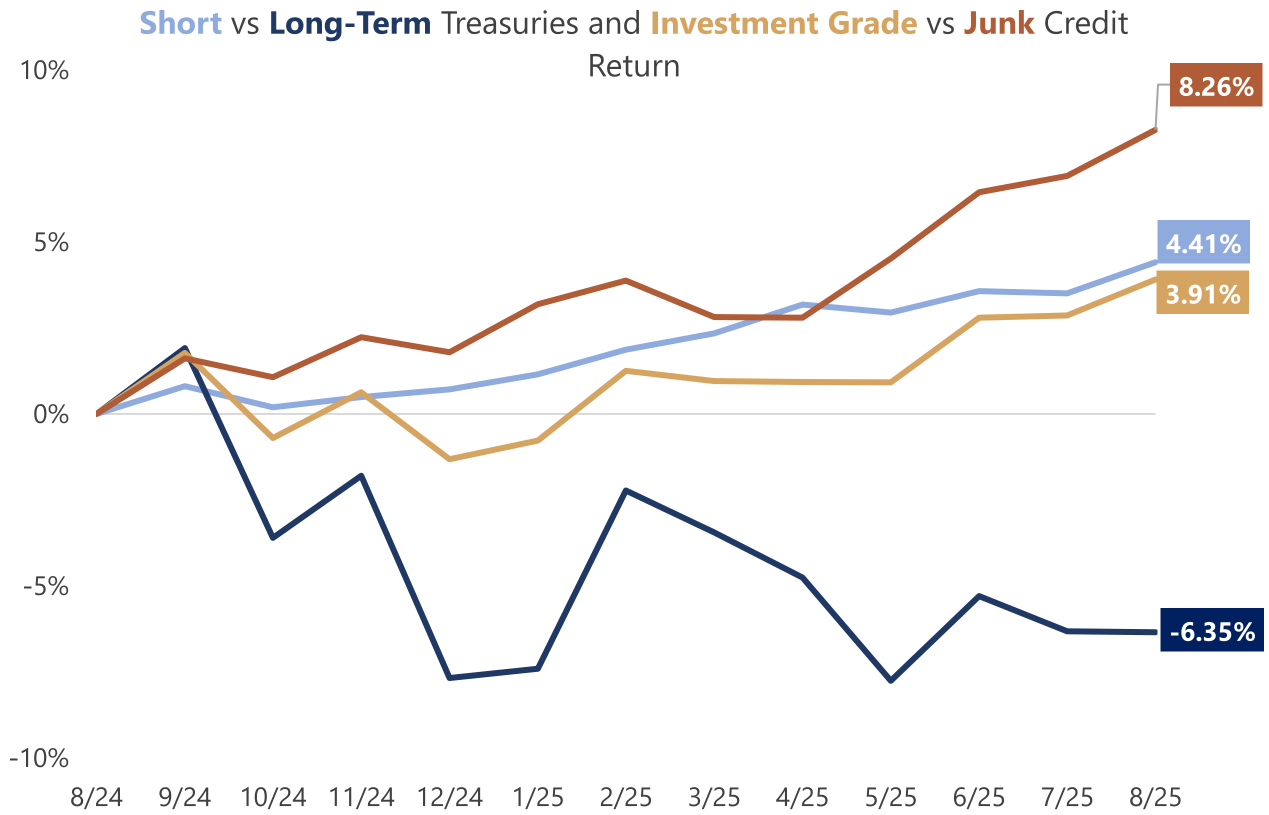
Source: Morningstar Direct. Categories in table are represented by (left to right) IA SBBI US 30 Day TBill TR US, Bloomberg US Agg Bond TR USD, CISDM CTA EW USD, iShares Russell 1000 (IWB), iShares Core MSCI EM (IEMG). Historical data starts at common inception in 1985.

Strong Junk Bond Returns, but Yields are Low

Bond Type	Yield (%) Last Month	Yield (%) Last Year	Yield (%) Change
ST Treasury	3.67	3.7	-0.03
LT Treasury	4.97	4.21	0.76
Investment Grade	4.91	4.72	0.19
High-Yield	6.75	6.99	-0.24
Mortgage-Backed	4.86	4.53	0.33
Municipal Bonds	3.89	3.32	0.57

Yield History





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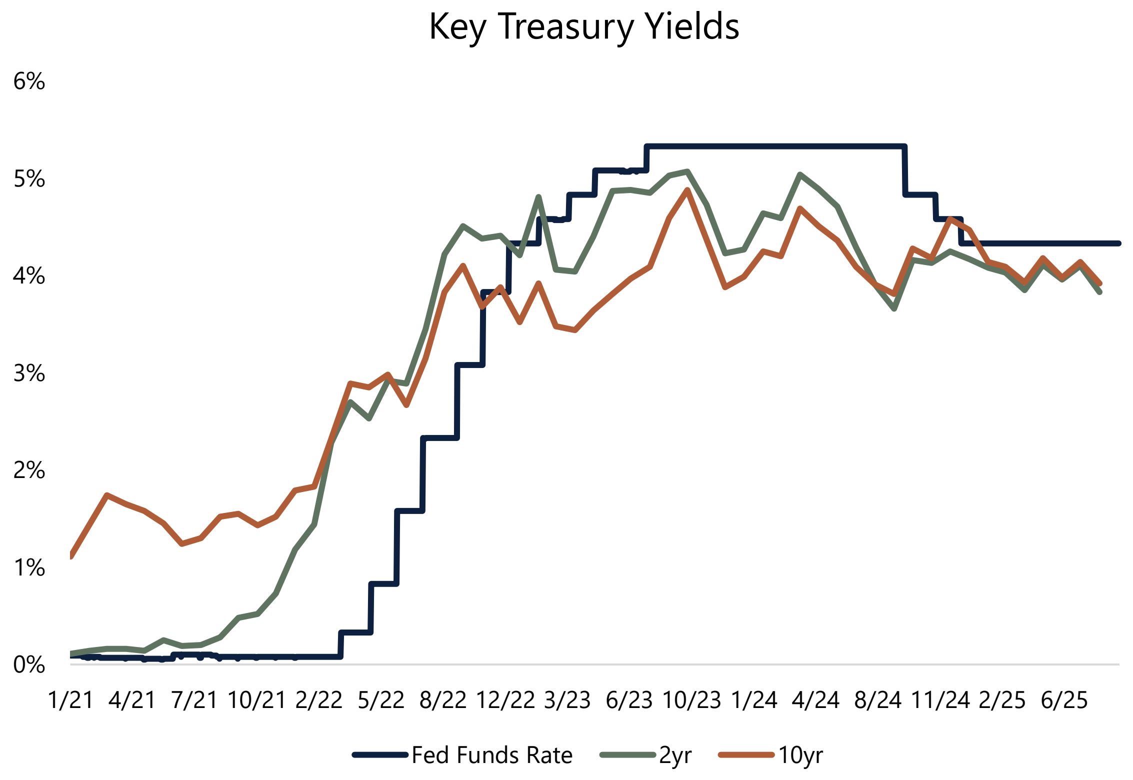
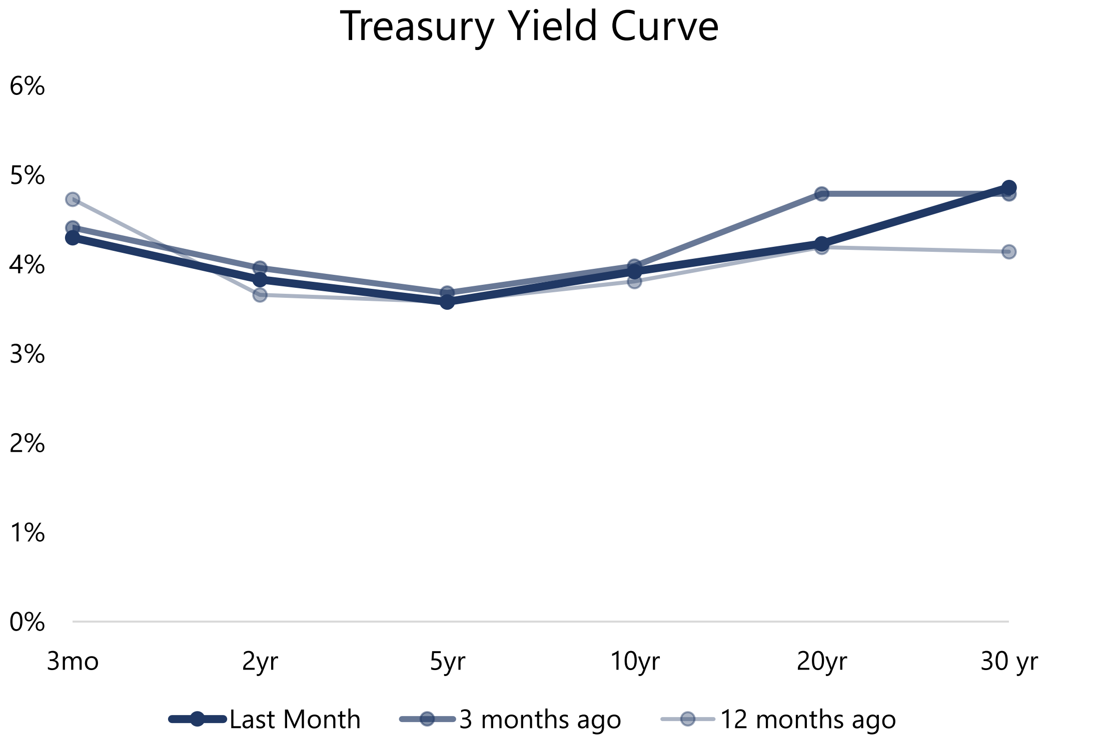
Source: Morningstar Direct. Categories in table are represented by (top to bottom) Bloomberg US Treasury 1-3 Yr Yld USD, Bloomberg US 20+Yr Yld USD, Bloomberg US Corp Bond Yld USD, Bloomberg US Corp High Yield Yld USD, Bloomberg US MBS Yld USD, Bloomberg Municipal Yld USD

Long Rates Fall, Anticipating Fed Cuts





	3mo	2yr	5yr	10yr	20yr	30 yr
Last Month	4.3%	3.8%	3.6%	3.9%	4.2%	4.9%
3 months ago	4.4%	4.0%	3.7%	4.0%	4.8%	4.8%
12 months ago	4.7%	3.7%	3.6%	3.8%	4.2%	4.1%

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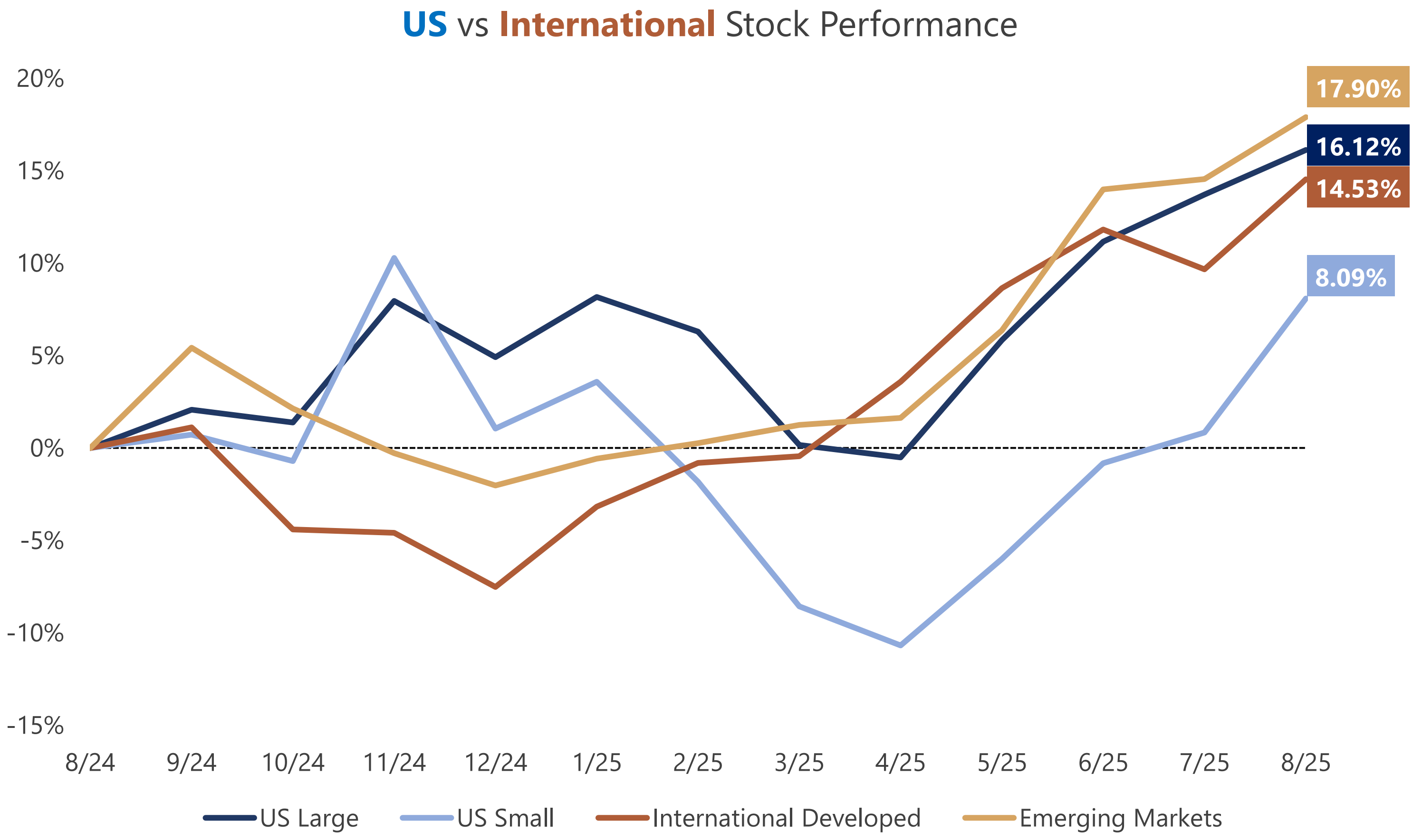
Source: Morningstar Direct. USTREAS T-Bill Cnst Mat Rate 3mo, USTREAS T-Bill Cnst Mat Rate 2 yr, USTREAS T-Bill Cnst Mat Rate 5yr, USTREAS T-Bill Cnst Mat Rate 10 Yr, USTREAS T-Bill Cnst Mat Rate 20 Yr, USTREAS T-Bill Cnst Mat Rate 30 Yr. Effective Fed Funds Rate from FRED Database.

Emerging Markets Lead Last 12 Months

	Stock Type	Last Month	Last 3 Months	Last 12 Months
Core	US Large	2.1%	9.7%	16.1%
	US Small	7.2%	15.0%	8.1%
	International Developed	4.4%	5.4%	14.5%
	International Emerging	2.9%	10.9%	17.9%
Other	US Value	3.2%	7.3%	9.1%
	US Growth	1.1%	11.6%	22.4%
	Nasdaq	0.9%	9.9%	20.3%



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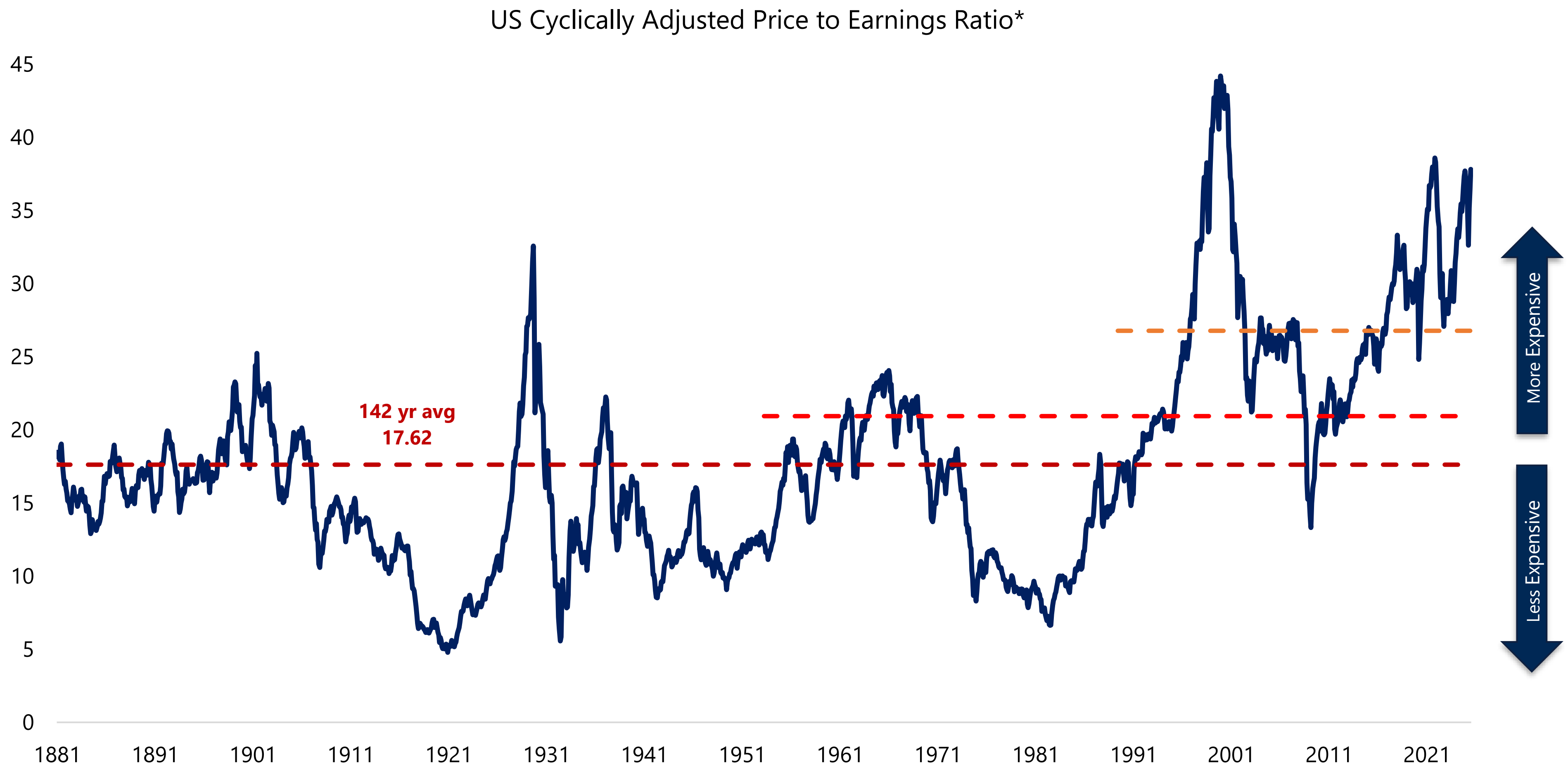
Source: Morningstar Direct. Categories in table are represented by (top to bottom) iShares Russell 1000 (IWB), iShares Russell 2000 (IWM), iShares Core MSCI EAFE (IEFA), iShares Core MSCI Emerging Markets (IEMG), iShares Russell 1000 Value ETF (IWD), Russell 1000 Growth ETF (IWF), Nasdaq 100 ETF (QQQ).

US Stock Valuations Remain High



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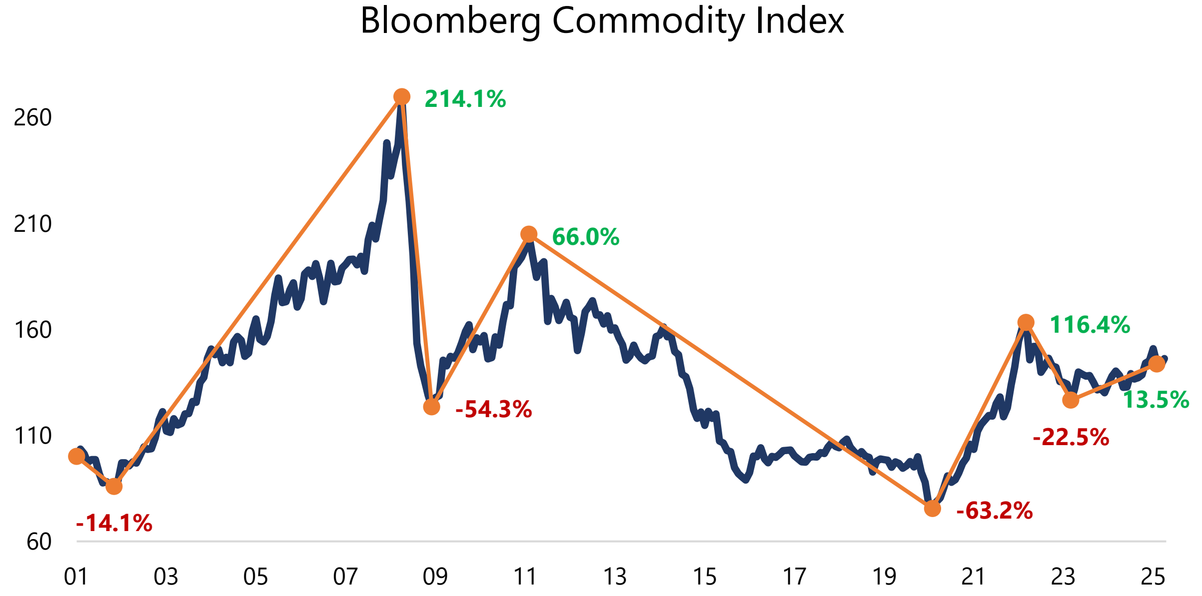
CAPE or Cyclically Adjusted Price to Earnings Ratio takes the current price and divides it by the last 10 years average earnings for the S&P 500 and adjusts it for inflation. It is thought to be more predictive of future returns than trailing 12 month or Forward PE.

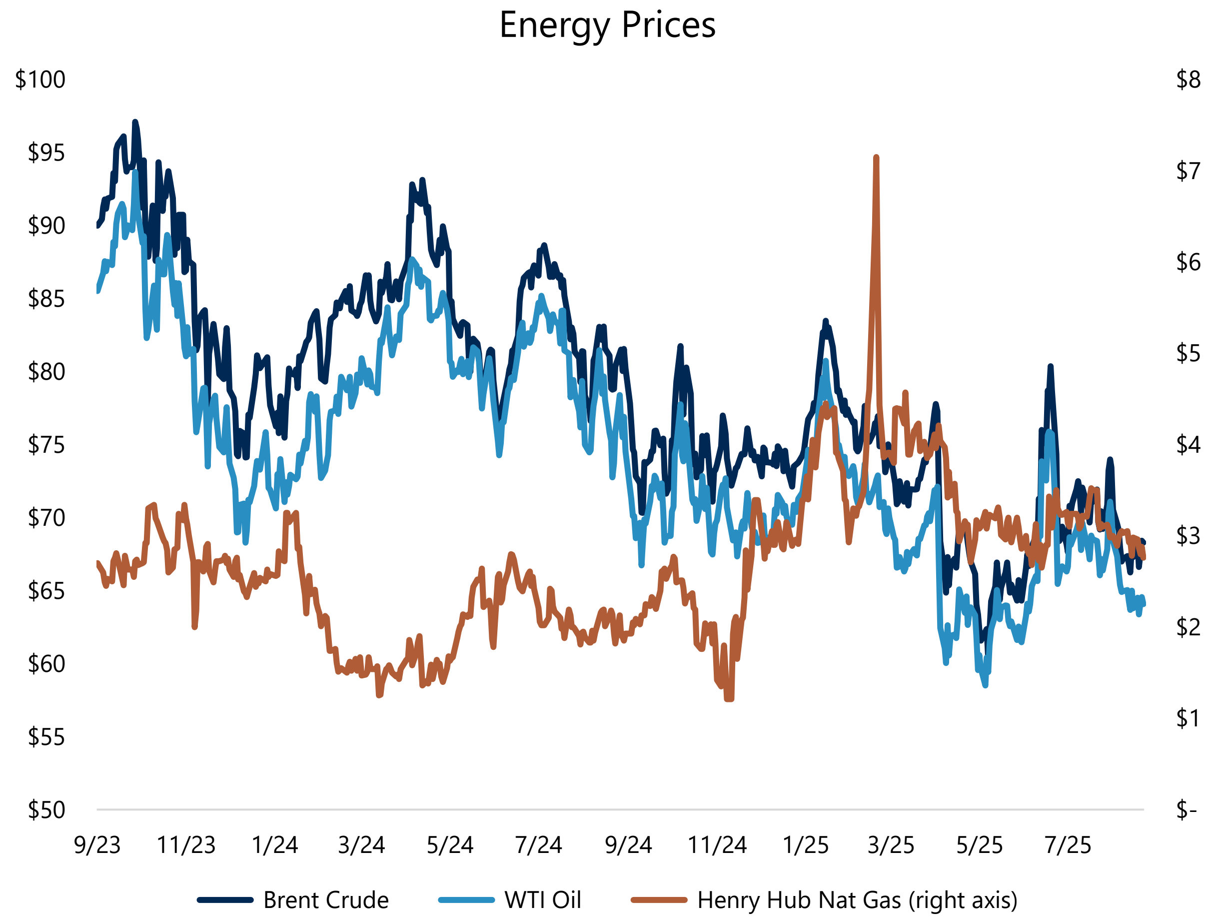
Source: Data and CAPE Ratio were developed by Robert Shiller using various public sources.

Oil Prices Continue to Fall



Oil and Natural Gas prices are falling quickly on a combination of things. First, oil prices tend to fall as expected demand weakens, as is the case during a recession.

In addition, OPEC+ has also announced they are increasing production for the second month in a row. The combination of weak demand and increased supply could mean low energy prices for the foreseeable future. This is of course good for the consumer, but bad for energy companies.



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Source: Bloomberg Commodity TR USD (left) and Crude Oil Prices: West Texas Intermediate (WTI) - Cushing, Oklahoma, Crude Oil Prices: Brent – Europe, Henry Hub Natural Gas Spot Price from U.S.

Energy Information Administration (right)

Periodic Table of Asset Class Returns

Interests WEALTH ADVISORS

Through Last Month End 8/31/2025

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 YTD	5 Yr	10 Yr
Reinsurance 8%	US Small Stock 22%	Intl Emerging Stk 37%	Cash 2%	US Large Stock 31%	US Large Stock 21%	US Large Stock 26%	Trend Following 22%	Reinsurance 44%	Reinsurance 31%	Intl Developed Stk 24%	Reinsurance 17%	US Large Stock 14%
Bonds 2%	US Large Stock 12%	Intl Developed Stk 27%	Bonds 0%	US Small Stock 25%	US Small Stock 20%	US Small Stock 15%	Reinsurance 3%	US Large Stock 26%	US Large Stock 24%	Intl Emerging Stk 20%	US Large Stock 14%	US Small Stock 9%
US Large Stock 1%	Intl Emerging Stk 10%	US Large Stock 22%	US Large Stock -5%	Intl Developed Stk 23%	Intl Emerging Stk 18%	Intl Developed Stk 12%	Cash 2%	Intl Developed Stk 18%	TAA 12%	Reinsurance 12%	Intl Developed Stk 10%	Moderate Blended Port 8%
Cash 0%	Reinsurance 6%	TAA 19%	Reinsurance -6%	TAA 20%	Moderate Blended Port 13%	Moderate Blended Port 11%	Bonds -12%	US Small Stock 17%	US Small Stock 11%	Moderate Blended Port 12%	US Small Stock 10%	Intl Developed Stk 8%
Intl Developed Stk 0%	Moderate Blended Port 6%	Moderate Blended Port 17%	Moderate Blended Port -7%	Moderate Blended Port 20%	Intl Developed Stk 8%	TAA 10%	TAA -12%	Moderate Blended Port 17%	Moderate Blended Port 10%	US Large Stock 11%	Moderate Blended Port 8%	Reinsurance 7%
Trend Following 0%	TAA 5%	US Small Stock 15%	TAA -8%	Intl Emerging Stk 18%	Reinsurance 7%	Trend Following 5%	Moderate Blended Port -15%	Intl Emerging Stk 12%	Intl Emerging Stk 7%	TAA 9%	TAA 7%	Intl Emerging Stk 7%
Moderate Blended Port 0%	Intl Developed Stk 2%	Bonds 5%	US Small Stock -11%	Bonds 8%	Bonds 7%	Cash 0%	Intl Developed Stk -15%	TAA 12%	Cash 5%	US Small Stock 7%	Intl Emerging Stk 6%	TAA 6%
TAA -4%	Bonds 1%	Trend Following 2%	Trend Following -13%	Trend Following 4%	Trend Following 3%	Bonds -1%	US Large Stock -19%	Bonds 6%	Intl Developed Stk 3%	Bonds 5%	Trend Following 4%	Cash 2%
US Small Stock -4%	Cash 0%	Cash 1%	Intl Developed Stk -14%	Cash 2%	Cash 0%	Intl Emerging Stk -1%	Intl Emerging Stk -20%	Cash 5%	Trend Following 3%	Cash 3%	Cash 3%	Bonds 2%
Intl Emerging Stk -14%	Trend Following -6%	Reinsurance -11%	Intl Emerging Stk -15%	Reinsurance -4%	TAA -2%	Reinsurance -5%	US Small Stock -20%	Trend Following -3%	Bonds 1%	Trend Following -8%	Bonds 0%	Trend Following 0%

Disclaimer

PAST PERFORMANCE IS NOT A GUARANTEE OF CURRENT OR FUTURE RESULTS. Examples of historical information included in this presentation do not, nor are they intended to, constitute a promise of similar future results. Specific client portfolio allocations, risks and returns can and may deviate from these examples depending on accounts and types of investments available through each account. Future market views by WJ Interests, LLC may vary significantly from the historical examples presented herein and no one receiving this summary should assume that WJ Interests, LLC will be able to replicate successful views in the future.

Moderate Blended Portfolio is for illustrative purposes only. It is calculated by taking a weighted average of the following asset classes and represents a moderate risk portfolio incorporating leverage and the asset classes in the table:

27%	US Large Stock	iShares Russell 1000 (IWB)
6%	US Small Stock	iShares Russell 2000 (IWM)
21%	Intl Developed Stock	iShares Core MSCI EAFE (IEFA)
6%	Intl Emerging Stock	iShares Core MSCI Emerging Markets (IEMG)
40%	Bonds	Vanguard Total Bond Market (BND)
-15%	Cash	Morningstar USD 1M Cash TR USD
5%	Reinsurance	Stone Ridge Reinsurance Fund (SRRIX)
5%	Managed Futures	SG Trend Index, PIMCO Trends (PQTIX), Virtus Alphasimplex (ASFYX), Standpoint (BLNDX)
5%	TAA	GMO Benchmark Free (GBMIX) and Strategy Shares Nwfnd/Rslv Rbt ETF (ROMO)

Assumes annual rebalancing. All data represents total return for stated period.

WJ Interests
WEALTH ADVISORS