

Stocks Can't Stop, Won't Stop Letting Up

The long-awaited rate cut by the Federal Open Market Committee came to pass last week. Though widely anticipated, Fundstrat Head of Research Tom Lee viewed this cut as a **decidedly dovish development for stocks**. "To us, this is **the start of an easing cycle** rather than 'one and done,'" he wrote. As he reminded us, an easing cycle is likely to lead to positive developments for liquidity and risk assets (including cryptocurrency), as well as business confidence and activity, hiring, and the housing market.

"The Fed is making cash less attractive, which to us is risk-on," he added.

As has often been the case, the rate decision was less scrutinized than the accompanying Summary Economic Projection (SEP). The SEP indicates that the Committee as a whole anticipates **another two cuts** (assuming 25 bps per cut) before we bid farewell to 2025, but perhaps the real story is **the widened dispersal of opinions** underlying that figure. Of 19 voting members, seven anticipate no further cuts, two see just one more, nine see two more cuts, and one member even indicated expectations for five additional cuts. That is perhaps unsurprising in light of the unusual economic and policy developments we've seen in 2025, but it also signals **the potential for contentiousness in the next few meetings**.

Markets appeared to view the FOMC meeting overall as a positive. The S&P 500 and Nasdaq Composite each hit all-time highs on Monday, Thursday, and again on Friday on their way to posting weekly gains of 1.22% and 2.21%, respectively.

The small-cap Russell 2000 (\$IWM) outperformed the S&P 500, advancing 1.95%. "This is **a very bullish four-year base which has just been exceeded, technically speaking**," wrote Head of Technical Strategy Mark Newton. He added that in his view, "This bodes well for a likely push up to \$260, and can allow for near-term outperformance vs. both the equal- and cap-weighted S&P 500 in the short run."



That would represent a gain of 7% from Friday's close and suggest that investors might be starting to come around to **Lee's longtime constructive view of the rate-sensitive sector.**

Looking at the overall market, Newton remains constructive, and so does Lee. Sentiment also remains subdued, something that both Lee and Newton view as a positive. As Lee put it: "If you think people are too bullish and we're in a bubble, take a look at the American Association of Individual Investors sentiment survey. It's still net negative," he remarked, and **far from the exuberance that is often seen right before a correction.**

▶ Live Webinar with Q&A

Understanding Crypto 'Large Caps' and How They Fit in Portfolios



Inkoo Kang
Senior Vice President
of ETFs, Grayscale



Sean Farrell
Head of Digital Assets
Fundstrat



Andy Baehr
Head of Product
CoinDesk



September 25, 2025 at 11am ET

Chart of the Week

NVDA: Still a reasonable P/E



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Despite the latest challenges and pressures facing Nvidia, Fundstrat's Tom Lee remains constructive on the company. "To me, Nvidia is the scarcest company today," he noted. Furthermore, despite Nvidia's gains in recent years, Lee still views the stock's valuation favorably. "Its [fiscal year] forward P/E is only 26.6X while Costco's and Walmart's are trading at 49X and 34X. So, until NVDA forward P/E is 50X or so, it is hard to argue NVDA is a bubble," he said. This is illustrated in our Chart of the Week.

Recent ✨ Flash Insights



Mark L. Newton, CMT_{AC}

Head of Technical Strategy

Measuring the “3rd wave” of the push up from early September helps us to extrapolate and project to 6725 for SPX. This does appear like a “final ” push higher of this move which began in early September, but it doesn’t yet look complete given today’s follow-through. Thus, i am expecting a bit more to the upside over the next few days, but with a close eye on the exits if trends start to give way. Key support at this point lies at 6551 now, and above this is bullish for SPX, below would be bearish.



Sep 18 • 1:12 PM



Mark L. Newton, CMT_{AC}

Head of Technical Strategy

FOMC Rate cut and guidance today generally is supportive for the economy given a rise in the growth forecast, unemployment forecasts remaining stable and Dot plot has skewed more dovish to match market expectations. The surprises had to do with just one dissent (Miran) while the pull forward to now expecting three rate cuts this year (2 more to go) The volatility during a press conference is not unusual and normal given tricky “curveball” type questions which Powell struggles to answer quickly” (Note the Powell response on

inflation risk caused a complete reversal in TNX, though trends overall have been sharply negative in recent days) NASDAQ has begun to show greater weakness through the press conference, however, and NDX is now down 1% and Equal-weighted S&P has also turned negative. Overall, this is a minor backing and filling and directly speaks to the “buy the rumor, sell the news” type move which i discussed last night. Closing at/near the lows for today in the next 75 minutes of trading would argue for another 2-3 days of selling pressure before Markets bottom. I expect SPX bottoms by Rosh Hashanah and likely pushes up strongly into Yom Kippur in October. However the next few days could continue to be shaky barring a complete and positive reversal back to positive territory.

Sep 17 • 3:11 PM



Tom Lee, CFA, CFA_{AC}

Head of Research

At 2:00pm ET today, the FOMC will make its interest rate decision for September and a press conference starting at 2:30pm ET:

- The Street is expecting 25bp and I think that sounds right
- Consensus thinks stocks will sink in disappointment at 25bp
- This is what I am hearing from many investors as well

But here is our take:

- Stocks are hesitant today and tentative to Fed
- Investors are expecting stocks to be down

Thus, we think stocks rally post Fed decision

- We would expect the best to be
- Crypto **BTC** and **ETH** Bitcoin and Ethereum
- Financials and small-caps **XLF ▲0.13%** **IWM ▼-0.71%**



- MAG7 **NVDA ▲0.20%** **AAPL ▲3.18%** **GOOGL ▲1.18%** **TSLA ▲2.19%**
NFLX ▲1.59% **AMZN ▲0.16%** **AVGO ▼-0.03%**

[Sep 17 • 12:51 PM](#)

FS Insight Video: Weekly Highlight



Key incoming data

- ~~9/15 8:30 AM ET: Sep Empire Manufacturing Survey~~ **Tame**
- ~~9/16 8:30 AM ET: Aug Retail Sales Data~~ **Tame**
- ~~9/16 10:00 AM ET: Sep NAHB Housing Market Index~~ **Tame**
- ~~9/17 9:00 AM ET: Sep M Manheim Used Vehicle Index~~ **Tame**



- ~~9/17 2:00 PM ET: Sep FOMC Decision~~ **Dovish**
- ~~9/18 8:30 AM ET: Sep Philly Fed Business Outlook~~ **Tame**
- ~~9/18 4:00 PM ET: Jul Net TIC Flows~~ **Tame**
- 9/22 8:30 AM ET: Aug Chicago Fed Nat Activity Index
- 9/23 9:45 AM ET: Sep P S&P Global Services PMI
- 9/23 9:45 AM ET: Sep P S&P Global Manufacturing PMI
- 9/23 10:00 AM ET: Sep Richmond Fed Manufacturing Survey
- 9/23 10:00 AM ET: Aug Existing Home Sales
- 9/24 10:00 AM ET: Aug New Home Sales
- 9/25 8:30 AM ET: Aug P Durable Goods Orders
- 9/25 8:30 AM ET: 2Q T GDP
- 9/25 11:00 AM ET: Sep Kansas City Fed Manufacturing Survey
- 9/26 8:30 AM ET: Aug Core PCE Deflator
- 9/26 10:00 AM ET: Sep F U. Mich. Sentiment and Inflation Expectation



Member Exclusive Webinar

Crypto on the Beach



Mark Newton
Head of Technical Strategy

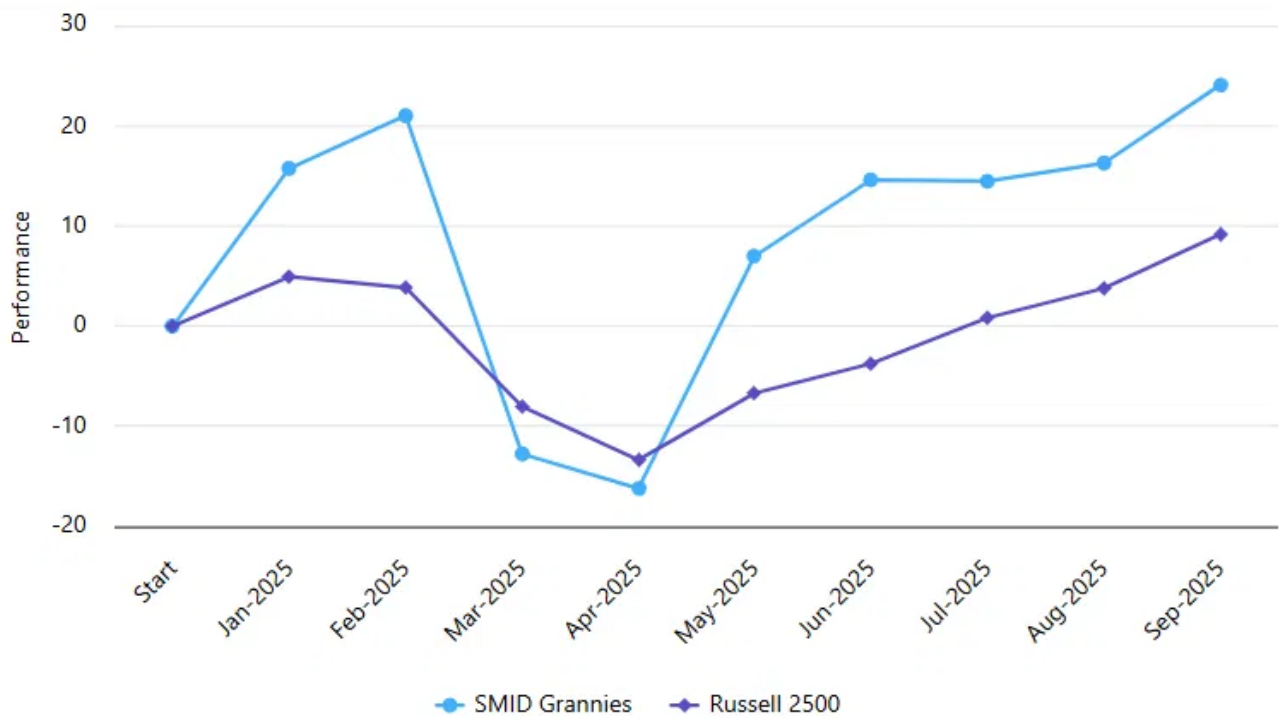


Sean Farrell
Head of Digital Assets

Stock List Performance



Year to Date SMID Granny Shots Performance

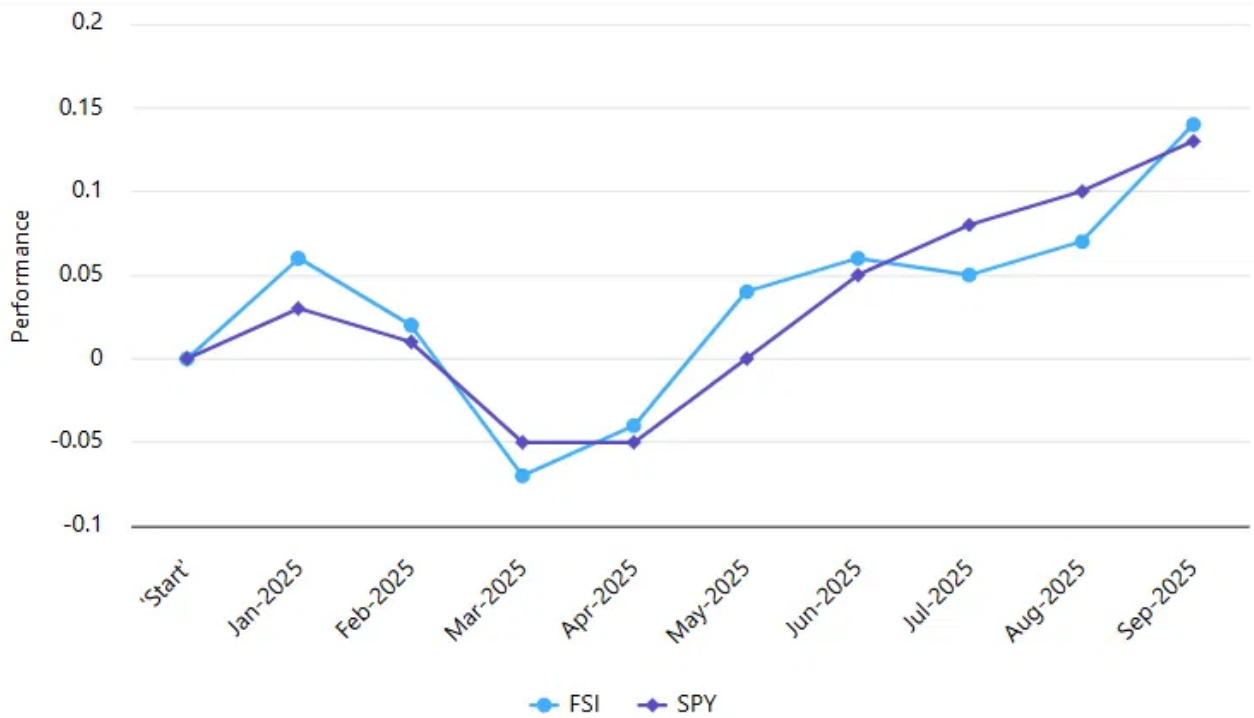


Highcharts.com

Performance period: January 01, 2025 through September 19, 2025



Upticks vs SPY (Year to Date)



Highcharts.com

Performance period: January 01, 2025 through September 19, 2025

In the News

Is Bitcoin Headed to \$200K After Fed Cuts?

Sep 8, 2025



Positioning for Nvidia Earnings + Key Fed Decisions



Aug 26, 2025



Dovish Fed, Small Caps, and His ETH Call

Aug 22, 2025



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