

Week in Review | Reinhart Fixed Income By Madison Investments

September 26, 2025



U.S. Economy

Several U.S. economic indicators hit the tape this week. The final revision to second quarter GDP rose to a 3.8% annualized growth rate, up from the originally reported 3.0%. Both personal income (+0.4%) and personal consumption (+0.6%) were higher than expected. The Personal Consumption Expenditure (PCE) deflator, the Fed's preferred inflation measure, was up 0.3% for August and up 2.7% year-over-year. Core PCE rose 0.2% for the month and is up 2.9% over the past year. Additionally, weekly initial jobless claims fell from 232,000 to 218,000.

Our Take: The economic reports this week pointed to an economy that is stronger than expected as well as inflation that continues to run a bit over the Fed's target. We will learn more with next week's employment report, but for now the data seems to support the Fed moving more slowly to cut rates.

Municipals

Chicago's O'Hare International Airport set a traffic record in July, as more than 8.2 million people departed or landed at the airport. 2025 year-to-date traffic is up more than 6% compared to 2024 levels according to airport officials, and the airport is poised to surpass 2019 pre-pandemic passenger levels. O'Hare set a record of 115,962 passengers screened on July 20th according to the TSA. The top four highest days of passengers screened at O'Hare have been recorded in June or July 2025.

Our Take: Airports across the country, including Atlanta, Dallas/Fort Worth and New York JFK, have experienced a surge in traffic throughout the busy summer travel period. With the 4th of July falling on a Friday this year, travel demand was high for the Independence Day weekend. Additional seat capacity and travel through airport hubs have led to the rising numbers at the nation's largest airports. Strong demand for air travel is expected to continue into the holiday season.



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