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April 11, 2025



ECONOMIC REVIEW¹

- The Consumer Price Index (CPI), a gauge for inflation, came in below expectations for the month of March in spite of tariffs being implemented.
 - Although the latest report does not include the April 2nd tariffs, it does include the initial round of tariffs on China and the broader steel and aluminum tariffs.
 - The main driver in the softer than expected reading was the falling price of energy. The cost of energy fell -2.4% in March alone driven by lower gas prices.
- The Producer Price Index (PPI), a sign of what prices corporations are paying, also came in below expectations, driven by a lower cost of energy.
 - Gasoline prices fell -11.1% in the broader reading, causing a sharp decline in the price index, falling -0.4% in the month.
 - The sub-index for food prices also fell -2.1% in March as egg prices fell -36.2%.
 - The cost of steel mill products rose 7.1% as targeted tariffs had an impact on the reading.
- The University of Michigan Consumer Sentiment survey, which measures how consumers are feeling about the economy dropped to its lowest reading since 2022 – and lower than any point during the Global Financial Crisis.
 - Expectations for inflation, business growth, and personal finances all deteriorated in the preliminary April reading, which came in at 50.8, down from March's 57.0.

How does the most recent economic data impact you?

- Concerns over inflation and economic growth from tariffs continue to belabor consumer confidence levels, especially expectations for the future.
- Despite concerns around higher prices, inflation remained relatively muted as the initial tariffs from March were implemented.
 - It is important to note that steel, which was included in the tariffs during March, did rise in response to the tariffs, but the overall inflation indices were more than offset by falling energy prices.

A LOOK FORWARD¹

- This week, investors will receive retail sales data for the month of March, as well as various pieces of housing data like building permits and housing starts.

How does this week's slate of economic data impact you?

- The retail sales data for March will give investors insight into the continued strength or lack thereof from consumer spending and should seek to confirm or contrast the weak consumer confidence reading witnessed in recent months.
- As interest rates fell through March, it would be expected that there was greater activity in the housing market as more prospective homebuyers would be attracted to lower mortgage rates.



MARKET UPDATE²

Market Index Returns as of 4/11/2025	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	5.73%	-4.38%	-8.47%	6.10%	8.50%	15.74%
NASDAQ	7.30%	-3.31%	-13.23%	4.13%	8.61%	16.34%
Dow Jones Industrial Average	4.97%	-4.20%	-5.04%	7.77%	7.66%	13.39%
Russell Mid-Cap	3.58%	-6.27%	-9.46%	0.38%	3.22%	12.60%
Russell 2000 (Small Cap)	1.83%	-7.51%	-16.28%	-5.87%	-0.72%	9.78%
MSCI EAFE (International)	0.82%	-4.17%	2.41%	3.03%	5.63%	10.12%
MSCI Emerging Markets	-3.83%	-4.98%	-2.20%	2.77%	0.65%	5.86%
Bloomberg Barclays US Agg Bond	-2.54%	-1.68%	1.06%	4.96%	0.71%	-0.90%
Bloomberg Barclays High Yield Corp.	-0.70%	-2.40%	-1.42%	6.24%	4.81%	6.11%
Bloomberg Barclays Global Agg	-0.44%	1.09%	3.76%	5.95%	-0.38%	-1.27%



OBSERVATIONS

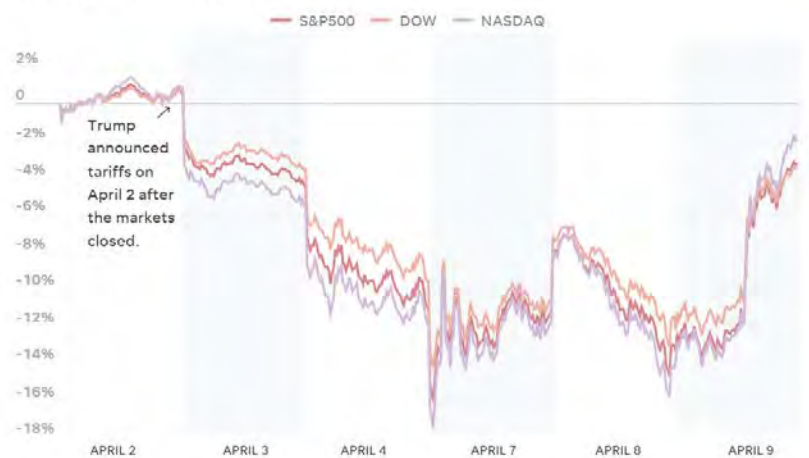
- Major U.S. stock indexes rebounded in strong fashion after a sharp selloff last week on news that the administration would be pausing tariff enforcement on reciprocal tariffs, with the exclusion of China.
 - The NASDAQ led the pack, gaining 7.3%, followed by the S&P 500, and Dow Jones.
- Both mid-cap and small-cap companies experienced positive returns, but less than their large-cap peers, and continued their year-to-date underperformance.
- International developed stocks rose last week, but underperformed U.S. equity indices. Developed markets rose 0.82% but emerging markets posted a negative return of -3.83%.
- Fixed income indices were negative last week as bond yields, which move inversely to prices, rose. The U.S. Aggregate Bond Index returned -2.54%, while the High-Yield Corporate Index declined by -0.70%.
 - The Global Aggregate Bond Index faced the smallest drawdown for the week, declining only -0.44%.



BY THE NUMBERS

Stock Market Volatility Remains: Financial markets have been rife with volatility experiencing swings to both the upside and downside in dramatic fashion. Wednesday marked the 10th best day for the S&P 500, and the 2nd best day for the NASDAQ, coming directly after the S&P 500 had its 5th worst 2-day streak in history earlier in the week. Both indices remain staunchly in the red in 2025 thus far, with the NASDAQ officially entering bear market territory falling more than 20% from its high, with the S&P 500 on the precipice of that mark. Recession probabilities have continued to climb as tariffs remain in place, however, markets continue to show flashes of life on good news pertaining to tariff reductions or pauses before official enactment. In spite of the sell-off it is important to remember that while markets have moved shockingly fast, they have not moved shockingly far, with the S&P 500 trading at the place it was in August of last year. As headline risk is set to continue, investors should remember the best way to not miss strong upsides is by staying invested.³

S&P 500, Dow and NASDAQ Indexes since April 1



SOURCE FactSec, GRAPHIC USA TODAY

Economic Definitions

Building Permits: This concept tracks the number of permits that have been issued for new construction, additions to pre-existing structures or major renovations. These statistics are based on the number of construction permits approved.

CPI (headline and core): Consumer prices (CPI) are a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.

Housing Starts: Housing (or building) starts track the number of new housing units (or buildings) that have been started during the reference period.

Producer Prices - PPI (headline and core): Producer prices (output) are a measure of the change in the price of goods as they leave their place of production (i.e. prices received by domestic producers for their outputs either on the domestic or foreign market).

Retail Sales: Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

University of Michigan Consumer Sentiment Index: Consumer confidence tracks sentiment among households or consumers. The results are based on surveys conducted among a random sample of households. Target Audience: representative sample of US households (excluding Alaska and Hawaii). Surveys of Consumers collects data on consumer attitudes and expectations summarized in the Consumer Sentiment, in order to determine the changes in consumers' willingness to buy and to predict their subsequent discretionary expenditures. This Index is comprised of measures of attitudes toward personal finances, general business conditions, and market conditions or prices. Components of the Index of Consumer Sentiment are included in the Leading Indicator Composite Index. Unit: Index (Q1 1966=100)

Index Definitions

S&P 500: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

NASDAQ: The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971.

Dow Jones Industrial Average: The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

Russell Mid-Cap: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell 2000: The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

MSCI EAFE: The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

MSCI EM: The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg Barclays US Agg Bond: The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg Barclays High Yield Corp: The Bloomberg Barclays US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded.

Bloomberg Barclays Global Agg: The Bloomberg Barclays Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Barclays Municipal Bond Index: The Bloomberg Barclays U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

Disclosures

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¹ Data obtained from Bloomberg as of 4/11/2025.

² Data obtained from Morningstar as of 4/11/2025.

³ [How Trump's tariffs have impacted the stock market](#)

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