



Philip Blancato, Chief Market Strategist, Osaic

April 25, 2025



ECONOMIC REVIEW¹

- The Leading Economic Indicators (LEI), which are a group of 10 economic data points that, outside of recent years, have been effective at projecting future growth, fell further into contraction, dropping 0.7% in March.
 - The index is heavily weighted in the manufacturing sector, and due to manufacturing weakness, has been signaling a false recessionary alarm for the past two years.
- Durable goods orders, which are defined as goods intended to last for over three years, rose 9.2% in March, well above expectations.
 - The jump in orders can be attributed to a 139% rise in aircraft and aircraft parts. Tariffs are anticipated to hit the sector hard, and many firms have pulled planned expenses forward to avoid added costs.
 - Durable goods, excluding aircraft and defense spending, are much less volatile, and that basket of goods rose a modest 0.1%.
- Existing home sales fell 5.9% in March, the largest decline since November 2022.
 - Elevated home prices and reluctance from current homeowners to sell out of favorable mortgage rates continue to weigh on the housing market.
- New home sales, however, surged 7.4% in March, marking the second straight month of acceleration.
 - Builders are focused on completing existing inventory rather than beginning new construction.
 - The rise in sales came predominantly from the South, which could be attributed to post-hurricane buying from those who lost their homes.

How does the most recent economic data impact you?

- Incoming economic data show that tariff-related uncertainty continues to impact businesses and consumers.
 - The jump in the volatile aircraft and parts sector of the durable goods report implies that some firms are trying to front-run tariffs by importing additional inventory.
 - But the modest rise in the overall report points towards the majority of firms not increasing their durable goods imports.

The contrast in new and existing home sales does not point towards a lack of demand for housing, but rather an unwillingness to sell from current homeowners.

A LOOK FORWARD¹

- Investors will receive key labor, growth, and inflation data this week, with the unemployment rate and nonfarm payrolls, Gross Domestic Product (GDP) for the first quarter of 2025, and Personal Consumption Expenditures Price Index (PCE) all slated for release.

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

- April's labor report, alongside the initial Q1 GDP reading, will give key insights into the health of the economy and its resilience under pressure, as well as potential early insights into the impact of tariffs.
- PCE will confirm March's inflation impact, after lower-than-expected price increases were reported from the Consumer Price Index and Producer Price Index earlier in the month.



MARKET UPDATE²

Market Index Returns as of 4/25/2025	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	4.60%	-1.47%	-5.68%	9.81%	11.49%	16.04%
NASDAQ	6.73%	0.50%	-9.81%	9.91%	12.54%	15.91%
Dow Jones Industrial Average	2.52%	-4.40%	-5.23%	6.79%	8.62%	13.27%
Russell Mid-Cap	3.71%	-1.95%	-5.29%	5.18%	6.28%	13.69%
Russell 2000 (Small Cap)	4.10%	-2.65%	-11.88%	-0.88%	2.67%	11.15%
MSCI EAFE (International)	2.85%	2.83%	9.89%	11.02%	9.73%	11.97%
MSCI Emerging Markets	2.71%	-0.17%	2.75%	7.92%	4.22%	7.11%
Bloomberg Barclays US Agg Bond	0.69%	-0.10%	2.68%	7.38%	1.46%	-0.77%
Bloomberg Barclays High Yield Corp.	1.29%	0.10%	1.11%	8.95%	6.00%	6.56%
Bloomberg Barclays Global Agg	0.33%	2.44%	5.14%	8.30%	0.61%	-1.11%



OBSERVATIONS

- Major U.S. stock indices rallied on favorable tariff news in the past week, particularly a potential for lower tariffs on China.
 - The NASDAQ led the group higher (6.73%), followed by the S&P 500 (4.60%), and the Dow Jones (2.52%)
- Domestic down-cap indexes like the Russell Mid-Cap and the Russell 2000 (Small Cap) produced positive returns, as well, climbing 3.71% and 4.10%, respectively.
- International developed stocks also rose on the week but underperformed broad U.S. equities.
 - Emerging market equities also rose but failed to outperform domestic markets on the week.
- Fixed income indices were positive domestically, internationally, and across the credit spectrum.
 - High-yield bonds outpaced most other fixed income sectors as lower quality credit spreads tightened substantially last week. High-yield bonds joined domestic and international returns in positive territory for the year after last week.



BY THE NUMBERS

The Shedeur Sanders Slide: Because of the confidence he carries himself with and who his father is – Colorado Buffaloes head coach and Pro Football Hall of Famer Deion Sanders – there was plenty of scrutiny on Shedeur Sanders heading into this weekend's draft. While Cam Ward was seen as the consensus best passer in the class, Sanders was predicted to go somewhere in the first or perhaps second round at the latest. However, Sanders had to wait until the 5th round as the 144th overall pick on Saturday by the Browns, becoming the fifth quarterback taken. Whether it was his lack of knowledge about certain aspects of the game or his reaction to being called out on the gaps in his game by members of NFL coaching staffs, Sanders didn't market himself well in that part of the process, according to multiple reports.³

Car Rams Into Filipino Festival in Vancouver, Killing at Least Nine: At least nine people were killed and more than 20 injured when a man rammed an SUV through a crowd at a Filipino community festival in the western Canadian city of Vancouver on the weekend before Canada's federal election, authorities said. Police arrested a 30-year-old Vancouver man, who they said was known to them, at the scene of the incident on Saturday evening. "At this time, we are confident that this incident was not an act of terrorism," Vancouver police said in an X post. While mass casualty attacks are far less common in Canada than in the United States, such incidents have occurred with some regularity north of the border. At least two of those attacks involved motor vehicles. In 2021, a man killed four members of a Muslim family by running them over with a pickup truck. In 2018, a man drove a rented van into a lunch-hour crowd in Toronto, killing 10 people and injuring 15 along a sidewalk thronged with pedestrians.⁴

Economic Definitions

Durable Goods Orders: This concept tracks the value of new orders received during the reference period. Orders are typically based on a legal agreement between two parties in which the producer will deliver goods or services to the purchaser at a future date.

Federal Reserve (Fed): The Federal Reserve System is the central banking system of the United States of America.

Conference Board Leading Economic Index (LEI): Leading indicators include economic variables that tend to move before changes in the overall economy. These indicators give a sense of the future state of an economy.

New Home Sales: This concept tracks sales of newly constructed homes during the reference period. The Implicit US index is computed by taking the number of houses sold in the US and dividing it by the seasonally adjusted number of houses sold in the US.

Existing Home Sales: This concept tracks the sales of previously owned homes during the reference period. Total existing home sales include single-family homes, townhomes, condominiums and co-ops. All sales are based on closings from Multiple Listing Services. Foreclosed homes are only counted in the inventory if the bank is working with a realtor. Foreclosed homes that sell via auction (or other closings outside of the Multiple Listing Services) are not included.

Nonfarm Payrolls: This indicator measures the number of employees on business payrolls. It is also sometimes referred to as establishment survey employment to distinguish it from the household survey measure of employment.

Unemployment Rate: The unemployment rate tracks the number of unemployed persons as a percentage of the labor force (the total number of employed plus unemployed). These figures generally come from a household labor force survey.

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).

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.

PCE (headline and core): PCE deflators (or personal consumption expenditure deflators) track overall price changes for goods and services purchased by consumers. Deflators are calculated by dividing the appropriate nominal series by the corresponding real series and multiplying by 100.

GDP: Gross domestic product (GDP) measures the final market value of all goods and services produced within a country. It is the most frequently used indicator of economic activity. The GDP by expenditure approach measures total final expenditures (at purchasers' prices), including exports less imports. This concept is adjusted for inflation.

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

Index performance does not reflect the deduction of any fees and expenses, and if deducted, performance would be reduced. Indexes are unmanaged and investors are not able to invest directly into any index. Past performance cannot guarantee future results.

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¹ Data obtained from Bloomberg as of 4/25/2025.

² Data obtained from Morningstar as of 4/25/2025.

³ [The Shedeur Sanders slide and who were the winners: what we learned from the 2025 NFL draft](#)

⁴ [Car rams into Filipino festival in Vancouver, killing at least 9](#)

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