Weekly Market Recap

April 14, 2025

	Price	Price Returns	
Index	**Close**	**Week**	**YTD**
S&P 500® Index	5,363	5.7%	-8.8%
Dow Jones Industrial Average	40,213	5.0%	-5.5%
NASDAQ	16,724	7.3%	-13.4%
Russell 2000® Index	1,860	1.8%	-16.6%
MSCI EAFE Index	2,293	0.5%	1.4%
Ten-Year Treasury Yield	4.47%	0.5%	0.6%
Oil WTI[1] ($/bbl[2])	$61.54	-0.7%	-14.2%
Bonds[3]	$97.04	-2.4%	1.2%

[1]WTI = West Texas Intermediate Oil. [2]bbl = Barrel. [3]Bonds are represented by the iShares U.S. Aggregate Bond ETF. Sources: Bloomberg L.P.; FactSet.

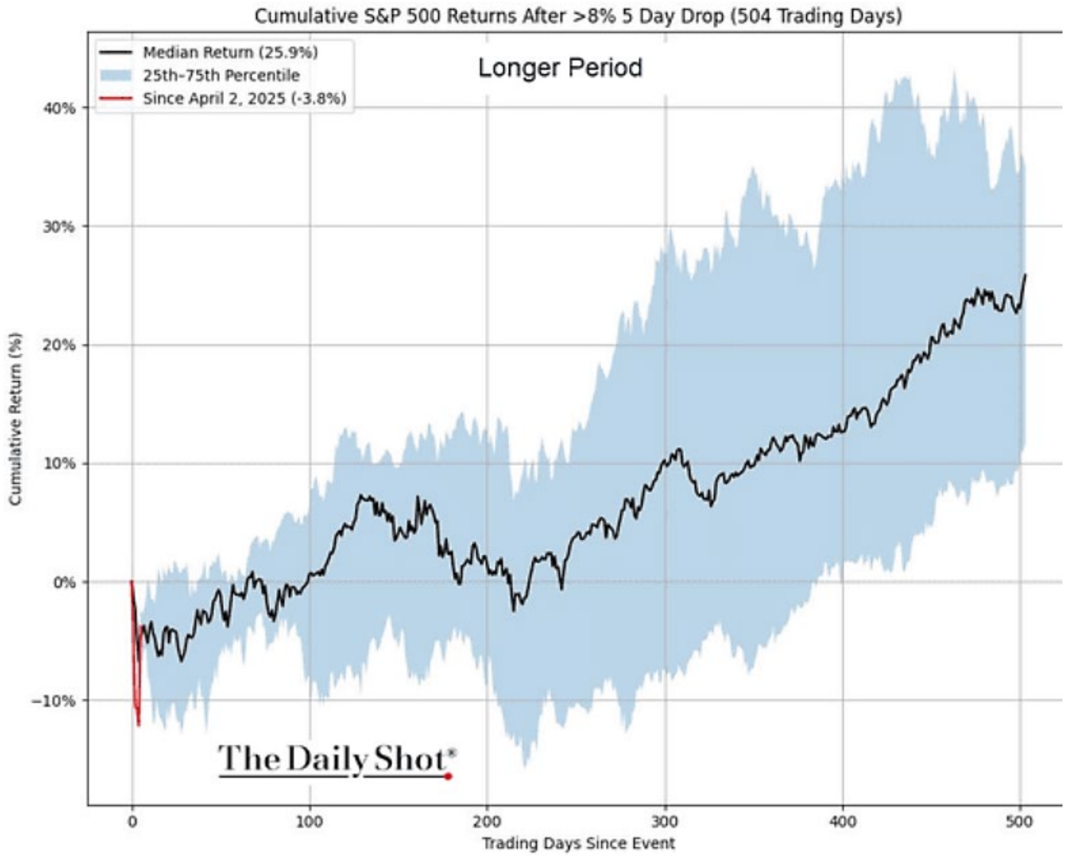
Last Week:

U.S. Equity Market

- U.S. large-cap equities (S&P 500 Index) rallied +5.7% as downside volatility in the early part of the week was reversed on Wednesday. President Trump announced a 90-day pause for reciprocal tariffs on countries that had not retaliated and sought negotiated settlements, which led to the largest single day rally for U.S. equities since October 2008. At the same time, Trump raised the tariff rate on China to 125% (later clarified as 145%), citing China’s retaliation of raising its tariffs on the U.S. as the primary reason for the increase. The European Union announced its own 90-day pause on retaliatory efforts to negotiate a long-term deal. President of the Federal Reserve (Fed) Bank of Boston, Susan Collins, said Friday in an interview that the Fed would be prepared to deploy its tools on market functioning or liquidity concerns, which likely reduced fears of bond illiquidity. Over the weekend, Trump’s administration exempted smartphones, computers, chips, and other electronics from tariffs. The 10-year Treasury yield increased rapidly to over 4.5% from 3.99%, which may have contributed to Trump’s pivot to the 90-day pause on tariff implementation. Gold rose +6.9% and oil (WTI) fell -0.7%.

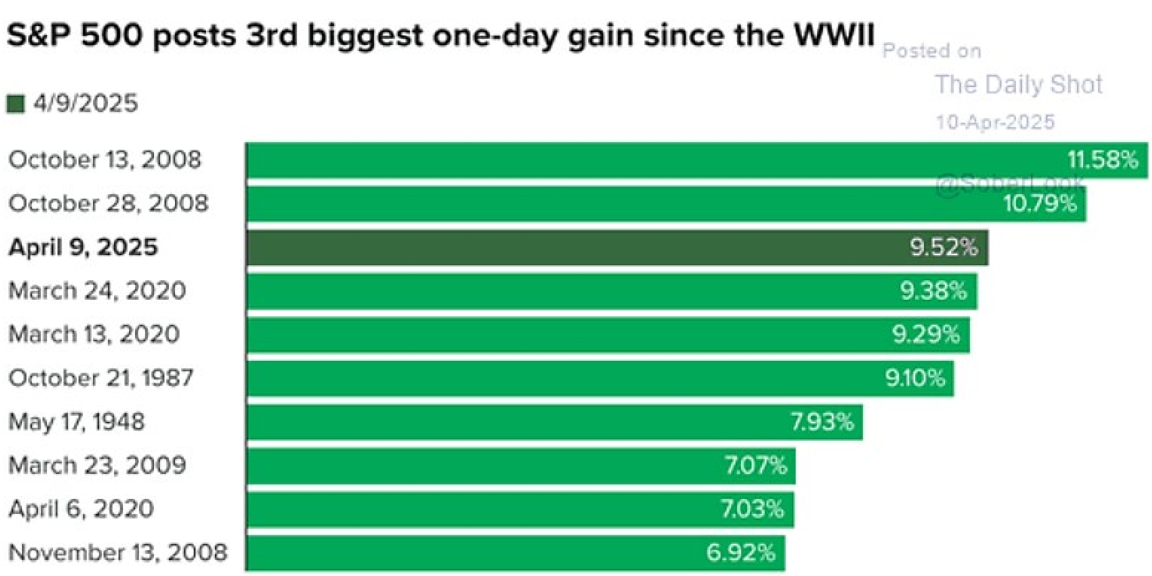
- S&P 500 Index Sector Returns:
  - Technology (+9.7%) rallied, led by semiconductors and software stocks.
  - Industrials (+6.5%) rose, led by aerospace and defense stocks, airlines, and transports.
  - Communication services (+6.5%) rose, led by internet search, social media, and streaming stocks.
  - Financials (+5.6%) rose, led by banks and asset managers.
  - Consumer discretionary (+4.6%) rose, led by travel stocks.
  - Materials (+3.6%) rose, led by precious metals miners.
  - Consumer staples (+3.1%), utilities (+2.4%), and healthcare (+1.2%) underperformed, as investors appeared to favor less-defensive sectors.
  - Real Estate (-0.2%) underperformed, as interest rates increased.
  - Energy (-0.4%) fell, as the price of oil declined -0.7%.

- Historically, the S&P 500 has generated attractive returns in the next 500 days following a drawdown of more than 8%.



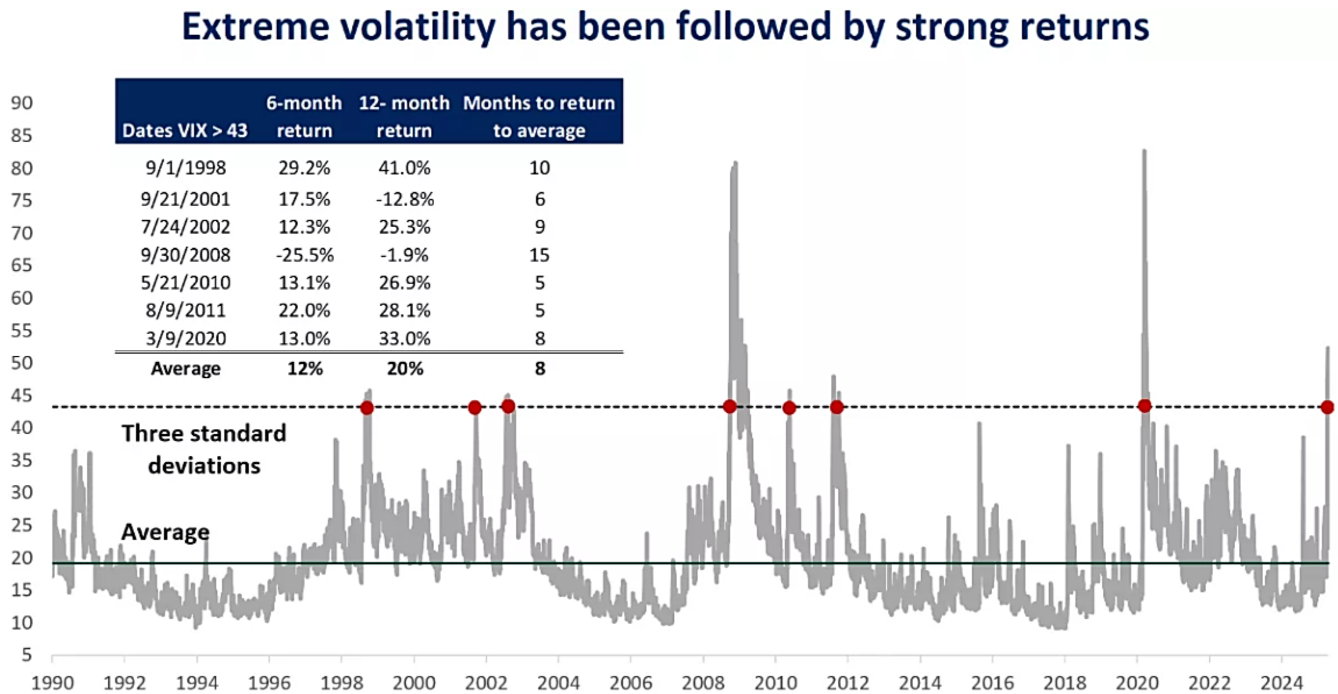
Sources: Bloomberg L.P.; The Daily Shot.

- Wednesday's rally was the third largest one-day gain since World War II for the S&P 500.



Sources: FactSet; CNBC; The Daily Shot.

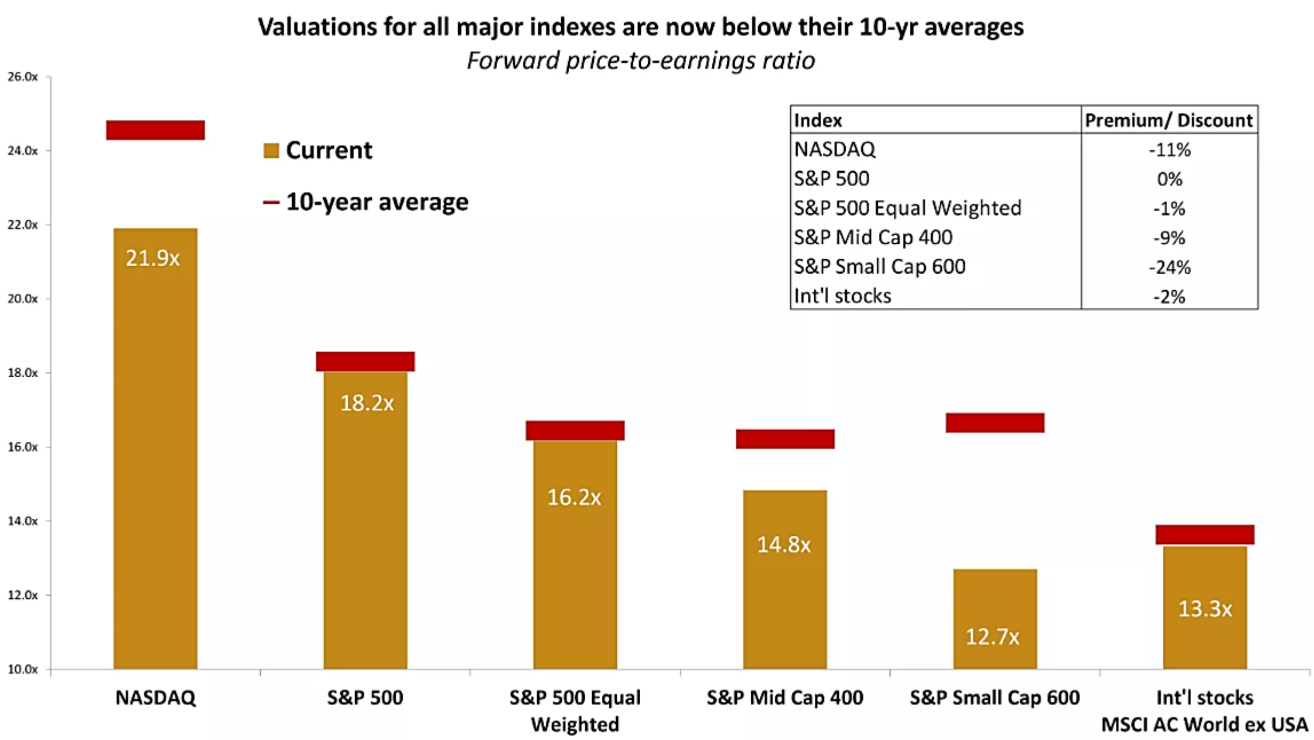
- Historically, extreme volatility has been followed by strong returns for the S&P 500.



Dates VIX > 43	6-month return	12- month return	Months to return to average
9/1/1998	29.2%	41.0%	10
9/21/2001	17.5%	-12.8%	6
7/24/2002	12.3%	25.3%	9
9/30/2008	-25.5%	-1.9%	15
5/21/2010	13.1%	26.9%	5
8/9/2011	22.0%	28.1%	5
3/9/2020	13.0%	33.0%	8
Average	**12%**	**20%**	**8**

VIX: the volatility index. Sources: Bloomberg L.P.; Morningstar Direct; Edward Jones.

- Valuations for all of the major indexes are now below their 10-year averages.



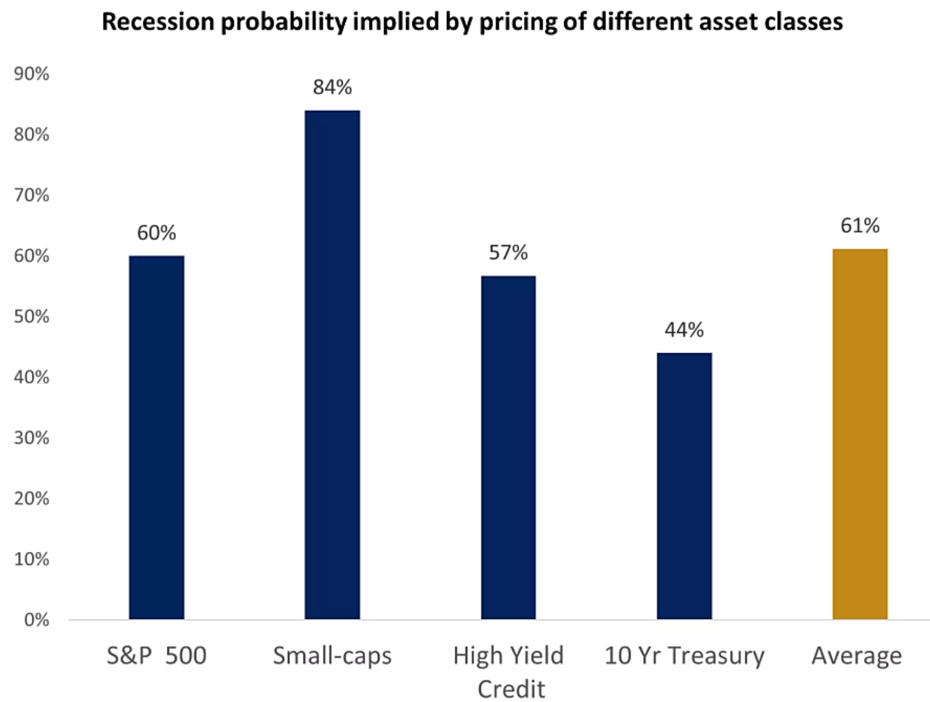
Index	Premium/ Discount
NASDAQ	-11%
S&P 500	0%
S&P 500 Equal Weighted	-1%
S&P Mid Cap 400	-9%
S&P Small Cap 600	-24%
Int'l stocks	-2%

Sources: FactSet; Edward Jones.

Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful. Please reference important disclosures on page 6.

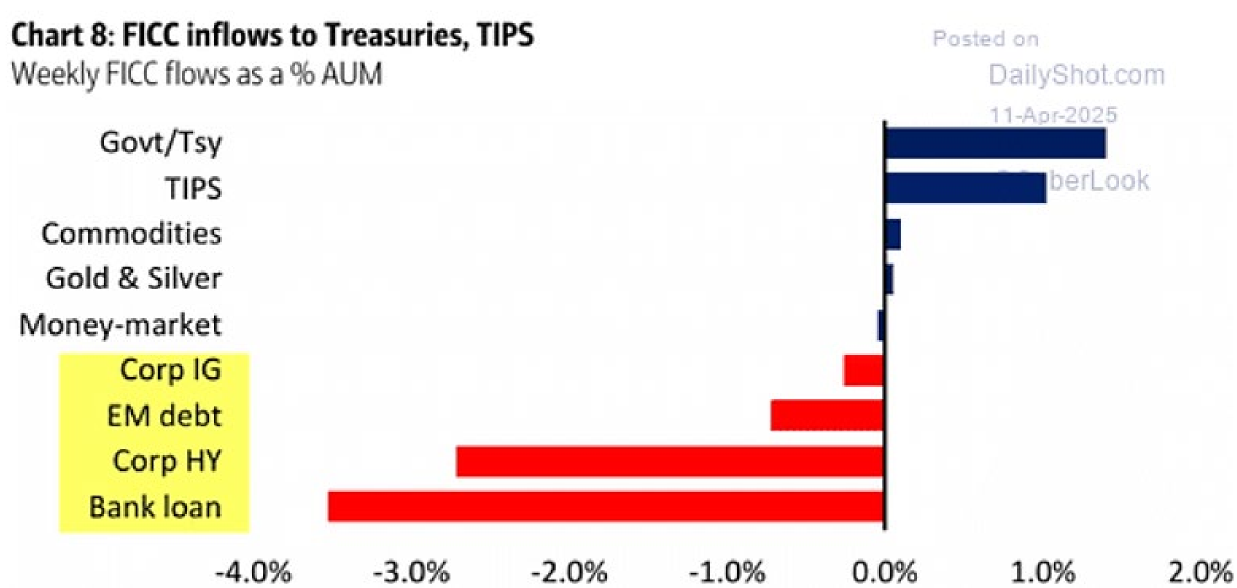
Fixed Income Markets

- The chart below provides recession probabilities implied by the pricing of different asset classes based on the historical behavior of different asset classes around past U.S. recessions, according to Edward Jones.



Sources: FactSet; Edward Jones.

- Government bonds and Treasury inflation-protected securities (TIPS) have seen inflows, while higher yielding bonds have experienced outflows.



AUM: assets under management. EM: emerging markets. FICC: Fixed Income Clearing Corporation. HY: high yield. IG: investment-grade. Sources: Bank of America; The Daily Shot.

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U.S. Economic and Political News

- March core Consumer Price Index (CPI) came in cooler than analyst expectations, while the headline CPI printed a monthly decline. Airline fares, used cars, vehicle insurance, and hotels were all down while shelter price growth decelerated.
- March core Producer Price Index (PPI) also came in cooler than expected. However, the impact of these March inflation releases were muted due to the tariff developments that occurred in April (after March data).
- After some delay, the House of Representatives passed a budget blueprint aligning with the Senate's, setting up the next phase of passing Trump's tax cut and spending agenda through the filibuster-skirting reconciliation method.

International Markets and News

- European markets (STOXX 600 Index) fell -1.9% as U.S. tariff concerns weighed on investor sentiment. However, markets rebounded towards the end of the week after Trump said he would delay the imposition of reciprocal tariffs by 90 days.
- The Chinese stock market (Shanghai Composite) fell -3.1% as Trump's tariff delay excluded China and clarified that U.S. total tariffs on China would be 145%. Beijing said it would roll out fresh domestic stimulus in attempt to boost the local economy.
- Japanese equities (Nikkei 225 Index) fell -0.6% for the week but rallied towards the end of the week after Trump said most U.S. trading partners' tariffs would be lowered to 10% for 90 days (a 24% levy had been applied on Japanese imports).

This Week:

- The volume of corporate earnings reports will be lighter this week.
- Economic data:
  - Monday: Philadelphia Fed President speaking engagement;
  - Tuesday: Empire Manufacturing, Export Prices, Import Prices, Redbook Chain Store, American Petroleum Institute (API) Crude Inventories;
  - Wednesday: Mortgage Bankers Association (MBA) Purchase Applications, Retail Sales, Capacity Utilization, Industrial Production, Business Inventories, National Association of Home Builders (NAHB) Housing Market Index, Treasury International Capital (TIC) Flows, Department of Energy (DOE) Crude Inventories;
  - Thursday: Building Permits, Housing Starts, Philadelphia Fed Index, Weekly Jobless Claims, Energy Information Administration (EIA) Natural Gas Inventories;
  - Friday: Limited U.S. economic data.

As always, thank you very much for your interest in our thoughts and support of our services.

Whitney Stewart, CFA®
Executive Director

Griffith Jones, Jr.
Executive Director

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Performance is compared to an index, however, the volatility of an index varies greatly. Indices are unmanaged and investments cannot be made directly in an index.

The S&P 500® Index is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P 500 Composite includes 500 of the largest stocks (in terms of stock market value) in the United States and covers approximately 80% of available market capitalization.

The S&P 500® Equal Weight Index (EWI) is the equal-weight version of the widely-used S&P 500®. The index includes the same constituents as the capitalization-weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

The S&P MidCap 400® Index provides investors with a benchmark for mid-sized companies. The index, which is distinct from the large-cap S&P 500®, is designed to measure the performance of 400 mid-sized companies, reflecting the distinctive risk and return characteristics of this market segment.

The S&P SmallCap 600® seeks to measure the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable.

The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

The Dow Jones Industrial Average (DJIA) is an index that tracks 30 large, publicly-owned blue chip companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

The NASDAQ Composite Index is the market capitalization-weighted index of over 2,500 common equities listed on the NASDAQ stock exchange. The types of securities in the index include American depositary receipts, common stocks, real estate investment trusts (REITs) and tracking stocks, as well as limited partnership interests. The index includes all Nasdaq-listed stocks that are not derivatives, preferred shares, funds, exchange-traded funds (ETFs) or debenture securities.

The MSCI EAFE Index is an equity index which captures large and mid-cap representation across 21 Developed Markets countries around the world, excluding the U.S. and Canada. With 900 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The MSCI ACWI ex USA Index is a global stock market index that tracks the performance of large and mid-cap companies in both developed markets and emerging markets, excluding the United States. It's designed to provide a broad measure of global equity performance outside of the US, covering approximately 85% of the global equity opportunity set.

The STOXX Europe 600 Index is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The Nikkei 225 is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

The Shanghai Stock Exchange Composite Index is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange.

Technical Terms: **Assets under management (AUM)** is the market value of the investments managed by a person or entity on behalf of clients. AUM is used in conjunction with management performance and management experience when evaluating a company. **The CBOE Volatility Index (VIX)** is a real-time market index representing the market's expectations for volatility over the coming 30 days. **The Consumer Price Index (CPI)** is a measure of the average change over time in the prices paid by consumers for a representative basket of consumer goods and services. **The Empire State Manufacturing Index** rates the relative level of general business conditions in New York state. A level above 0.0 indicates improving conditions, and below indicates worsening conditions. The reading is compiled from a survey of about 200 manufacturers in New York state. **The NAHB/Wells Fargo Housing Market Index (HMI)** is a monthly survey that gauges the sentiment of U.S. home builders regarding the single-family housing market. A score above 50 generally indicates a favorable outlook for the housing market. **The Philadelphia Fed Index**, also known as the Philly Fed Index, is a monthly survey produced by the Federal Reserve Bank of Philadelphia that measures the general business conditions in the Third Federal Reserve District (primarily Pennsylvania, New Jersey, and Delaware). **The Producer Price Index (PPI)** program measures the average change over time in the selling prices received by domestic producers for their output. **The Treasury International Capital (TIC)** reporting system is the U.S. government's source of data on capital flows into and out of the United States, excluding direct investment, and the resulting levels of cross-border claims and liabilities.

Treasury Inflation-Protected Securities, or TIPS, are inflation-protected bonds (IPBs) that are issued by the U.S. Treasury. Their face value is pegged to the CPI and adjusted in step with changes in the rate of inflation. (Technical definitions are sourced from Corporate Finance Institute.)

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