

Weekly Market Recap

April 21, 2025

Index	Price	Price Returns	
	Close	Week	YTD
S&P 500 [®] Index	5,283	-1.5%	-10.2%
Dow Jones Industrial Average	39,142	-2.7%	-8.0%
NASDAQ	16,286	-2.6%	-15.7%
Russell 2000 [®] Index	1,880	1.1%	-15.7%
MSCI EAFE Index	2,396	3.9%	5.6%
Ten-Year Treasury Yield	4.33%	-0.1%	0.4%
Oil WTI ¹ (\$/bbl ²)	\$63.65	3.5%	-11.3%
Bonds ³	\$97.87	0.9%	2.2%

¹WTI = West Texas Intermediate Oil. ²bbl = Barrel. ³Bonds 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) fell -1.5% as ongoing trade tensions weighed on investor sentiment. President Trump raised the tariff rate on China up to 245% on certain goods. U.S. and European Union discussions have made little progress, in our view, while Trump posted about “big progress” on Wednesday trade talks with Japan. Federal Reserve (Fed) Chair Jerome Powell reaffirmed that tariffs are much larger than anticipated and will likely pressure growth and push inflation higher. The 10-year Treasury yield fell to 4.33% from 4.50%. Gold rose +4.7% and oil (WTI) rose +3.5%.
- S&P 500 Index Sector Returns:
 - Real Estate (+3.9%) outperformed, led by cell towers, apartments, and distribution centers.
 - Energy (+3.2%) rose, as the price of oil increased +3.5%.
 - Consumer staples (+2.0%), utilities (+1.9%), and healthcare (-1.2%) outperformed, as investors appeared to favor more-defensive sectors.
 - Materials (+0.4%) rose, led by chemical companies.
 - Financials (-0.1%) fell, led lower by banks and asset managers.
 - Industrials (-0.3%) fell, led lower by aerospace and defense stocks, airlines, and transports.
 - Communication services (-3.0%) fell, led lower by internet search, social media, and streaming stocks.
 - Consumer discretionary (-3.2%) fell, led lower by travel stocks.
 - Technology (-3.7%) fell, led by semiconductors and software stocks.

- Historically, the S&P 500's average bear market (down 20% or more) max drawdown was -38.8%, while the average 12-month return after the max drawdown was +10.5%.

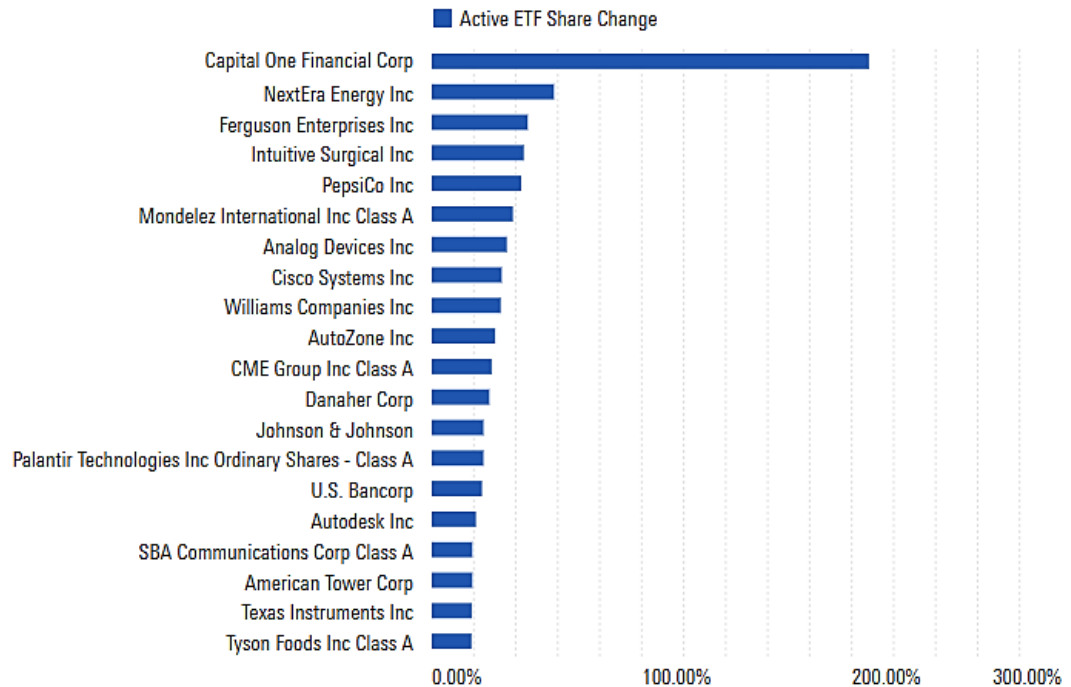
Date	Max Drawdown from Peak	1 month	6 month	12 month	Recession?
1/29/1970	-36.1%	4.4%	-8.9%	11.9%	Yes
11/27/1973	-48.2%	2.1%	-7.4%	-26.9%	Yes
2/22/1982	-27.1%	1.1%	1.3%	30.4%	Yes
10/19/1987	-33.5%	6.8%	14.7%	23.2%	No
3/12/2001	-49.2%	0.3%	-7.4%	-1.2%	Yes
7/9/2008	-56.8%	4.1%	-28.5%	-29.1%	Yes
3/12/2020	-33.9%	12.5%	34.7%	59.0%	Yes
6/13/2022	-25.4%	1.4%	7.2%	16.5%	No
Average	-38.8%	4.1%	0.7%	10.5%	

Sources: Morningstar Direct; S&P 500 Price Index; The Daily Shot.

- Active exchange-traded fund (ETF) portfolio manager purchases from April 1-11 appear to have a greater preference for more defensive stocks in the utilities, consumer staples, and health care sectors.

Largest Aggregate Stock Buys- Large Cap Equity ETFs: April 1-April 11

Consumer food businesses among the most popularly purchased stocks



Sources: Bloomberg L.P.; Morningstar Direct.

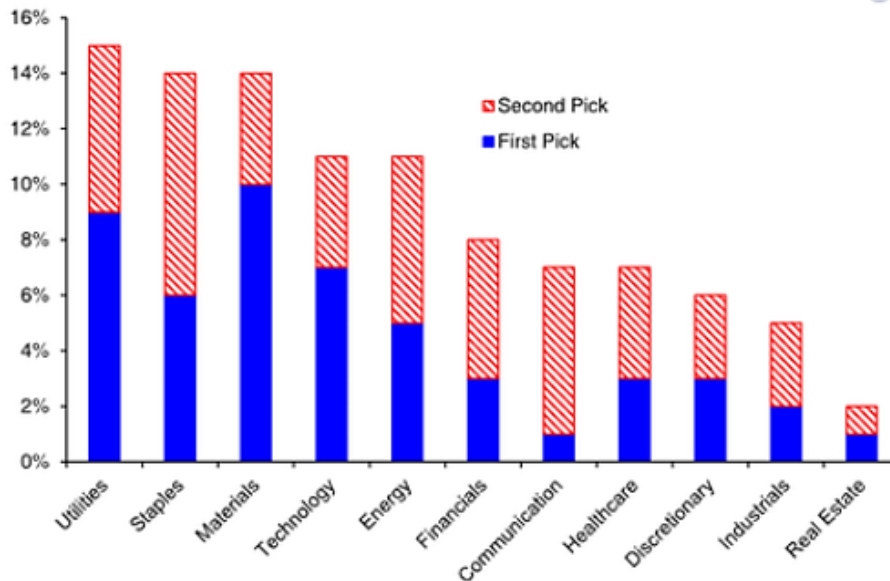
- Some U.S. investors view the country's profit outlook as the most unfavorable since 2007.



- The chart below shows a survey of professional assets managers' views of which sectors could potentially outperform over the next 12 months.

Exhibit 10 - Q1/25 Survey - Which sectors should outperform the most in the next 12M?

The Daily Shot
 17-Apr-2025
 @SoberLook



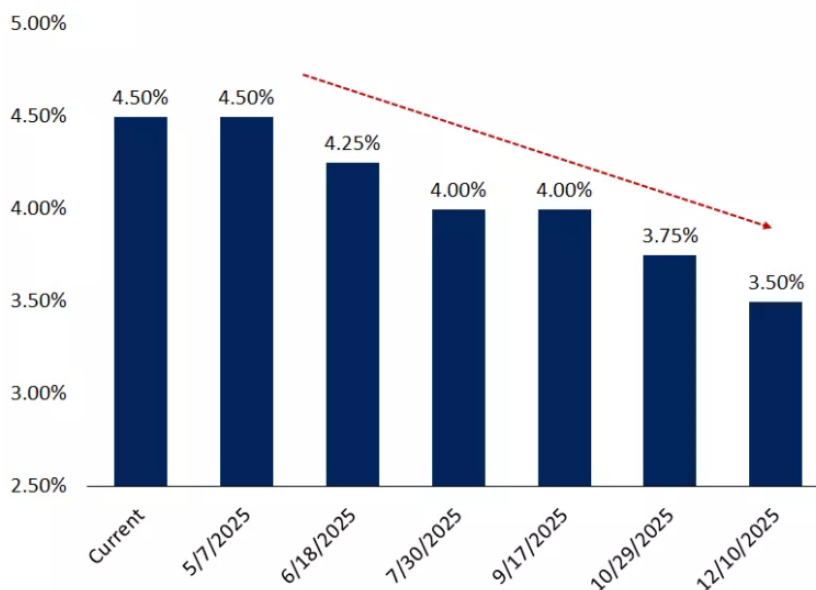
Sources: Scotiabank GBM Portfolio Strategy; The Daily Shot.

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 fed funds futures are pricing in four rate cuts in 2025, but Edward Jones believes 2-3 cuts is more likely as tariffs may keep inflation elevated. Meanwhile, lower gross domestic product (GDP) growth and higher unemployment data may not occur until the second half of 2025.

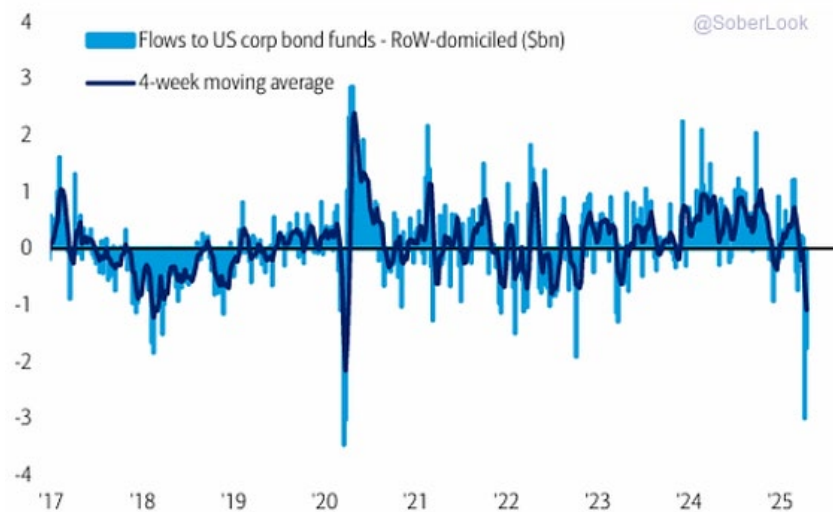
Markets see 4 rate cuts this year; we believe 2-3 is more likely
(Fed Funds Rate %)



Sources: CME FedWatch Tool; Edward Jones.

- Foreigners have been selling U.S. corporate bonds at the fastest pace since April 2020 during the COVID-19 crisis.

Chart 11: Biggest foreign selling of US corporate bonds since Apr'20
Flows to Rest of World domiciled US corporate bond funds



RoW: rest of world. Sources: Bank of America; The Daily Shot.

U.S. Economic and Political News

- March retail sales increased +1.4% month-over-month, in line with analyst expectations and the biggest monthly gain since January 2023. The increase was likely supported by strength in autos amid potential demand ahead of tariff implementation.
- April's Empire State Index beat analyst expectations with growth in new orders, though price indexes were up for the fourth straight month and outlook index fell to second lowest reading in over 20 years.

International Markets and News

- European markets (STOXX 600 Index) rose +3.9% as the European Central Bank (ECB) cut rates by 0.25% to 2.25% as analysts expected. The ECB signaled that more interest rate cuts may occur depending on economic data.
- The Chinese stock market (Shanghai Composite) rose +1.3% as Beijing said it would roll out fresh domestic stimulus in attempt to boost the local economy.
- Japanese equities (Nikkei 225 Index) rose +2.4% as Trump posted on social media that there was "big progress" on trade conversations with Japan.

This Week:

- The volume of corporate earnings reports will be lighter this week.
- Economic data:
 - Monday: Leading Indicators;
 - Tuesday: Redbook Y/Y;
 - Wednesday: Mortgage Bankers Association (MBA) Applications, Purchasing Managers' Index (PMI) Manufacturing Preliminary, PMI Services Preliminary, New Home Sales;
 - Thursday: Core Durable Orders, Durable Orders ex transport, Durable Orders, Existing Home Sales;
 - Friday: Michigan Consumer Sentiment (Final).

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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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 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 depository 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 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: **An exchange-traded fund (ETF)** is a basket of investments, often including stocks, bonds, or other assets, that is traded on a stock exchange just like individual stocks. **Fed funds futures** are contracts based on the Effective Federal Funds Rate (EFFR), which is the interest rate at which banks lend reserves to each other overnight. These futures contracts are used by traders and institutions to hedge against or speculate on changes in the federal funds rate, a key interest rate influencing U.S. monetary policy. **Gross domestic product (GDP)** is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. As a broad measure of overall domestic production, it functions as a comprehensive scorecard of a given country's economic health. **The Michigan Consumer Sentiment Index (MCSI)** is a monthly survey of consumer confidence levels in the United States conducted by the University of Michigan. The survey is based on telephone interviews that gather information on consumer expectations for the economy. **The NY Empire State Manufacturing Index** is a survey-based economic indicator that gauges the relative level of business conditions in the New York State manufacturing sector. A reading above zero suggests improving conditions, while a reading below zero indicates worsening conditions. The index is compiled from surveys of about 200 manufacturers in New York. **Price indexes** are numerical series used to track and compare price changes over time or across different locations. They are a common tool for measuring inflation, cost of living, and price differences. A monthly **Purchasing Managers' Index (PMI)** highlighting the manufacturing sector is made available by the Institute for Supply Management (ISM), a nonprofit supply management organization. ISM also tallies a monthly PMI for the service sector and hospitals. (Technical definitions are sourced from Corporate Finance Institute.)

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