

Weekly Market Update



Market Data as of Week Ending: 2/21/2025 unless noted otherwise

U.S. stocks fell over the holiday-shortened week as geopolitical tensions and consumer spending concerns weighed on the markets. New tariff talks seemed to be digested well as President Trump's auto tariff, aimed to begin on April 2nd, has been viewed more as a bargaining chip rather than a permanent feature. Growth stocks underperformed value by a significant margin as valuation concerns and profit-taking led to a slowdown in the momentum trade. The S&P 500 declined -1.63% from last Friday, while the equal-weighted S&P 500 registered a -0.7% decline for the week. Size held up slightly better as the Russell 2000 fell -3.7%. Consumer discretionary and communication services were the two worst-performing sectors, while more defensive-oriented sectors like utilities, consumer staples and healthcare were some of the best performers. Foreign developed and emerging markets were positive, lifted by a strong week from Chinese equities, and outperformed domestic equities.

Yields fell slightly as bonds responded positively to the news that Fed policymakers were prepared to hold rates steady until inflation improves. The 10-year Treasury yield ended the week five basis points lower at 4.42%, while the 2-year Treasury moved lower to 4.19%. Quality outperformed over the week as there was a minor flight-to-quality trade that took place while duration was mixed. Longer-term government bonds were the best-performing segment. Investment-grade corporate bond yields fell slightly, ending the week at 5.22%, while high-yield bonds rose to 7.44%.

Economic data for the week did little to ease growing concerns. On Tuesday, the home-builder confidence index fell to a reading of 42 in February, its lowest level in five months, as concerns over mortgage rates and the impact of tariffs weighed on the industry. Housing starts in January fell 9.8% month-over-month to 1.483 million and showed no growth in starts or permits for single-family homes. The Philadelphia Fed Manufacturing Index fell from 44.3 to 18.1 in February, still above its long-run non-recession average, as new orders and shipments fell. U.S. leading economic indicators fell by 0.3% in January as consumers' view of future business conditions turned more pessimistic in January, which - alongside fewer weekly hours worked in manufacturing - drove the monthly decline. The S&P flash U.S. services PMI came in at a 25-month low of 49.7 in February, as uncertainty related to government policies and rising input costs drove the overall decline. University of Michigan's Consumer Sentiment index fell to 64.7 in February, a drop of nearly 10%, as a 19% decline in buying conditions for durables contributed to the fall. Inflation expectations for the year ahead also jumped to 4.3%, up from 3.3% in January.

U.S. Equity Returns (Size & Style - Russell)

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-0.94%	-1.93%	-2.76%	-0.48%	-0.79%	-1.06%	4.13%	2.37%	0.90%	4.13%	2.37%	0.90%
Mid	-1.41%	-2.63%	-5.94%	-2.13%	-2.41%	-3.20%	1.31%	1.74%	2.97%	1.31%	1.74%	2.97%
Small	-3.16%	-3.69%	-4.19%	-3.20%	-3.96%	-4.67%	-1.21%	-1.44%	-1.66%	-1.21%	-1.44%	-1.66%

U.S. Fixed Income Returns (Quality & Duration - Bloomberg)

	Week			MTD			QTD			YTD		
	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long
Govt	0.25%	0.30%	0.48%	0.34%	0.48%	2.17%	0.84%	1.03%	2.60%	0.84%	1.03%	2.60%
Corp	0.23%	0.27%	0.25%	0.45%	0.66%	1.64%	1.04%	1.28%	2.06%	1.04%	1.28%	2.06%
HY	0.06%	0.02%	-0.01%	0.29%	0.28%	0.11%	1.58%	1.64%	1.69%	1.58%	1.64%	1.69%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-1.63%	-0.35%	2.42%	2.42%
S&P MidCap 400	-3.00%	-4.17%	-0.48%	-0.48%
Russell 2000	-3.69%	-3.96%	-1.44%	-1.44%
MSCI EAFE	-0.12%	2.77%	8.17%	8.17%
MSCI Emerging Markets	2.00%	5.01%	6.88%	6.88%
MSCI EAFE Small Cap	-0.25%	1.74%	5.25%	5.25%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.29%	0.53%	1.11%	1.11%
Bloomberg US Agg	0.35%	0.93%	1.47%	1.47%
Bloomberg US High Yield	0.02%	0.27%	1.64%	1.64%
Other				
Bloomberg Commodity	0.98%	4.69%	8.83%	8.83%
S&P Dev Property	-0.27%	1.15%	2.98%	2.98%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-4.28%	-7.43%	-3.35%	-3.35%
Consumer Staples	0.95%	4.37%	6.50%	6.50%
Energy	1.08%	3.80%	5.96%	5.96%
Financials	-1.98%	-1.37%	5.10%	5.10%
Health Care	1.13%	-0.25%	6.53%	6.53%
Industrials	-2.00%	-2.58%	2.32%	2.32%
Info Technology	-1.78%	2.79%	-0.19%	-0.19%
Materials	-1.99%	-0.81%	4.73%	4.73%
Real Estate	0.44%	1.98%	3.85%	3.85%
Communication Svcs	-3.68%	-3.85%	4.92%	4.92%
Utilities	1.49%	3.04%	6.06%	6.06%

Bond Yields

	2/21/25	1/31/25	12/31/24	12/31/24
SOFR 3Mo Swap	4.31%	4.30%	4.30%	4.30%
2Yr Treasury	4.19%	4.22%	4.25%	4.25%
10Yr Treasury	4.42%	4.58%	4.58%	4.58%
2-10 Slope	0.23%	0.36%	0.33%	0.33%

Commodities and Currency

	2/21/25	1/31/25	12/31/24	12/31/24
Oil (\$/barrel)	70.58	72.53	71.72	71.72
Gold (\$/oz.)	2936.05	2798.41	2624.5	2624.5

Past performance is not a guarantee of future results. We believe the information presented is reliable, but we do not guarantee its accuracy.