

# Weekly Market Update



Market Data as of Week Ending: 2/7/2025 unless noted otherwise

U.S. stocks fell to begin the week as markets digested the news that the U.S. would be implementing 25% tariffs on imports from Canada and Mexico. Stocks were able to recover some of those losses on the subsequent news of those tariffs being postponed for 30 days. The S&P 500 ended the week -0.23% lower. More than halfway through earnings season, fourth-quarter results continue to exceed analysts' expectations. As of Friday, earnings were expected to rise 16.4% compared to last year, up from the 11.8% growth rate analysts expected at the start of earnings season. Size was not a determining factor for market performance last week, aside from midcap growth which was led higher by Palantir. Growth slightly underperformed value in large cap, largely due to weakness from Alphabet and Amazon after releasing earnings. Gold set a record high for the second week in a row, extending its 3-month price surge, trading around \$2,890. Foreign developed and emerging markets were positive, outperforming domestic equities for the second week in a row.

Yields were mixed last week as the threat of higher inflation and economic data lowered the probability of future rate cuts. The 10-year Treasury yield ended the week nine basis points lower at 4.49%, while the 2-year Treasury moved higher to 4.29%. The longer end of the curve experienced mostly positive results, led by long government bonds. Tariff news weighed on high-yield bonds, which lagged across the duration spectrum. Investment-grade and high-yield corporate bond yields rose slightly, ending the week at 5.31% and 7.45%, respectively.

Economic data for the week was mixed and did little to ease growing inflation concerns. The week got started with the ISM manufacturing index rising to 50.9% in January, marking the first time the index expanded in 27 months. Job openings fell to 7.6 million, nearly a 4-year low, as it has become more difficult for the unemployed to secure jobs. Factory orders fell to -0.9%, which was worse than expected, as the weakness appears to be concentrated in the volatile transportation equipment space. The ISM services index came in slightly lower at 52.8% in January, as cold weather was blamed on the slower start to the year. The U.S. added 143,000 jobs in January, below expectations, and marked a slowdown for the previous month. The unemployment rate also declined unexpectedly to 4.0% from 4.1% in the prior month. Average hourly earnings rose a sharp 0.5% in January, more than twice the typical increase. Hourly wages have risen 4.1% in the past year and could pose a problem for the Federal Reserve as it fights to lower inflation to its 2% target. The University of Michigan's preliminary consumer sentiment index fell to 67.8 in February, the lowest reading since July, as the expectation for inflation over the next year jumped to 4.3% - the highest level since November 2023.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-0.18%	-0.23%	-0.27%	-0.18%	-0.23%	-0.27%	4.44%	2.94%	1.70%	4.44%	2.94%	1.70%
Mid	-0.72%	0.02%	2.09%	-0.72%	0.02%	2.09%	2.77%	4.28%	8.60%	2.77%	4.28%	8.60%
Small	-0.34%	-0.33%	-0.32%	-0.34%	-0.33%	-0.32%	1.71%	2.28%	2.83%	1.71%	2.28%	2.83%

## 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	-0.05%	0.05%	1.77%	-0.05%	0.05%	1.77%	0.45%	0.59%	2.19%	0.45%	0.59%	2.19%
Corp	-0.03%	0.07%	0.99%	-0.03%	0.07%	0.99%	0.55%	0.69%	1.41%	0.55%	0.69%	1.41%
HY	-0.01%	0.00%	-0.09%	-0.01%	0.00%	-0.09%	1.28%	1.36%	1.48%	1.28%	1.36%	1.48%

## Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-0.23%	-0.23%	2.55%	2.55%
S&P MidCap 400	-0.99%	-0.99%	2.82%	2.82%
Russell 2000	-0.33%	-0.33%	2.28%	2.28%
MSCI EAFE	0.24%	0.24%	5.50%	5.50%
MSCI Emerging Markets	1.40%	1.40%	3.21%	3.21%
MSCI EAFE Small Cap	0.28%	0.28%	3.73%	3.73%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.05%	0.05%	0.62%	0.62%
Bloomberg US Agg	0.39%	0.39%	0.92%	0.92%
Bloomberg US High Yield	0.00%	0.00%	1.36%	1.36%
Other				
Bloomberg Commodity	1.97%	1.97%	6.00%	6.00%
S&P Dev Property	0.84%	0.84%	2.66%	2.66%

## S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-3.58%	-3.58%	0.68%	0.68%
Consumer Staples	1.58%	1.58%	3.65%	3.65%
Energy	1.09%	1.09%	3.19%	3.19%
Financials	0.65%	0.65%	7.25%	7.25%
Health Care	-0.31%	-0.31%	6.46%	6.46%
Industrials	-0.78%	-0.78%	4.22%	4.22%
Info Technology	0.83%	0.83%	-2.10%	-2.10%
Materials	-0.57%	-0.57%	4.99%	4.99%
Real Estate	1.29%	1.29%	3.15%	3.15%
Communication Svcs	-2.12%	-2.12%	6.80%	6.80%
Utilities	0.30%	0.30%	3.24%	3.24%

## Bond Yields

	2/7/25	1/31/25	12/31/24	12/31/24
SOFR 3Mo Swap	4.32%	4.30%	4.30%	4.30%
2Yr Treasury	4.29%	4.22%	4.25%	4.25%
10Yr Treasury	4.49%	4.58%	4.58%	4.58%
2-10 Slope	0.20%	0.36%	0.33%	0.33%

## Commodities and Currency

	2/7/25	1/31/25	12/31/24	12/31/24
Oil (\$/barrel)	71	72.53	71.72	71.72
Gold (\$/oz.)	2861.07	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.