

Weekly Market Update



Market Data as of Week Ending: 3/21/2025 unless noted otherwise

Equities broke a multi-week losing streak, with most major indices ending the week higher. Performance across size and style factors was mixed. Small- and mid-caps slightly outperformed large-caps. Value stocks continued to lead growth stocks among large-caps but lagged in mid- and small-caps. Six sectors closed the week slightly lower, with materials being the weakest performer. Energy stocks extended their year-to-date lead, maintaining their strong momentum. As the Q4 earnings season winds down, investor focus shifts toward Q1 estimates, with analysts projecting 7.1% earnings growth. Developed foreign stocks outperformed again, as optimism around government spending helped offset tariff concerns. Meanwhile, emerging markets closed higher despite weaker momentum in Chinese equities.

Fixed income finished the week higher, with corporate bonds outperforming both government and high-yield debt. Long-duration bonds benefited from falling yields across the curve following Wednesday's Fed meeting. The 2-year Treasury yield declined to 3.94%, while the 10-year Treasury yield fell six basis points to 4.25%, widening the 2-10-year yield spread to 0.31%. The high-yield spread narrowed slightly but remained historically tight. Investment-grade corporate bond yields and high-yield bond yields declined to 5.15% and 7.70%, respectively.

Economic data was relatively light, with markets focused on Wednesday's Fed meeting. As expected, the Fed kept the federal funds rate steady at 4.25%–4.50%. The Summary of Economic Projections was revised lower, reflecting a softer outlook for short-term GDP growth, while unemployment and inflation projections inched higher. Despite these downward revisions, the Fed's rate projections remained unchanged. In his post-meeting remarks, Fed Chair Jerome Powell struck a dovish tone, citing policy uncertainty but reiterating that inflation pressures are likely transitory. Retail sales for February were estimated at \$722.7 billion, marking a 0.2% monthly increase—below expectations but an improvement over January's downwardly revised 1.2% decline. Housing data showed improvement, with stronger-than-expected housing starts and existing home sales. Meanwhile, regional manufacturing surveys indicated weakening business conditions in the Philadelphia region and New York State. Industrial production rose for the third consecutive month, driven by a 0.9% increase in manufacturing output.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	1.01%	0.64%	0.30%	-3.26%	-4.76%	-6.09%	1.63%	-3.45%	-7.68%	1.63%	-3.45%	-7.68%
Mid	0.85%	1.14%	2.01%	-3.81%	-4.05%	-4.75%	-2.24%	-2.81%	-4.45%	-2.24%	-2.81%	-4.45%
Small	0.47%	0.65%	0.82%	-4.73%	-4.78%	-4.84%	-6.49%	-7.51%	-8.47%	-6.49%	-7.51%	-8.47%

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	0.29%	0.36%	0.67%	0.30%	0.23%	-1.22%	1.80%	2.19%	4.31%	1.80%	2.19%	4.31%
Corp	0.41%	0.54%	0.80%	0.25%	0.11%	-1.12%	1.79%	2.11%	2.68%	1.79%	2.11%	2.68%
HY	0.36%	0.44%	0.13%	-0.58%	-0.53%	0.01%	1.34%	1.51%	2.16%	1.34%	1.51%	2.16%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	0.53%	-4.72%	-3.34%	-3.34%
S&P MidCap 400	0.67%	-4.67%	-5.31%	-5.31%
Russell 2000	0.65%	-4.78%	-7.51%	-7.51%
MSCI EAFE	0.78%	2.76%	10.26%	10.26%
MSCI Emerging Markets	1.15%	3.30%	5.65%	5.65%
MSCI EAFE Small Cap	0.80%	3.82%	7.09%	7.09%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.42%	0.20%	2.17%	2.17%
Bloomberg US Agg	0.49%	-0.15%	2.59%	2.59%
Bloomberg US High Yield	0.43%	-0.52%	1.52%	1.52%
Other				
Bloomberg Commodity	0.47%	2.75%	7.64%	7.64%
S&P Dev Property	0.02%	-2.92%	0.98%	0.98%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-0.03%	-8.79%	-13.69%	-13.69%
Consumer Staples	-0.15%	-5.64%	1.77%	1.77%
Energy	3.20%	1.96%	8.21%	8.21%
Financials	1.90%	-5.25%	2.39%	2.39%
Health Care	1.12%	-1.63%	6.62%	6.62%
Industrials	0.85%	-3.00%	0.42%	0.42%
Info Technology	-0.05%	-5.41%	-9.37%	-9.37%
Materials	-0.22%	-3.34%	2.05%	2.05%
Real Estate	0.09%	-3.84%	2.07%	2.07%
Communication Svcs	-0.09%	-5.44%	-3.31%	-3.31%
Utilities	-0.15%	-0.59%	4.05%	4.05%

Bond Yields

	3/21/25	2/28/25	12/31/24	12/31/24
SOFR 3Mo Swap	4.30%	4.31%	4.30%	4.30%
2Yr Treasury	3.94%	3.99%	4.25%	4.25%
10Yr Treasury	4.25%	4.24%	4.58%	4.58%
2-10 Slope	0.31%	0.25%	0.33%	0.33%

Commodities and Currency

	3/21/25	2/28/25	12/31/24	12/31/24
Oil (\$/barrel)	68.63	69.76	71.72	71.72
Gold (\$/oz.)	3022.15	2857.83	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.