

Weekly Market Update



Market Data as of Week Ending: 4/4/2025 unless noted otherwise

Stock prices dropped sharply after President Trump announced sweeping tariffs that increased volatility and led to the worst weekly performance of the S&P 500 (-9.56%) since March 2020. The tariffs included a baseline 10% tariff on most imports, excluding those from Canada and Mexico (effective April 5). However, it was the second tariff, defined as "reciprocal," that caught investors by surprise based on the calculation methodology. The Trump administration defined this tariff as the rate necessary to balance bilateral trade deficits between the U.S. and each of our trading partners (effective April 9). Typically, small and mid-sized companies underperform large-caps in risk-off environments, but so far this month, they have outperformed their larger-sized peers. The value style outperformed growth, as traditionally defensive sectors such as consumer staples, utilities, real estate, and healthcare outperformed. Energy was the worst-performing sector as the price of crude oil plummeted, but technology and several cyclical sectors, such as financials and industrials, were not far behind. Foreign stocks declined at similar levels (generally between 8-10%) but benefited from a weaker U.S. dollar. Emerging markets were the best-performing major equity asset class, down less than 3%.

Fixed income performance was a classic risk-off trade as government bonds significantly outperformed and high-yield credit deteriorated. Duration was mixed as long-duration government bonds outperformed, whereas longer-duration corporate and high-yield bonds suffered from wider spreads. The 2-year and 10-year Treasury yields declined by 0.21% and 0.26%, respectively, ending the week at 3.68% for the 2-year and 4.01% for the 10-year. Investment-grade corporate bond yields and high-yield bond yields ended the week at 5.11% and 8.38%, respectively.

Last week's mixed economic data did little to reassure nervous investors, but it also was not enough to force a change in posture by the Fed. In a speech on Friday, Fed Chair Powell acknowledged that the "significantly larger than expected" tariff increases are likely to cause "higher inflation and slower growth." However, he also noted that the "size and duration of these effects remains uncertain" and that the "economy is still in a good place." ISM Manufacturing PMI came in lower at 49% and indicated that activity returned to contraction territory following two consecutive months of expansion. Meanwhile, ISM's services PMI signaled that the services sector expanded for the ninth consecutive month with a reading of 50.8%. However, that figure was well below consensus of 53% and a sharp decline from the previous month of 53.5%. S&P showed a more robust reading at 54.4 for their services, PMI supported by volumes of new work and strengthened customer demand. Job openings for February came in lower than expected at 7.568 million, a decline of 194,000 compared to the previous month. The March jobs report (released on Friday) showed that the labor market remains on solid ground with a gain of 228,000 in non-farm payrolls, while the unemployment rate ticked higher from 4.1% to 4.2%. Average hourly earnings remain healthy, with a monthly gain of 0.3% and a yearly gain of 3.8%.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-8.55%	-9.12%	-9.62%	-9.41%	-9.58%	-9.70%	-9.41%	-9.58%	-9.70%	-7.48%	-13.64%	-18.70%
Mid	-8.74%	-9.09%	-10.15%	-9.36%	-9.51%	-9.97%	-9.36%	-9.51%	-9.97%	-11.27%	-12.59%	-16.38%
Small	-9.45%	-9.64%	-9.83%	-9.24%	-9.18%	-9.11%	-9.24%	-9.18%	-9.11%	-16.27%	-17.79%	-19.22%

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	0.69%	0.97%	3.11%	0.60%	0.83%	2.27%	0.60%	0.83%	2.27%	2.65%	3.33%	7.04%
Corp	0.28%	0.38%	0.89%	0.23%	0.29%	0.43%	0.23%	0.29%	0.43%	2.19%	2.57%	2.82%
HY	-1.79%	-1.76%	-3.17%	-1.69%	-1.69%	-3.11%	-1.69%	-1.69%	-3.11%	-0.85%	-0.71%	-1.69%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-9.05%	-9.56%	-9.56%	-13.42%
S&P MidCap 400	-9.08%	-9.26%	-9.26%	-14.79%
Russell 2000	-9.64%	-9.18%	-9.18%	-17.79%
MSCI EAFE	-6.90%	-4.95%	-4.95%	1.58%
MSCI Emerging Markets	-2.90%	-1.20%	-1.20%	1.69%
MSCI EAFE Small Cap	-6.73%	-4.57%	-4.57%	-1.05%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.79%	0.66%	0.66%	3.10%
Bloomberg US Agg	1.12%	0.88%	0.88%	3.69%
Bloomberg US High Yield	-1.78%	-1.71%	-1.71%	-0.73%
Other				
Bloomberg Commodity	-5.70%	-6.27%	-6.27%	2.05%
S&P Dev Property	-4.82%	-4.85%	-4.85%	-3.16%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-7.98%	-7.82%	-7.82%	-20.54%
Consumer Staples	-2.19%	-3.78%	-3.78%	1.25%
Energy	-14.10%	-15.01%	-15.01%	-6.33%
Financials	-10.19%	-11.32%	-11.32%	-8.19%
Health Care	-6.44%	-7.28%	-7.28%	-1.22%
Industrials	-9.39%	-9.99%	-9.99%	-10.16%
Info Technology	-11.39%	-11.42%	-11.42%	-22.63%
Materials	-8.19%	-9.18%	-9.18%	-6.62%
Real Estate	-5.97%	-6.92%	-6.92%	-3.59%
Communication Svcs	-8.38%	-8.60%	-8.60%	-14.28%
Utilities	-4.44%	-5.46%	-5.46%	-0.79%

Bond Yields

	4/4/25	3/31/25	3/31/25	12/31/24
SOFR 3Mo Swap	4.21%	4.29%	4.29%	4.30%
2Yr Treasury	3.68%	3.89%	3.89%	4.25%
10Yr Treasury	4.01%	4.23%	4.23%	4.58%
2-10 Slope	0.33%	0.34%	0.34%	0.33%

Commodities and Currency

	4/4/25	3/31/25	3/31/25	12/31/24
Oil (\$/barrel)	61.99	71.48	71.48	71.72
Gold (\$/oz.)	3038.24	3123.57	3123.57	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.