

## WEEKLY INSIGHT

May 2, 2025

Our Weekly Insight coincides with the close of April, and what a month it was. Beginning with “Liberation Day” when the Trump administration announced its reciprocal tariff policy, uncertainty fueled a surge in volatility within the capital markets. Over the last week, the markets appear to have accepted the perceived de-escalation in tariff talk as equity markets continued their recent retracement from their lows in April, while fixed income markets have exhibited lower yields.

Equity markets continued their rise over the last week with a strong close of an otherwise weak month. Domestic equities rose 3.6%, driven by a resurgence in Growth. Foreign developed advanced 2.7%, while emerging markets rose 1.6%.

For the month, domestic equities declined 0.7%, while foreign equities continued their year-to-date relative performance driven by the 4.6% rise in foreign developed, while emerging markets advanced 1.3%.

A decline in the yield on the 10-Year U.S. Treasury to 4.2% from 4.4% the prior week was driven by comments from the Trump administration, which suggested a potential rolling back of tariffs. Investment-grade bonds exhibited a positive return of 1.3% for the week and closed the month up 0.4%.

On the macro front, a number of key events occurred over the last week:

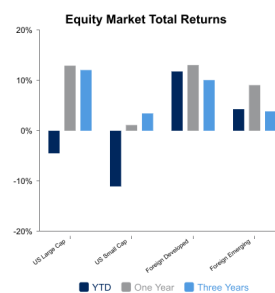
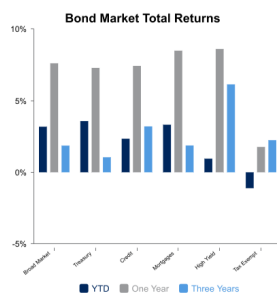
The Bureau of Economic Analysis (BEA) released its first preliminary estimate of U.S. gross domestic product (GDP) for the first quarter of 2025. GDP decreased at an annual rate of 0.3%, versus an increase of 2.4% in the fourth quarter 2024. BEA reported an “increase in imports, which are a subtraction in the calculation of GDP, and a decrease in government spending. These movements were partly offset by increases in investment, consumer spending and exports.”

The Conference Board released its report on Consumer Confidence for April. The overall Index fell by 7.9 points, falling for the fifth consecutive month. Consumer pessimism was exhibited within its three expectation components: business conditions, employment prospects and future income.

Regarding first quarter earnings, 217 companies comprising the S&P 500 have reported with analysts projecting earnings growth of 12.9% year-over-year (YOY), well above the 8.0% forecasted as of April 1. For the Russell 2000 Index, 201 companies have reported and analysts project earnings growth of 5.2% YOY, above the 0.4% estimated at the beginning of April. Lastly, 151 companies comprising the MSCI EAFE Index have reported with analysts projecting earnings growth of 5.2% YOY.

Should investors “sell in May, and go away,” or will “April showers bring May flowers?”

Stay tuned.



Interest Rates (%)	Current	12M Ago	3YR Ago
Fed Funds Rate (Upper b	4.50	5.50	0.50
3-Month T-Bill	4.29	5.41	0.82
10-Year Treasury	4.16	4.63	2.93
30-Year Treasury	4.68	4.75	3.00
10-Year Corporate AA	5.12	5.49	2.09
10-Year High Yield Corp.	6.72	6.93	3.90
Commodity Prices (\$)	Current	12M Ago	3YR Ago
Gold (\$/oz.)	3,289	2,320	1,897
Oil (WTI, \$/barrel)	58.21	79.00	104.69
Currencies	Current	12M Ago	3YR Ago
USD (Dollar Index Spot)	99.47	105.76	102.96
USD/EUR	0.88	0.93	0.95
USD/JPY	143.07	154.57	129.70

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