

# Weekly Market Update



Market Data as of Week Ending: 3/7/2025 unless noted otherwise

U.S. equities continued to trade lower last week as new tariffs took effect. Amendments and concessions to tariffs throughout the week failed to prevent market declines. Large-cap stocks outperformed small- and mid-cap stocks, but the S&P 500 posted its worst week of the year, erasing year-to-date gains. Value stocks also declined but again outperformed growth. The defensive nature of healthcare stocks allowed them to be the only sector to finish the week positive. Financials were the worst-performing sector, as business sentiment soured and near-term economic growth was questioned. Foreign stocks significantly outperformed domestic stocks, with the MSCI EAFE index ending the week 3.11% higher. Potential increases in defensive and infrastructure spending, along with expected rate cuts from the European Central Bank (ECB), boosted European markets. Meanwhile, emerging markets traded higher, driven by gains in Chinese stocks, which benefited from in-line growth targets and new stimulus measures announced for later this year.

Fixed-income markets declined last week but still outperformed equities. Yields remained stable on the short end of the curve but increased on the longer end. The 2-year Treasury yield remained unchanged at 3.99%, while the 10-year Treasury yield rose eight basis points to 4.32%, increasing the 2-10-year yield slope to 0.33%. As a result, shorter-duration bonds outperformed long-term bonds. Despite a slight increase in historically tight high-yield spreads, high-yield bonds outperformed corporate and government bonds. Investment-grade corporate bond yields and high-yield bond yields increased to 5.18% and 7.49%, respectively.

Economic data for the week centered around the labor market. Overall, headline data indicated a healthy but slowing labor market, with some cracks beneath the surface beginning to form. ADP reported that private-sector employment grew by 77K jobs in February, significantly below the 140K expected. Friday's job report showed that nonfarm payrolls rose by a solid 151K in February, only slightly below consensus estimates. Healthcare added 52K jobs, while federal government employment declined by 10K. The household survey indicated that the unemployment rate marginally increased to 4.1%. The Challenger Report, which tracks announced layoffs, reported that U.S.-based employers cut 172K jobs in February, the highest monthly total since July 2020. The government sector accounted for the highest number of job cuts, with 62K jobs lost during the month. Other economic data for the week was mostly benign but reflected uncertainty related to tariff anxiety. ISM Manufacturing PMI registered at 50.3, declining slightly from January. ISM Services PMI came in at 53.5, exceeding expectations, though the price index rose 2.2% to 62.6%. New orders for manufacturing goods increased 1.7% in January but were mostly unchanged after adjusting for transportation.

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

|       | Week   |        |        | MTD    |        |        | QTD    |        |        | YTD    |        |        |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|       | Value  | Core   | Growth | Value  | Core   | Growth | Value  | Core   | Growth | Value  | Core   | Growth |
| Large | -2.40% | -3.22% | -3.94% | -2.40% | -3.22% | -3.94% | 2.53%  | -1.88% | -5.56% | 2.53%  | -1.88% | -5.56% |
| Mid   | -2.55% | -3.01% | -4.35% | -2.55% | -3.01% | -4.35% | -0.96% | -1.76% | -4.05% | -0.96% | -1.76% | -4.05% |
| Small | -3.48% | -4.01% | -4.51% | -3.48% | -4.01% | -4.51% | -5.27% | -6.76% | -8.16% | -5.27% | -6.76% | -8.16% |

## 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% | -0.19% | -1.97% | -0.05% | -0.19% | -1.97% | 1.45% | 1.75%  | 3.52% | 1.45% | 1.75%  | 3.52% |
| Corp | -0.06% | -0.25% | -1.46% | -0.06% | -0.25% | -1.46% | 1.47% | 1.74%  | 2.33% | 1.47% | 1.74%  | 2.33% |
| HY   | -0.28% | -0.30% | 0.51%  | -0.28% | -0.30% | 0.51%  | 1.64% | 1.74%  | 2.68% | 1.64% | 1.74%  | 2.68% |

## Index Returns

|                          | Week   | MTD    | QTD    | YTD    |
|--------------------------|--------|--------|--------|--------|
| Equities (Stocks)        |        |        |        |        |
| S&P 500                  | -3.06% | -3.06% | -1.66% | -1.66% |
| S&P MidCap 400           | -3.44% | -3.44% | -4.09% | -4.09% |
| Russell 2000             | -4.01% | -4.01% | -6.76% | -6.76% |
| MSCI EAFE                | 3.11%  | 3.11%  | 10.64% | 10.64% |
| MSCI Emerging Markets    | 2.89%  | 2.89%  | 5.23%  | 5.23%  |
| MSCI EAFE Small Cap      | 3.24%  | 3.24%  | 6.48%  | 6.48%  |
| Fixed Income (Bonds)     |        |        |        |        |
| Bloomberg Int Gov/Credit | -0.21% | -0.21% | 1.76%  | 1.76%  |
| Bloomberg US Agg         | -0.58% | -0.58% | 2.15%  | 2.15%  |
| Bloomberg US High Yield  | -0.28% | -0.28% | 1.76%  | 1.76%  |
| Other                    |        |        |        |        |
| Bloomberg Commodity      | 2.07%  | 2.07%  | 6.94%  | 6.94%  |
| S&P Dev Property         | -1.19% | -1.19% | 2.77%  | 2.77%  |

## S&P 500 Sector Returns

|                    | Week   | MTD    | QTD     | YTD     |
|--------------------|--------|--------|---------|---------|
| Consumer Disc      | -5.36% | -5.36% | -10.45% | -10.45% |
| Consumer Staples   | -1.37% | -1.37% | 6.37%   | 6.37%   |
| Energy             | -3.74% | -3.74% | 2.16%   | 2.16%   |
| Financials         | -5.87% | -5.87% | 1.73%   | 1.73%   |
| Health Care        | 0.18%  | 0.18%  | 8.58%   | 8.58%   |
| Industrials        | -1.55% | -1.55% | 1.92%   | 1.92%   |
| Info Technology    | -3.38% | -3.38% | -7.43%  | -7.43%  |
| Materials          | -1.08% | -1.08% | 4.44%   | 4.44%   |
| Real Estate        | -1.60% | -1.60% | 4.44%   | 4.44%   |
| Communication Svcs | -1.96% | -1.96% | 0.25%   | 0.25%   |
| Utilities          | -2.40% | -2.40% | 2.16%   | 2.16%   |

## Bond Yields

|               | 3/7/25 | 2/28/25 | 12/31/24 | 12/31/24 |
|---------------|--------|---------|----------|----------|
| SOFR 3Mo Swap | 4.31%  | 4.31%   | 4.30%    | 4.30%    |
| 2Yr Treasury  | 3.99%  | 3.99%   | 4.25%    | 4.25%    |
| 10Yr Treasury | 4.32%  | 4.24%   | 4.58%    | 4.58%    |
| 2-10 Slope    | 0.33%  | 0.25%   | 0.33%    | 0.33%    |

## Commodities and Currency

|                 | 3/7/25 | 2/28/25 | 12/31/24 | 12/31/24 |
|-----------------|--------|---------|----------|----------|
| Oil (\$/barrel) | 67.04  | 69.76   | 71.72    | 71.72    |
| Gold (\$/oz.)   | 2909.1 | 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.