

Hello everyone,

Stocks continued their slide through a volatile week. U.S. trade policy drove much of the market's movement, broadening investors' concerns about economic growth and inflation.

Both the Standard & Poor's 500 Index and Nasdaq Composite Index were off more than 3.0%, while the Dow Jones Industrial Average gave back 2.4%. Once again, stocks across the pond bucked the trend, with the MSCI EAFE Index, which tracks developed overseas markets, adding 2.9%.¹

Tariffs Take Effect

Big price swings and tariff uncertainty loomed over the entire week. Stocks opened lower out of the gate after the White House confirmed the planned 25 percent tariff on Mexican and Canadian goods would go forward. Soft manufacturing and construction data also put broad downward pressure on markets. Meanwhile, European stocks continued to rally on anticipated defense spending.³

Stocks fell further as tariffs affected Canada, Mexico, and China. Each country announced retaliatory tariffs of their own, further fanning inflationary fears among investors. By Tuesday's close, all three averages were down 3 percent on the week, and the S&P had given up its post-election gains.⁴

Markets rebounded midweek after the White House announced a one-month reprieve from tariffs for North American automakers complying with the existing United States-Mexico-Canada Agreement (USMCA). The recovery rally built momentum as the administration hinted that exemptions for other sectors could follow.⁵

However, as trade policy fatigue rose again, the rebound reversed—despite the White House pausing more tariffs on Canadian and Mexican imports until April 2. Comments from the Treasury secretary defending U.S. tariffs and downbeat economic reports put further pressure on share prices. The Nasdaq entered correction territory, and for the first time in five years, the S&P 500 hit its sixth consecutive day of +/-1 percent price swings.⁶

Stocks continued to fall after an underwhelming February jobs report. Later, markets rebounded after Federal Reserve Chair Jerome Powell said that the economy "continues to be in a good place" and that the Fed was holding firm on current rates. The S&P, Dow, and Nasdaq all finished Friday in the green despite being down for the week.⁷

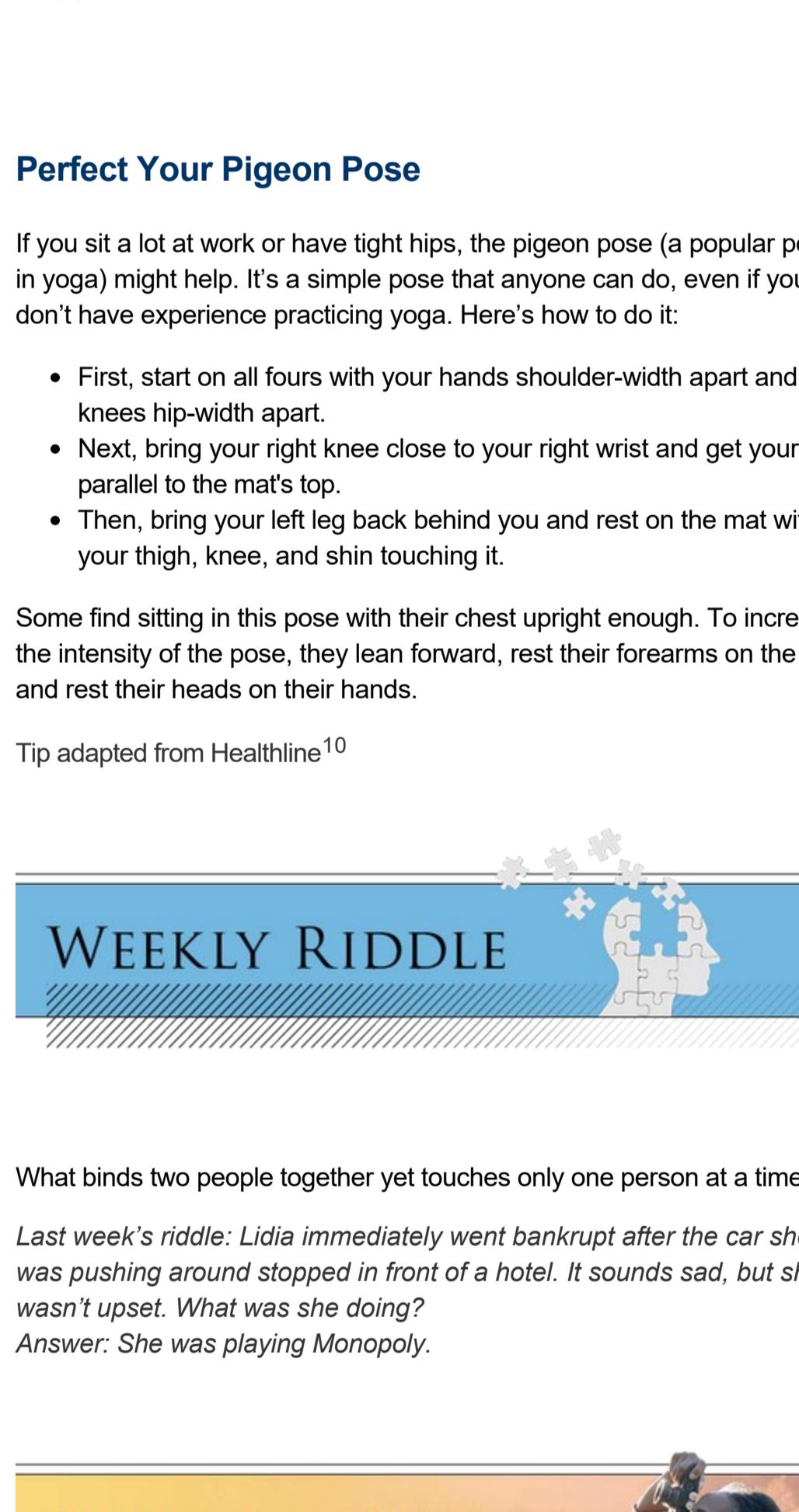


Weekly Market Insights (WMI)

Major Index Return Summary

Name	1M TR	YTD TR	1Y TR	5Y TR
Dow Jones Industrial Average	-4.63%	0.39%	12.08%	82.06%
MSCI EAFE	4.86%	11.21%	11.44%	60.55%
Nasdaq Composite	-3.63%	-6.33%	13.49%	119.0%
S&P 500	-5.55%	-2.22%	13.92%	108.7%

S&P 500 Daily Close



10-Year Note Review

Indicator Name	Latest Value	1M Ago	3M Ago	1M Change	3M Change	1Y Ago	1Y Change
10 Year Treasury Rate	4.32%	4.49%	4.15%	-3.79% ▼	4.10% ▲	4.09%	5.62% ▲
03/07/25							

Source: YCharts.com, March 8, 2025. Weekly performance is measured from Monday, March 3, to Friday, March 7. TR = total return for the index, which includes any dividends as well as any other cash distributions during the period. Treasury note yield is expressed in basis points.

Under the Hood

The Institute for Supply Management (ISM) published fresh manufacturing data on Monday. Although headline numbers were decent, a closer look revealed that new orders dropped in January from a years-long high into correction territory while deliveries and prices paid jumped.⁸

Final Thoughts

Monday brought more of the same with all 3 major U.S. indices closing down over 2%. The technology-heavy Nasdaq took it the worst, dropping 4%, on the heels of continued selling of the "Magnificent Seven" stocks as reported by the WSJ.

It goes without saying that corrections are not fun, but it's important to remember that we've been here before. Carson Investment Chief Strategist, Ryan Detrick, put out a great piece which shows just how common these givebacks are, accessed by clicking [Pullbacks](#). In a midday missive, Andrew Adams of Saut Strategy noted the S&P 500 is now more than 3 standard deviations below its 50 day moving average, an extremely rare occurrence which last happened in early 2022, just prior to a 9% bounce that brought it back toward its 50 moving average.

As always, give us a shout if you need anything. In the meantime, take advantage of the longer days and warming temps and get outside if you can. Great for the mind, body and soul.

Warmest regards,

Jon

This Week: Key Economic Data

Tuesday: Job Openings. NFIB Small Business Optimism Index.

Wednesday: Consumer Price Index (CPI). Federal Budget. Treasury Announcement.

Thursday: Producer Price Index (PPI). Initial Jobless Claims.

Friday: Consumer Sentiment.

Source: Investors Business Daily - Econoday economic calendar; March 7, 2025

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

This Week: Companies Reporting Earnings

Monday: Oracle Corporation (ORCL)

Wednesday: Adobe Inc. (ADBE)

Source: Zacks, March 7, 2025. Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

TAX TIP

Are Medical and Dental Expenses Tax-Deductible?

If you file your taxes using itemized deductions, you may be able to deduct medical and dental expenses for yourself, your spouse, and your dependents. According to the IRS, you may deduct your total medical expenses exceeding 7.5% of your adjusted gross income.

Some types of medical care expenses that may be deductible include:

- Payments for the diagnosis, cure, treatment, and prevention of a disease.
- Payments to doctors, dentists, surgeons, chiropractors, and psychiatrists.
- Payments to dentists, psychologists, and nontraditional medical practitioners.
- Paying for inpatient hospital care or nursing home care.
- Fees associated with inpatient treatment for alcohol or drug addiction.
- Diseases diagnosed by a doctor (such as obesity) for a specific disease.

This information is not a substitute for individualized tax advice. Please discuss your specific tax issues with a qualified tax professional.

Tip adapted from IRS⁹

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