

Hello everyone,

U.S. stocks slipped over the shortened trading week as Q1 corporate reports started to roll in.

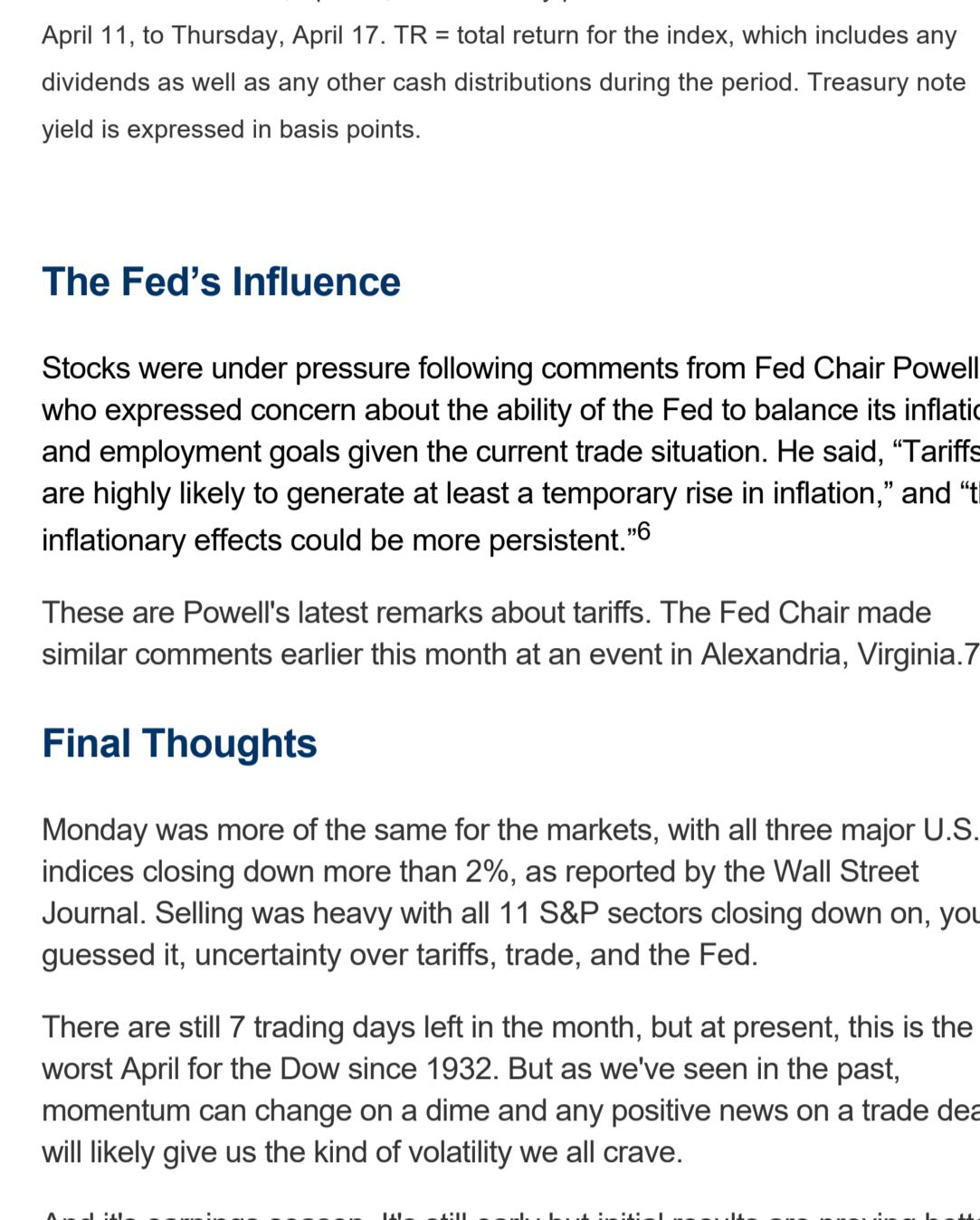
The Standard & Poor's 500 Index dropped 1.50 percent, the technology-heavy Nasdaq Composite Index fell 2.62 percent, and the Dow Jones Industrial Average lost 2.66 percent. It was a dramatically different scene across the pond as stocks in the MSCI EAFE Index, which tracks developed markets overseas, added 4.19 percent.^{1,2}

U.S. Stocks Slide

Stocks started the four-day week with modest gains. Trade volatility subsided as several money center banks reported Q1 numbers at or above expectations.³

Stocks trended lower midweek after Federal Reserve Chair Jerome Powell expressed concern that tariffs would likely "move us further away from our goals"—including keeping inflation in check.⁴

Stocks were mixed on the week's last trading day as traders evaluated White House news that trade deals were progressing with Japan, China, and the European Union. The S&P 500 ended the day higher, but the Dow Industrials were under pressure after a large healthcare company gave a disappointing Q1 report.⁵

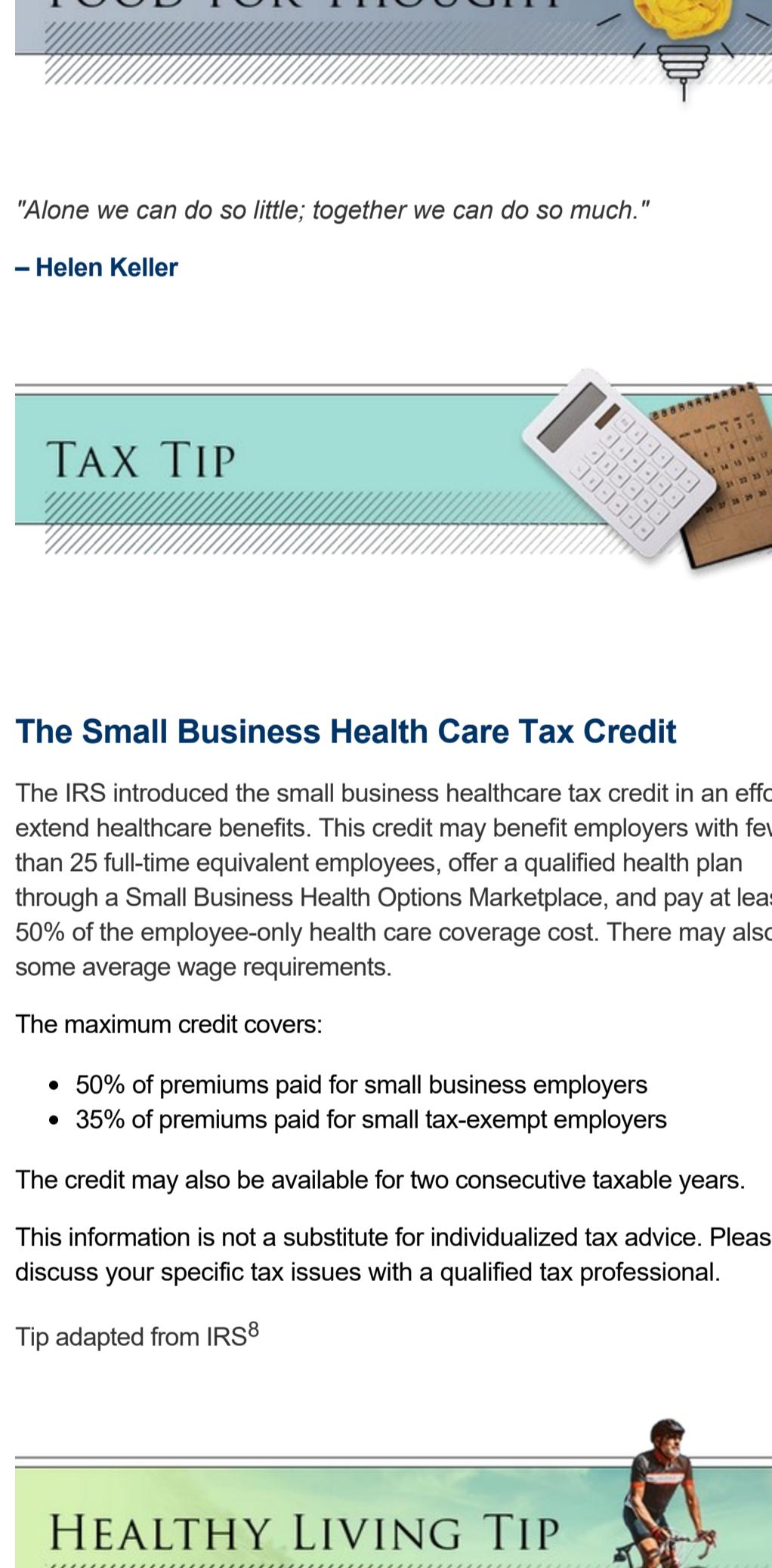


Weekly Market Insights (WMI)

Major Index Return Summary

Name	1M TR	YTD TR	1Y TR	5Y TR
Nasdaq Composite	-8.51%	-15.50%	4.59%	95.65%
S&P 500	-8.82%	-9.83%	6.62%	98.48%
Dow Jones Industrial Average	-6.39%	-7.56%	5.54%	78.42%
MSCI EAFE	-3.67%	6.79%	10.28%	71.38%

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	4.34%	4.31%	4.61%	0.70% ▲	-5.86% ▼	4.59%	-5.45% ▼

Source: YCharts.com, April 19, 2025. Weekly performance is measured from Monday, April 11, to Thursday, April 17. 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.

The Fed's Influence

Stocks were under pressure following comments from Fed Chair Powell, who expressed concern about the ability of the Fed to balance its inflation and employment goals given the current trade situation. He said, "Tariffs are highly likely to generate at least a temporary rise in inflation," and "the inflationary effects could be more persistent."⁶

These are Powell's latest remarks about tariffs. The Fed Chair made similar comments earlier this month at an event in Alexandria, Virginia.⁷

Final Thoughts

Monday was more of the same for the markets, with all three major U.S. indices closing down more than 2%, as reported by the Wall Street Journal. Selling was heavy with all 11 S&P sectors closing down on, you guessed it, uncertainty over tariffs, trade, and the Fed.

There are still 7 trading days left in the month, but at present, this is the worst April for the Dow since 1932. But as we've seen in the past, momentum can change on a dime and any positive news on a trade deal will likely give us the kind of volatility we all crave.

And it's earnings season. It's still early but initial results are proving better than Street estimates. According to FactSet, the blended year-over-year earnings growth rate for S&P 500 companies is 7.2%.

We hope you had a nice holiday weekend surrounded by people you love. We did and enjoyed the beautiful Florida spring weather to boot. As always, give us a shout if you need anything. In the meantime, have a terrific week.

Warmest regards,

Jon

This Week: Key Economic Data

Monday: Leading Economic Indicators.

Tuesday: Philadelphia Fed President Harker speaks.

Wednesday: Chicago Fed President Austan Goolsbee, St. Louis Fed President Alberto Musalem, Atlanta Fed President Bostic, and Fed Governor Christopher Waller speak. PMI Services. PMI Manufacturing. New Home Sales. Fed Beige Book.

Thursday: Durable Goods. Weekly Jobless Claims.

Friday: Consumer Sentiment (final).

Source: Investors Business Daily - Econoday economic calendar; April 17, 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

Tuesday: Tesla, Inc. (TSLA), GE Aerospace (GE), Verizon Communications Inc. (VZ), Intuitive Surgical, Inc. (ISRG), RTX Corporation (RTX), Danaher Corporation (DHR), Lockheed Martin Corporation (LMT), Elevance Health, Inc. (ELV)

Wednesday: Phillip Morris International Inc. (PM), International Business Machines Corporation (IBM), AT&T Inc. (T), ServiceNow, Inc. (NOW), Thermo Fisher Scientific Inc. (TMO), Boston Scientific Corporation (BSX), NextEra Energy, Inc. (NEE), Texas Instruments Incorporated (TXN), The Boeing Company (BA), CME Group Inc. (CME)

Thursday: Alphabet Inc. (GOOG/GOOGL), The Procter & Gamble Company (PG), T-Mobile US, Inc. (TMUS), Merck & Co., Inc. (MRK), PepsiCo, Inc. (PEP), Union Pacific Corporation (UNP), Gilead Sciences, Inc. (GLD), Comcast Corporation (CMCSA), Fiserv, Inc. (FII), Bristol Myers Squibb Company (BMY)

Friday: AbbVie Inc. (ABBV)

Source: Zacks, April 17, 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.

"Alone we can do so little; together we can do so much."

—Helen Keller

FOOD FOR THOUGHT

Tip adapted from IRS⁸

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