

Hello everyone,

Stocks were mixed last week as investor concerns over inflation and trade policy combined to produce another volatile trading week.

The Dow Jones Industrial Average was the lone winner, adding 0.95 percent, while the Standard & Poor's 500 Index dropped 0.98 percent. The tech-heavy Nasdaq Composite Index continued its underperformance, giving back 3.47 percent. Stocks across the pond, which have outperformed year to date, disappointed last week. The MSCI EAFE Index, which tracks developed overseas stock markets, lost 1.03 percent.^{1,2}

Trade Talk

The week began under pressure after the White House said 25 percent tariffs on Mexico and Canada would begin after the 30-day pause ends in early March.

On Tuesday, S&P and Nasdaq stocks continued their slide on news that consumer confidence weakened more than expected. Concerns about inflation and tariffs merged with investors fretting over economic growth and global trade. It was the fourth straight day of declines for the S&P 500 and Nasdaq. The Dow, however, advanced for its third consecutive session.^{3,4}

After a quiet Wednesday, stock fell broadly on Thursday after the White House announced additional tariffs on goods from China and Europe. A large chipmaker prominent in artificial intelligence (AI) matters produced a mixed corporate report for Q4, which put some pressure on the broader market.^{5,6}

Friday's news that inflation moderated boosted stocks, with prices accelerating higher into the close of trading. The Fed's favorite core inflation measure hit 2.6 percent in January, which aligns with forecasts.⁷

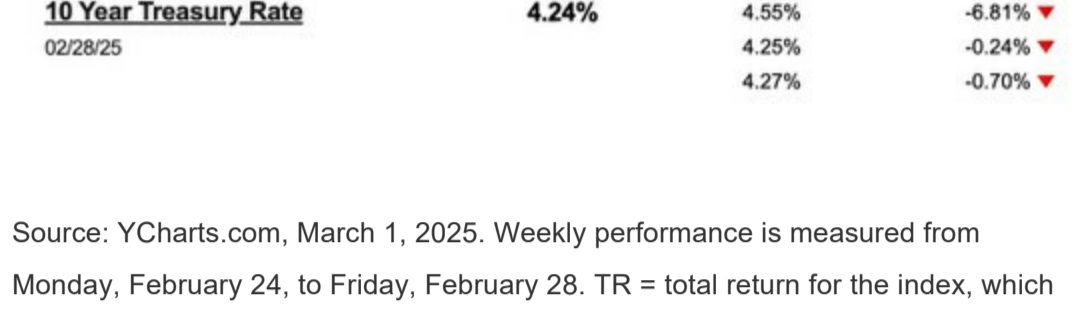


YCHARTS Weekly Market Insights (WMI)

Major Index Return Summary

Name	1M TR	YTD TR	1Y TR	5Y TR
Dow Jones Industrial Average	-3.17%	1.84%	12.96%	85.54%
MSCI EAFE	3.58%	8.17%	9.86%	51.87%
Nasdaq Composite	-4.06%	-3.89%	16.46%	125.0%
S&P 500	-2.39%	-0.15%	17.00%	112.7%

S&P 500 Daily Close



10-Year Note Review

Indicator Name	Latest Value	1M Ago	1M Change
10 Year Treasury Rate	4.24%	4.55%	-6.81% ▼
02/28/25		4.25%	-0.24% ▼
		4.27%	-0.70% ▼

Source: YCharts.com, March 1, 2025. Weekly performance is measured from Monday, February 24, to Friday, February 28. 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.

Getting a Read on Tariffs

Markets dislike uncertainty, so steady trade talk produces volatile intra-week trading. Investors don't know what tariffs will be enforced versus which ones are part of an ongoing negotiation, which can produce unsettling price swings.

S&P 500 companies echo some of that uncertainty. At last check, 146 have mentioned the term "tariff" or "tariffs" on Q4 conference calls with shareholders—the highest level since Q2 2019.⁸

Final Thoughts:

The futures looked bright on Monday morning after a strong bounce on Friday, but stocks finished the day sharply lower on continued selling in the technology sector and the announcement of 25% tariffs for Mexico and Canada beginning on Tuesday. Additionally, in the final minutes of trading, it was announced that 10% tariffs on China will begin at midnight on Tuesday.

As we've reported, it's been a tough year for the Nasdaq Composite Index and it's closing in on official correction territory according to Mike Gibbs of Raymond James. But it's important to recognize a couple things. First, the long-term trend remains positive, and second, corrections are a natural and healthy thing for the markets, especially within areas that have outperformed as has been the case with the technology sector and the Nasdaq Composite Index.

As always, we'll keep you in the loop with our thoughts and positioning. In the meantime, have an excellent week.

Warmest regards,

Jon

This Week: Key Economic Data

- Monday:** ISM Manufacturing. Construction Spending.
 - Tuesday:** Auto Sales. New York Fed President Williams speaks.
 - Wednesday:** ADP Employment Report. Factory Orders. ISM Services Index.
 - Thursday:** Productivity. Trade Deficit. Wholesale Inventories.
 - Friday:** Employment Situation. Consumer Credit. New York Fed President Williams speaks.
- Source: Investors Business Daily - Econoday economic calendar, February 27, 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.

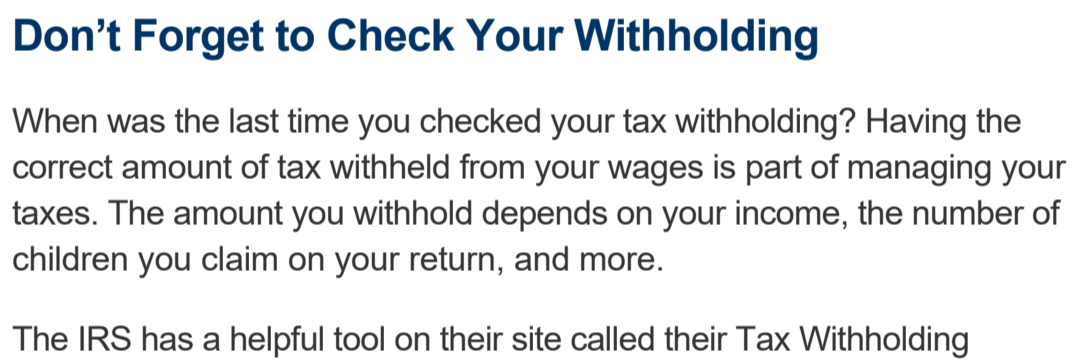
This Week: Companies Reporting Earnings

- Tuesday:** CrowdStrike (CRWD), Target Corporation (TGT), AutoZone, Inc. (AZO)
- Wednesday:** Marvell Technology, Inc. (MRVL)
- Thursday:** Broadcom Inc. (AVGO), Costco Wholesale Corporation (COST)

Source: Zacks, February 27, 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.



"Only a life lived for others is a life worthwhile."
— Albert Einstein



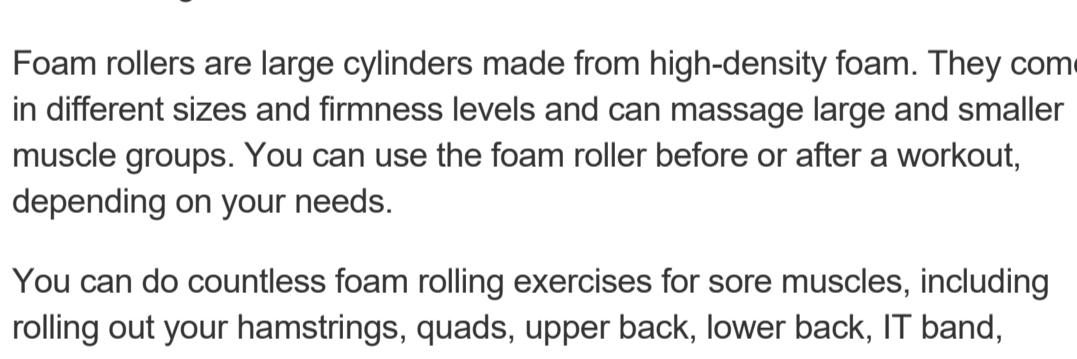
Don't Forget to Check Your Withholding

When was the last time you checked your tax withholding? Having the correct amount of tax withheld from your wages is part of managing your taxes. The amount you withhold depends on your income, the number of children you claim on your return, and more.

The IRS has a helpful tool on their site called their Tax Withholding Estimator that can help you know if you have too much or too little tax withheld from your wages. Before using the tool, have all your paperwork handy, including your W2, 1099, 1095-A, and 1099-NEC, and any other forms to determine how much your income is taxable.

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



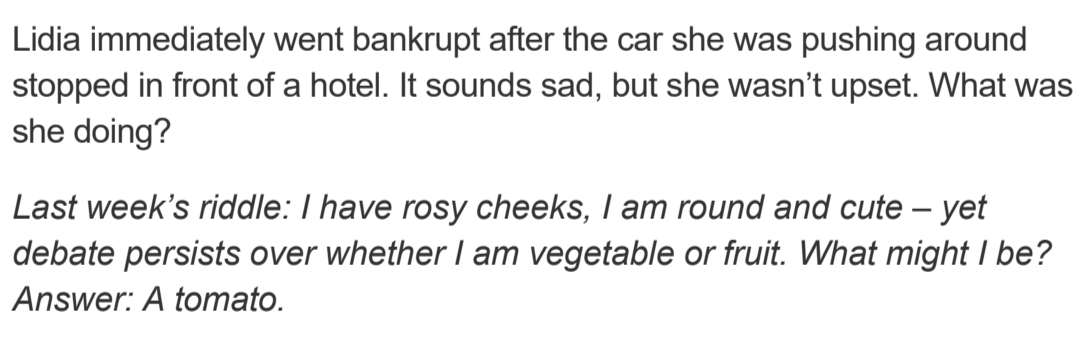
What is Foam Rolling?

Exercise is super important for our overall health, but so is recovery. Foam rollers are a popular recovery tool because they help release tension in tight, tired muscles.

Foam rollers are large cylinders made from high-density foam. They come in different sizes and firmness levels and can massage large and smaller muscle groups. You can use the foam roller before or after a workout, depending on your needs.

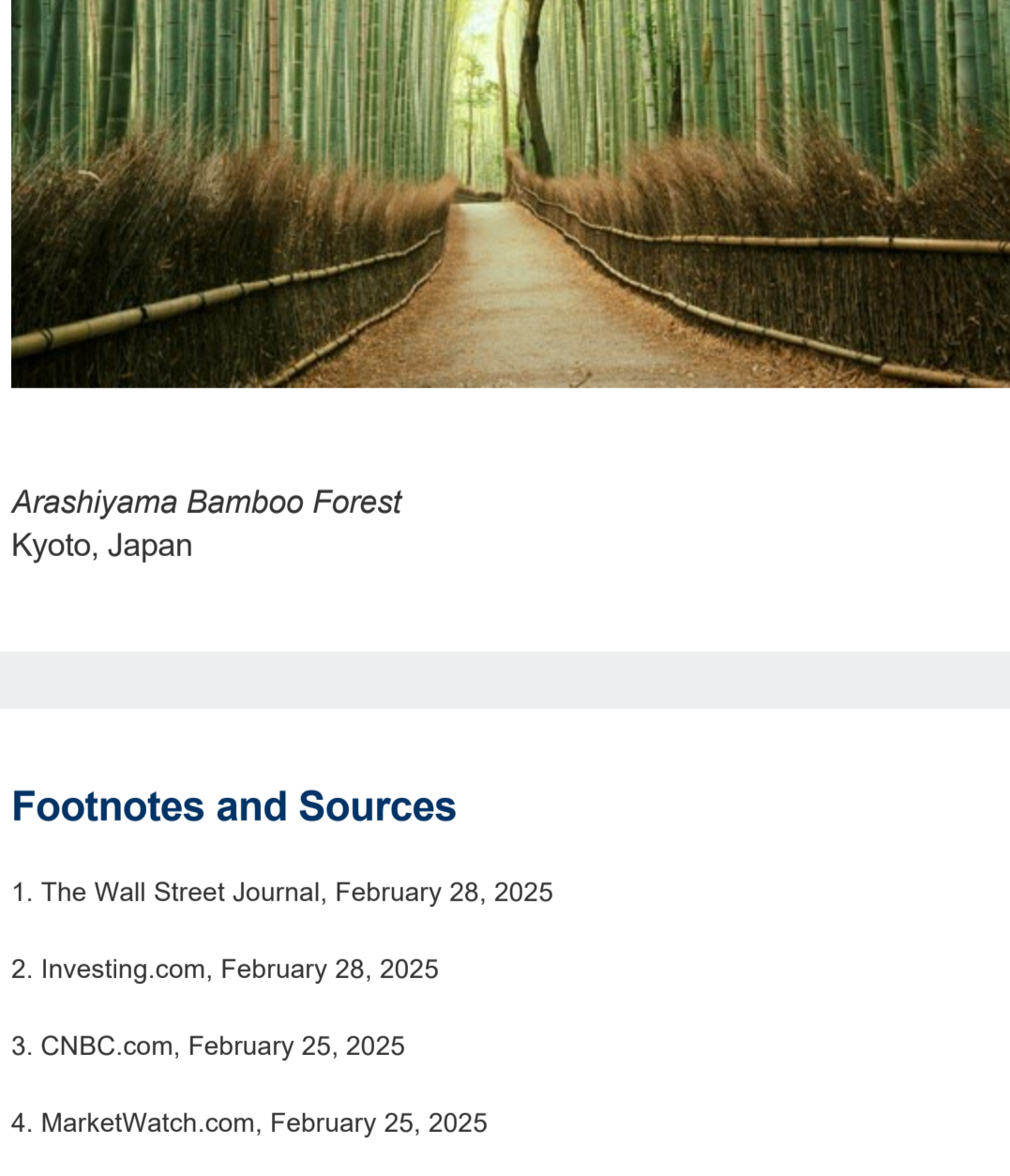
You can do countless foam rolling exercises for sore muscles, including rolling out your hamstrings, quads, upper back, lower back, IT band, triceps, forearm, and more.

Tip adapted from WebMD¹⁰



Lidia immediately went bankrupt after the car she was pushing around stopped in front of a hotel. It sounds sad, but she wasn't upset. What was she doing?

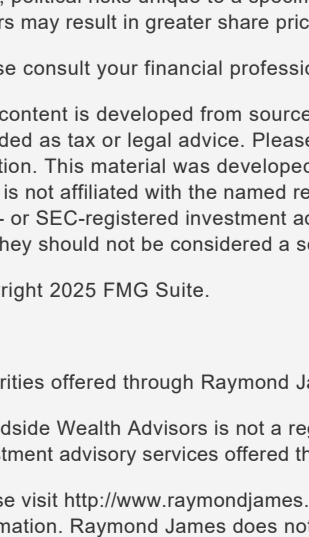
Last week's riddle: I have rosy cheeks, I am round and cute – yet debate persists over whether I am vegetable or fruit. What might I be? Answer: A tomato.



Arashiyama Bamboo Forest
Kyoto, Japan

Footnotes and Sources

1. The Wall Street Journal, February 28, 2025
2. Investing.com, February 28, 2025
3. CNBC.com, February 25, 2025
4. MarketWatch.com, February 25, 2025
5. CNBC.com, February 26, 2025
6. CNBC.com, February 27, 2025
7. The Wall Street Journal, February 28, 2025
8. Insight.FactSet.com, February 10, 2025
9. IRS.gov, January 30, 2024
10. WebMD, October 3, 2024



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The Dow Jones Industrial Average is an unmanaged index that is generally considered representative of large-capitalization companies on the U.S. stock market. Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of technology and growth companies. The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) and serves as a benchmark of the performance of major international equity markets, as represented by 21 major MSCI indexes from Europe, Australia, and Southeast Asia. The S&P 500 Composite Index is an unmanaged group of securities that are considered to be representative of the stock market in general.

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