WEEKLY MARKET UPDATE | APRIL 25, 2025

From gloom to boom.

The economy

- The U.S. equity market shifted from gloom to boom between Monday and Tuesday of the week ending April 25, and finished the period in positive territory. At the beginning of the week, President Trump's scathing criticism of Federal Reserve (Fed) Chair Jerome Powell and the central bank's monetary policy, as well as ongoing worries about the Trump administration's tariffs on imported goods, weighed on investor sentiment. Stocks reversed direction, moving higher over the last four days of the week on news of a possible de-escalation of the trade war between the U.S. and China, as well as seemingly dovish comments from two Fed officials.
- In a social media post on Monday, Trump called for the Fed to cut interest rates, stating, "There is virtually no inflation. Powell has always been 'To [sic] Late.'" Trump also referred to the Fed chair as a "major loser." On Tuesday, however, Trump appeared to walk back his comments. "I would like to see [Powell] be a little more active in terms of his idea to lower interest rates, but I have no intention to fire him," he said during a meeting with reporters at the White House.
- Investors were encouraged on Tuesday after Treasury Secretary Scott Bessent told attendees at a private investor summit that he believes the trade war with China is unsustainable and that both countries need to alleviate the geopolitical tensions between the world's two largest economies. Later in the day, Trump indicated that he was considering a reduction of the 145% tariffs on Chinese imports. "It won't be that high," he noted. "It will come down substantially. But it won't be zero. It used to be zero."
- On Wednesday, The Wall Street Journal reported that a senior White House official commented that the tariffs on Chinese imports would likely be reduced from 145% to a range between 50% and 65%. The Wall Street Journal also noted that the administration is "considering a tiered approach similar to the one proposed by the House committee on China late last year: 35% levies for items the U.S. deems not a threat to national security, and at least 100% for items deemed as strategic to America's interest."
- In an interview on Bloomberg TV on Thursday, Fed Governor Christopher Waller stated that, while tariffs might not lead to long-term inflation, the Fed should act if there is "a significant drop in the labor market." Additionally, during an appearance on CNBC, Federal Reserve Bank of Cleveland President Beth Hammack hinted that the central bank may consider a rate cut at its meeting on June 17-18.
- It appears that economic uncertainty may be keeping prospective homebuyers on the sidelines. The National Association of Realtors (NAR) reported that sales of existing homes plunged 5.9% in March—the largest monthly decline since November 2022—to an annualized rate of 4.02 million, and decreased 2.4% year-over-year. (Home sales are viewed as an indicator of housing market trends, and, by extension, the health of the broader economy.) The inventory of unsold existing homes climbed 8.1% to 1.33 million as of the end of March, representing a 4.0-month supply at the current monthly sales pace. The NAR considers a six-month supply of homes to be a "balanced market," in which prices rise modestly. Inventories of greater than six months typically have favored buyers, while a supply of homes that will be depleted in less than six months denotes a "seller's market."
- The University of Michigan reported that the Index of Consumer Sentiment fell 4.8 points (8.4%) to 52.2 in April—the fourth consecutive monthly decline—and was down 32.4% year-over-year. Consumers' expectations for inflation over the next year jumped 1.5 percentage points to 6.5%, representing the highest reading since 1981.

Stocks

- Global equities garnered positive returns for the week. Developed markets outperformed emerging markets.
- U.S. equities rallied sharply during the week. Information technology and consumer discretionary were the top-performing sectors, while consumer staples and real estate were the primary market laggards.
- Growth stocks outperformed value, while large caps outpaced small caps.

Bonds

- The 10-year U.S. Treasury note yield fell to 4.25% for the week.
- Global bond markets gained ground during the week.
- High-yield bonds led the markets, followed by corporate bonds and government bonds.

The Numbers as of April 25, 2025	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI ($)	3.3%	-2.6%	8.5%	819.9
MSCI EAFE ($)	2.3%	8.4%	8.2%	2452.4
MSCI Emerging Mkts ($)	2.3%	1.6%	6.3%	1093.0
US & Canadian Equities				
Dow Jones Industrials ($)	2.5%	-5.7%	5.3%	40113.5
S&P 500 ($)	4.6%	-6.1%	9.4%	5525.2
NASDAQ ($)	6.7%	-10.0%	11.3%	17382.9
S&P/ TSX Composite (C$)	2.1%	-0.1%	12.9%	24710.5
UK & European Equities				
FTSE All-Share (£)	1.7%	1.8%	3.7%	4548.4
MSCI Europe ex UK (€)	2.7%	2.8%	1.5%	1814.1
Asian Equities				
Topix (¥)	2.7%	-5.6%	-1.3%	2628.0
Hong Kong Hang Seng ($)	2.7%	9.6%	27.2%	21980.7
MSCI Asia Pac. Ex-Japan ($)	2.1%	-0.1%	7.0%	568.8
Latin American Equities				
MSCI EMF Latin America ($)	6.8%	18.1%	-9.7%	2187.0
Mexican Bolsa (peso)	7.0%	14.6%	-0.6%	56745.7
Brazilian Bovespa (real)	4.0%	12.1%	8.2%	134840.6
Commodities ($)				
West Texas Intermediate Spot	-1.7%	-11.4%	-25.4%	63.6
Gold Spot Price	-1.2%	25.2%	41.1%	3285.4
Global Bond Indices ($)				
Bloomberg Global Aggregate ($)	0.3%	5.1%	8.3%	487.2
JPMorgan Emerging Mkt Bond	0.7%	1.8%	8.7%	913.5
10-Year Yield Change (basis points*)				
US Treasury	-7	-32	-45	4.25%
UK Gilt	-9	-9	12	4.48%
German Bund	0	10	-16	2.47%
Japan Govt Bond	5	24	44	1.34%
Canada Govt Bond	4	-5	-69	3.17%
Currency Returns**				
US$ per euro	-0.3%	9.7%	5.9%	1.136
Yen per US$	1.1%	-8.6%	-7.7%	143.70
US$ per £	0.1%	6.4%	6.4%	1.331
C$ per US$	0.1%	-3.6%	1.5%	1.386

Source: Bloomberg. Equity-index returns are price only, others are total returns.
*100 basis points = 1 percentage point.
**Increases in U.S. dollars (USD) per euro or pound indicate a decline in the value of the USD; increases in yen or Canadian dollars per USD indicate an increase in the value of the USD.

Important information

Index returns are for illustrative purposes only and do not represent actual investment performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged, and one cannot invest directly in an index. Past performance does not guarantee future results.

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