WEEKLY MARKET UPDATE | MAY 2, 2025

Stocks rise on a tech rally and upbeat jobs report.

The economy

- Major U.S. equity market indexes moved higher over the week ending May 2, as an upturn in the technology sector and a better-than-expected employment report overcame concerns about weak gross domestic product (GDP) data and waning consumer confidence. On Friday, the broad-market S&P 500 Index posted a gain for the ninth consecutive trading day—its longest streak since November 2004.
- Stocks rallied late in the week after tech giants Microsoft Corp. and Meta Platforms (the parent company of Facebook) posted better-than-expected quarterly results. This bolstered investors' optimism that the "Magnificent Seven" mega-cap tech companies may be able to weather the impact of the Trump administration's tariffs. Additionally, investors took a favorable view of the April employment data.
- It appears that the tariff situation did not have a significant impact on the U.S. labor market in April. According to the Department of Labor, U.S. payrolls expanded by 177,000 jobs during the month. The total exceeded expectations but was slightly lower than the 185,000 positions added in March, which represented a downward adjustment of 43,000 from the government's initial tally of 228,000 last month. The unemployment rate was unchanged at 4.2%. The healthcare, transportation and warehousing, and financial sectors added 51,00, 29,000, and 14,000 positions, respectively, during the month. Conversely, federal government employment decreased by 9,000. Average hourly earnings rose 0.2% in April and 3.8% year-over-year.
- According to the initial estimate from the Department of Commerce, U.S. GDP decreased at an annualized rate of 0.3% in the first quarter of 2025—below expectations and down sharply from the 2.4% rise in the fourth quarter of 2024. The economic contraction in the first quarter was attributable mainly to a 41.3% surge in imports (a subtraction from GDP) as businesses rushed to purchase goods before the Trump administration's across-the-board tariffs on imports took effect in early April. GDP also was hampered by a 1.4% drop in government spending. Conversely, nonresidential fixed investment (purchases of equipment and software, and nonresidential structures) increased 9.8%, while consumer spending and exports each rose 1.8% for the quarter.
- The Conference Board's Consumer Confidence Index® fell 7.9 points to a five-year low of 86.0 in April. A reading below 100 signals a decrease in consumer confidence regarding the future economic situation. The Expectations Index, an indicator of consumers' short-term outlook for income, business, and labor market conditions, plunged 12.5 points to 54.4, its lowest level since October 2011. A reading below 80 indicates that consumers anticipate a recession in the U.S. over the next 12 months. In its news release, the Conference Board stated, "The three expectation components [of the index]—business conditions, employment prospects, and future income—all deteriorated sharply, reflecting pervasive pessimism about the future. Notably, the share of consumers expecting fewer jobs in the next six months (32.1%) was nearly as high as in April 2009, in the middle of the Great Recession."
- The Department of Commerce reported that the personal-consumption expenditures (PCE) price index was virtually flat in March, meeting expectations and declining from the 0.4% rise in February. The index advanced 2.3% year-over-year, below the 2.5% annual increase in February. The core PCE price index, which excludes volatile food and energy prices, was unchanged in March, falling from the 0.4% rise for the previous month. The year-over-year advance of 2.6% was modestly lower than the 2.8% annual upturn in February. The PCE price index is widely considered the Federal Reserve's preferred measure of inflation as it tracks the prices that consumers pay for goods and services to reveal underlying inflation trends.

Stocks

- Global equities garnered positive returns for the week. Emerging markets outperformed developed markets.
- U.S. equities rallied sharply during the week. Industrials and communication services were the top-performing sectors, while energy and healthcare were the primary market laggards.
- Growth stocks outperformed value, while small caps outpaced large caps.

Bonds

- The 10-year U.S. Treasury note yield rose to 4.31% for the week.
- Global bond markets were flat for the week.
- High-yield bonds led the markets, followed by government bonds and corporate bonds.

The Numbers as of May 2, 2025	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI ($)	1.3%	-0.7%	9.8%	835.1
MSCI EAFE ($)	0.9%	9.7%	8.7%	2481.4
MSCI Emerging Mkts ($)	1.4%	3.4%	5.6%	1112.0
US & Canadian Equities				
Dow Jones Industrials ($)	3.0%	-2.9%	8.1%	41317.4
S&P 500 ($)	2.9%	-3.3%	12.3%	5686.7
NASDAQ ($)	3.4%	-6.9%	13.5%	17977.7
S&P/ TSX Composite (C$)	1.3%	1.2%	14.7%	25031.5
UK & European Equities				
FTSE All-Share (£)	2.3%	4.1%	4.6%	4652.4
MSCI Europe ex UK (€)	1.1%	4.5%	3.5%	1844.9
Asian Equities				
Topix (¥)	2.3%	-3.5%	-1.5%	2687.8
Hong Kong Hang Seng ($)	2.4%	12.2%	23.6%	22504.7
MSCI Asia Pac. Ex-Japan ($)	1.8%	2.0%	7.1%	580.9
Latin American Equities				
MSCI EMF Latin America ($)	-0.3%	18.2%	-11.3%	2189.2
Mexican Bolsa (peso)	-1.6%	12.7%	-1.5%	55824.3
Brazilian Bovespa (real)	0.3%	12.3%	6.3%	135133.9
Commodities ($)				
West Texas Intermediate Spot	-7.4%	-17.4%	-25.0%	59.2
Gold Spot Price	-1.8%	22.9%	40.2%	3225.0
Global Bond Indices ($)				
Bloomberg Global Aggregate ($)	0.0%	5.1%	7.6%	487.0
JPMorgan Emerging Mkt Bond	0.0%	2.2%	8.4%	917.2
10-Year Yield Change (basis points*)				
US Treasury	7	-27	-27	4.31%
UK Gilt	3	-6	22	4.51%
German Bund	6	17	-1	2.53%
Japan Govt Bond	-8	16	36	1.26%
Canada Govt Bond	0	-5	-56	3.18%
Currency Returns**				
US$ per euro	-0.6%	9.1%	5.4%	1.130
Yen per US$	0.9%	-7.8%	-5.6%	145.01
US$ per £	-0.3%	6.1%	5.9%	1.327
C$ per US$	-0.4%	-4.0%	1.0%	1.381

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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