

Weekly Market Update



Market Data as of Week Ending: 2/28/2025 unless noted otherwise

Equity markets extended their decline last week amid ongoing U.S. policy uncertainty, prompting a risk-off sentiment. Ongoing tariff discussions by President Trump introduced market volatility as investors sought to distinguish between policy actions and political rhetoric. Growth stocks continued to lag, while mid- and large-cap value stocks outperformed, closing the week higher. The information technology sector was the worst-performing of the week, driven by Thursday's 8.48% decline in Nvidia shares following its earnings release. Defensive and interest-rate-sensitive sectors outperformed, benefiting from declining interest rates. Developed foreign markets declined as weaknesses in Japanese stocks outweighed gains in European equities. Emerging markets also moved lower, led by weakness in Chinese stocks after President Trump announced an additional 10% tariff on Chinese imports.

Fixed-income markets were higher last week as yields continued to drop. Long-term bonds significantly outperformed short-term. Government bonds outperformed corporate and high-yield bonds as spreads widened slightly throughout the week. The 2-10-year yield spread increased slightly to 0.25%, with the 10-year Treasury yield ending the week at 4.24% and the 2-year Treasury yield at 3.99%. Investment-grade corporate bond yields and high-yield bond yields declined to 5.09% and 7.37%, respectively.

Last week, financial markets digested a steady flow of economic data, reinforcing the narrative of a resilient yet gradually slowing economy. While the economy remains stable, indicators of slowing growth continue to emerge. Inflation continues to moderate, though it remains above the Federal Reserve's 2% target. The core PCE price index for January rose 0.3% month-over-month, which aligns with expectations. On a year-over-year basis, core PCE increased 2.6%, down from 2.9% in December but still above the Fed's 2.0% target. Consumer spending fell by \$76.7 billion in January, driven by a reduction in goods spending, though partially offset by increased spending on services. Personal income rose 0.9%, primarily driven by increases in non-wage sources. Initial unemployment claims rose by 22,000 to 242,000 for the week ending February 22. U.S. consumer confidence, as measured by the Conference Board, fell 7.0 points to 98.3, marking the third consecutive monthly decline and the steepest drop since August 2021. The decrease in confidence was primarily driven by a 9.3-point drop in the Expectations Index. The Census Bureau estimated that the trade deficit widened by 25.6% in January, as imports of goods rose by \$34.6 billion to \$325.4 billion.

U.S. Equity Returns (Size & Style - Russell)

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	0.89%	-0.97%	-2.56%	0.41%	-1.75%	-3.59%	5.05%	1.38%	-1.69%	5.05%	1.38%	-1.69%
Mid	0.31%	-0.44%	-2.58%	-1.82%	-2.84%	-5.70%	1.63%	1.29%	0.32%	1.63%	1.29%	0.32%
Small	-0.65%	-1.44%	-2.20%	-3.83%	-5.35%	-6.77%	-1.85%	-2.87%	-3.82%	-1.85%	-2.87%	-3.82%

U.S. Fixed Income Returns (Quality & Duration - Bloomberg)

	Week			MTD			QTD			YTD		
	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long
Govt	0.65%	0.91%	2.94%	1.00%	1.40%	5.17%	1.50%	1.95%	5.61%	1.50%	1.95%	5.61%
Corp	0.49%	0.71%	1.74%	0.94%	1.37%	3.42%	1.53%	2.00%	3.84%	1.53%	2.00%	3.84%
HY	0.35%	0.40%	0.46%	0.64%	0.67%	0.56%	1.94%	2.05%	2.15%	1.94%	2.05%	2.15%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-0.95%	-1.30%	1.44%	1.44%
S&P MidCap 400	-0.19%	-4.35%	-0.66%	-0.66%
Russell 2000	-1.44%	-5.35%	-2.87%	-2.87%
MSCI EAFE	-0.81%	1.94%	7.30%	7.30%
MSCI Emerging Markets	-4.31%	0.48%	2.28%	2.28%
MSCI EAFE Small Cap	-2.00%	-0.29%	3.14%	3.14%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.85%	1.39%	1.97%	1.97%
Bloomberg US Agg	1.26%	2.20%	2.74%	2.74%
Bloomberg US High Yield	0.40%	0.67%	2.05%	2.05%
Other				
Bloomberg Commodity	-3.74%	0.78%	4.76%	4.76%
S&P Dev Property	1.00%	2.16%	4.01%	4.01%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-2.10%	-9.37%	-5.38%	-5.38%
Consumer Staples	1.27%	5.70%	7.85%	7.85%
Energy	0.16%	3.97%	6.13%	6.13%
Financials	2.82%	1.41%	8.06%	8.06%
Health Care	1.74%	1.49%	8.38%	8.38%
Industrials	1.17%	-1.44%	3.52%	3.52%
Info Technology	-4.01%	-1.33%	-4.19%	-4.19%
Materials	0.81%	-0.01%	5.58%	5.58%
Real Estate	2.20%	4.22%	6.14%	6.14%
Communication Svcs	-2.54%	-6.29%	2.26%	2.26%
Utilities	-1.31%	1.69%	4.67%	4.67%

Bond Yields

	2/28/25	1/31/25	12/31/24	12/31/24
SOFR 3Mo Swap	4.31%	4.30%	4.30%	4.30%
2Yr Treasury	3.99%	4.22%	4.25%	4.25%
10Yr Treasury	4.24%	4.58%	4.58%	4.58%
2-10 Slope	0.25%	0.36%	0.33%	0.33%

Commodities and Currency

	2/28/25	1/31/25	12/31/24	12/31/24
Oil (\$/barrel)	69.76	72.53	71.72	71.72
Gold (\$/oz.)	2857.83	2798.41	2624.5	2624.5

Past performance is not a guarantee of future results. We believe the information presented is reliable, but we do not guarantee its accuracy.