

Full Market Commentary

The Week on Wall Street

Stocks fell broadly last week as domestic and foreign markets reacted to the White House's tariffs.

The Standard & Poor's 500 Index declined 9.08 percent, while the Nasdaq Composite Index fell 10.02 percent. The Dow Jones Industrial Average dropped 7.86 percent. The MSCI EAFE Index, which tracks developed overseas stock markets, lost 7.39 percent.^{1,2}

Under Pressure

Stocks rallied the first half of the week as markets tried to anticipate the potential impact of tariffs previously announced by the White House.³

Soon after the closing bell on Wednesday, President Trump's new tariffs surprised markets. Global markets reacted to the news overnight.⁴

Markets opened lower on Thursday, and the selling continued through Friday. Treasuries rallied in a flight to quality as investors moved to the sidelines. The yield on the 10-year Treasury note closed Friday at 4.0 percent. Bond yields generally fall when bond prices rise.^{5,6}

Powell's Speech

Federal Reserve Chair Jerome Powell gave a previously scheduled and much-anticipated speech on Friday. He explained:

- The labor market is in good shape and not a significant source of inflation.
- Longer-term inflation expectations are "well anchored and consistent with our 2 percent inflation goal" – despite higher expectations for inflation over the short term.
- Regarding consumer sentiment, while consumers "may not feel great about the economy now, they still keep spending." He added that the same happened during the pandemic.
- The Fed's policy stance is "well positioned to wait for greater clarity... (on the likely effects of trade and fiscal policy, for example) before considering any changes in monetary policy."⁷

Best Regards,



THIS WEEK: KEY ECONOMIC DATA

Monday: Consumer Credit.

Tuesday: NFIB Small Business Optimism Index. Treasury Buyback.

Wednesday: Federal Open Market Committee (FOMC) Minutes released. 10-Year Treasury Note Auction. Wholesale Inventories.

Thursday: Consumer Price Index (CPI). Jobless Claims. Monthly Federal Budget. Chicago Fed President Austan Goolsbee and Dallas Fed President Lorie Logan speak.

Friday: Producer Price Index (PPI). Consumer Sentiment. New York Fed President John Williams speaks.

Source: Investors Business Daily - Econoday economic calendar; April 3, 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

Friday: JPMorgan Chase & Co. (JPM), Wells Fargo & Company (WFC), The Progressive Corporation (PGR), BlackRock (BLK), The Bank of New York Mellon Corporation (BK)

Source: Zacks, April 3, 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.

1. The Wall Street Journal, April 4, 2025
2. Investing.com, April 4, 2025
3. MarketWatch.com, April 1, 2025
4. The Wall Street Journal, April 2, 2025
5. MarketWatch.com, April 3, 2025
6. The Wall Street Journal, April 4, 2025
7. MarketWatch.com, April 4, 2025
8. IRS.gov, September 11, 2024
9. Healthline, December 12, 2024