



May 16, 2025

This week, financial markets reacted to a range of important news, including developments in international trade and key economic data releases. The United States and China reached a significant interim trade agreement, leading to lower import taxes on goods exchanged between the two countries. This agreement involves the cancellation and suspension of specific tariffs for a 90-day period. As a result, U.S. tariffs on Chinese goods are slated to fall from 145% to 30%, and Chinese tariffs on U.S. goods will decrease from 125% to 10%. Additionally, China has eliminated other non-tariff countermeasures, such as the export restrictions on critical minerals to the U.S. On the economic front, the Consumer Price Index (CPI) increased by 0.2% in April, bringing the annual inflation rate to 2.3%, the lowest since February 2021. Notably, egg prices decreased sharply by 12.7%, although they remain approximately 50% higher year-over-year. Consumer spending was restrained, with April's retail sales growing by 0.1%, below the consensus estimate of 0.15%. March retail sales, in contrast, were revised upwards from 1.4% to 1.7%, as consumers spent money on big-ticket items to preempt potential price increases due to tariffs. U.S. Treasury yields fell immediately following these releases but rose across the curve for the week. The 2-year Treasury rate, for instance, climbed 11 basis points to 3.99%. Federal Reserve Chair Jerome Powell cautioned that inflation could become more unpredictable in the coming years during his speech at the Thomas Laubach Research Conference. Powell emphasized the likelihood of the global economy experiencing more frequent and persistent supply shocks, complicating the central bank's dual mandate of price stability and full employment.

Stocks	Close	Wk Net Change	Wk % Change	Div Yield	YTD % Change	12 Mos % Change
DJII-USA	42,654.74	1405.36	3.41	1.90	0.26	6.99
S&P 500	5,958.38	298.47	5.27	1.63	1.30	12.48
NASDAQ	19,211.10	1282.19	7.15	1.07	-0.52	15.05
S&P MidCap 400	3,088.22	141.95	4.82	2.42	-1.05	2.44
EAFE	87.24	1.27	1.48	3.31	15.38	7.23
Emerging Markets	57.31	1.78	3.21	3.19	9.75	4.81

#### Sector - Large Cap

	Close	Wk Net Change	WTD	MTD	QTD	YTD
<b>Defensive</b>						
Staples	904.64	13.45	1.5%	0.3%	1.3%	6.0%
Health Care	1,549.08	3.99	0.3%	(5.4%)	(9.0%)	(3.5%)
CommServices	347.50	21.37	6.6%	8.0%	8.7%	1.7%

#### Eco Sensitive

	Close	Wk Net Change	WTD	MTD	QTD	YTD
Consumer Disc	1,742.51	124.88	7.7%	11.0%	10.6%	(4.8%)
Energy	650.81	19.87	3.1%	5.4%	(9.1%)	(0.6%)
Industrials	1,215.21	63.72	5.5%	9.3%	9.5%	8.9%
Info Tech	4,578.46	344.75	8.1%	12.1%	13.9%	(0.7%)
Materials	547.13	13.17	2.5%	3.3%	1.0%	3.3%

#### Interest Rate Sensitive

	Close	Wk Net Change	WTD	MTD	QTD	YTD
Financials	857.60	29.02	3.5%	5.7%	3.4%	6.6%
Utilities	416.46	9.26	2.3%	3.9%	3.9%	8.2%
REIT	258.25	-1.44	(0.6%)	(0.0%)	(1.0%)	1.6%

#### Russell Style Returns

WTD	Value	Blend	Growth	YTD	Value	Blend	Growth
Large	3.26%	5.31%	7.10%	Large	3.66%	1.69%	0.05%
Medium	3.85%	4.70%	6.88%	Medium	1.57%	2.96%	6.72%
Small	3.83%	4.50%	5.16%	Small	-5.30%	-4.81%	-4.26%

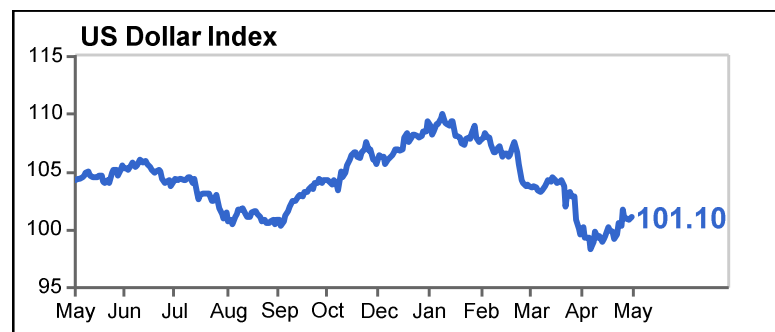
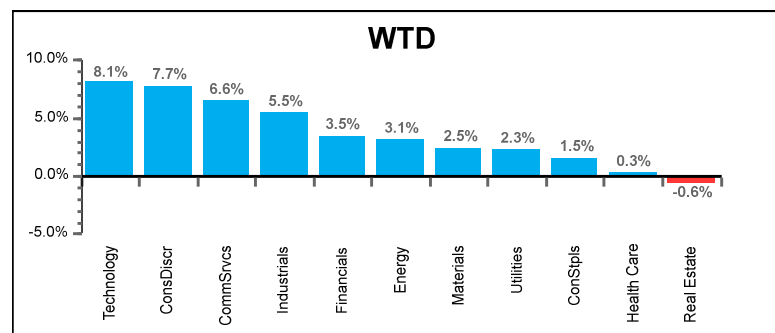
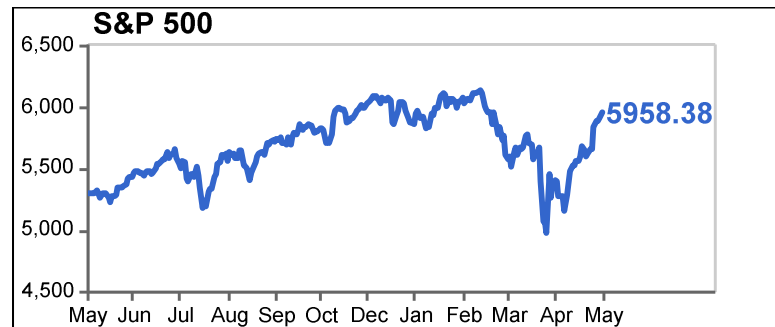
#### Commodity

	Price	Wk % Change	FOREX	Price	Wk % Change
Copper	4.59	-1.31	EUR/USD	1.12	-0.91
Gold	3,200.80	-4.28	USD/JPY	145.96	0.39
WTI	61.85	1.36	GBP/USD	1.33	-0.21
Brent	65.31	2.19	USD/CAD	1.40	0.22
Natural Gas	3.68	-10.16			

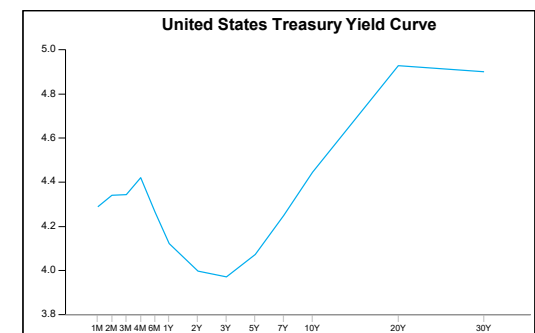
Source: FactSet

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Treasuries	Current Yield	12/31/24 Yield
1 - Year	4.12	4.15
2 - Year	3.99	4.24
5 - Year	4.07	4.38
10 - Year	4.44	4.57
30 - Year	4.90	4.78



COMING UP NEXT WEEK		Consensus	Prior
05/19 Leading Indicators SA M/M	(Apr)	-0.65%	-0.70%
05/22 PMI Composite SA (Preliminary)	(May)	51.4	50.6
05/22 Markit PMI Manufacturing SA (Preliminary)	(May)	50.7	50.2
05/22 Existing Home Sales SAAR	(Apr)	4,100K	4,020K
05/23 New Home Sales SAAR	(Apr)	666.0K	724.0K