

Executive Summary:

- **Economic Growth Slowed:** Q1 GDP contracted by 0.3%, driven by a surge in imports and reduced government spending, despite strong consumer activity and rising investment.
- **Labor Market Remained Strong:** Nonfarm payrolls rose by 177,000 and wage growth held steady, indicating continued momentum in employment.
- **Tariff-Driven Volatility:** New trade tariffs introduced significant market uncertainty, contributing to higher inflation expectations, rising interest rates, and pressure on housing and equities.

Economic Snapshot – April 2025

The U.S. economy showed mixed signals in April. Q1 GDP contracted by 0.3%, primarily driven by a sharp increase in imports. However, consumer strength remained evident, with personal consumption up 1.8%, and job growth exceeding expectations.

Labor Market Strength

- Nonfarm payrolls rose by 177,000, outpacing forecasts.
- Labor force participation increased to 62.6%.
- Unemployment remained steady at 4.2%.
- Average hourly earnings grew 0.2%, helping to contain inflation pressures.

Housing Market Trends

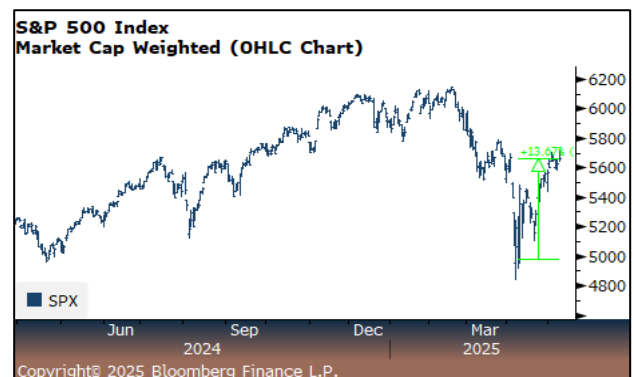
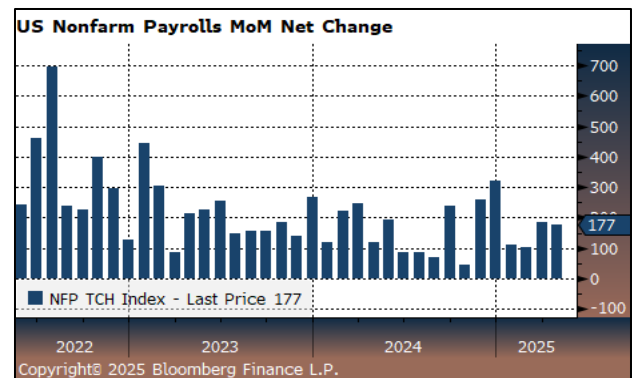
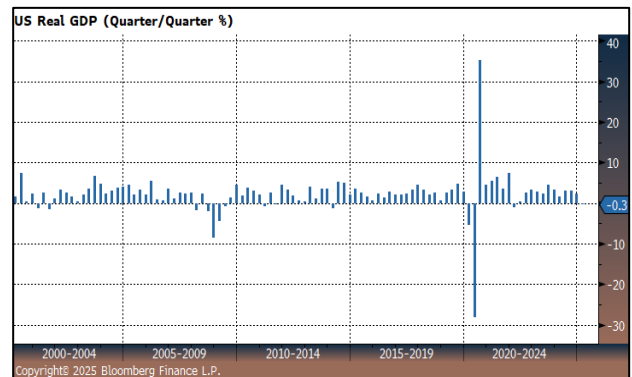
- Inventory rose 30.6% year-over-year, the 18th straight month of growth.
- Pending home sales fell 3.2% due to rising mortgage rates.
- Treasury yields climbed as tariff announcements sparked volatility, though sentiment improved late in the month.

Markets and Investment

- The S&P 500 has recovered more than 13% since its lowest close on April 8th, reflecting cautious optimism.

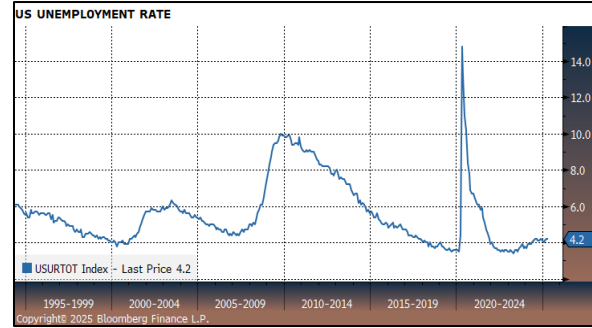
Tariff Impact & Market Volatility

New tariffs announced on April 2 (“Liberation Day”) introduced uncertainty. While aimed at supporting U.S. manufacturing and leveling trade imbalances, tariffs typically raise costs for imported goods—leading to inflation and potential supply chain disruptions. In response to the heightened volatility and elevated risks for an economic contraction, we are maintaining a slight underweight to equities relative to bonds and cash in blended portfolios.



Looking Ahead

Despite Q1's GDP dip, core fundamentals remain solid. Strong consumer spending and robust job growth are expected to support the economy into May. However, rising rates and ongoing trade policy uncertainty may contribute to continued market volatility, particularly in housing and equities.



SECTORS	2024	YTD	EQUITY INDICES	2024	YTD	COMM. & CURRENCIES	LAST CLOSE	YTD
S&P 500 COMM SVC	40.23%	-3.60%	S&P 500 INDEX	25.00%	-3.28%	WTI CRUDE FUTUR Jun25	59.91	-12.84%
S&P 500 CONS DISCRET IDX	30.14%	-12.03%	DOW JONES INDUS. AVG	14.99%	-2.23%	BRENT CRUDE FUTR Jul25	62.84	-12.56%
S&P 500 CONS STAPLES IDX	14.87%	5.92%	NASDAQ COMPOSITE	29.60%	#VALUE!	NATURAL GAS FUTR Jun25	3.59	10.55%
S&P 500 ENERGY INDEX	5.72%	-3.70%	S&P 400 MIDCAP INDEX	13.89%	-5.07%	LME COPPER 3MO (\$)	9,431.50	7.57%
S&P 500 FINANCIALS INDEX	30.50%	3.54%	RUSSELL 1000 GROWTH INDX	33.35%	#VALUE!	Gold Spot \$/Oz	3,342.55	27.58%
S&P 500 HEALTH CARE IDX	2.58%	-2.04%	RUSSELL 1000 VALUE INDEX	14.35%	0.53%	Silver Spot \$/Oz	32.43	12.35%
S&P 500 INDUSTRIALS IDX	17.30%	3.53%	RUSSELL MIDCAP RT INDEX	15.34%	-1.53%	Euro Spot	1.13	8.04%
S&P 500 INFO TECH INDEX	36.61%	-7.96%	RUSSELL 2000 INDEX	11.52%	#VALUE!	British Pound Spot	1.33	5.78%
S&P 500 MATERIALS INDEX	-0.04%	1.10%	MSCI ACWI ex US	5.53%	10.24%	Japanese Yen Spot	144.78	7.93%
S&P 500 REAL ESTATE IDX	5.23%	2.35%	MSCI EAFE	4.44%	#VALUE!	DOLLAR INDEX SPOT	100.64	-7.47%
S&P 500 UTILITIES INDEX	23.43%	6.61%	MSCI EM	7.99%	6.39%			

Source: Bloomberg

As of: 5/9/2025

Total Return

Bloomberg Barclays Bond Indices	2023	2024	YTD	Effective Duration	Avg. Maturity	Yield-to-Worst	Key Rates	
U.S. Aggregate	5.53%	1.25%	2.12%	6.14	8.46	4.72%	Effective Fed Funds	4.33%
Intermediate	5.24%	3.00%	2.56%	3.89	4.35	4.33%	2-yr Treasury	3.87%
Global Agg ex USD	5.72%	-4.22%	6.95%	7.00	8.54	2.60%	10-yr Treasury	4.39%
Inv Grade Corporate	8.52%	2.13%	1.41%	6.92	10.45	5.31%	10-yr German Bund	2.57%
U.S. Corporate High Yield	13.45%	8.19%	1.51%	3.40	4.68	7.73%	Prime Rate	7.50%
Tax Exempt							30 Year Fixed Mortgage	6.83%
Muni 1-10 Yr Blend (1-12)	4.61%	0.91%	0.42%	4.08	6.22	3.54%		

Source: Bloomberg

As of: 5/9/2025

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