



# Weekly Market Recap

### The week in review

- Headline CPI rose 0.2% m/m (2.8% y/y)
- Core CPI rose 0.2% m/m (3.1% y/y)
- Consumer sentiment dropped to 57.9

### The week ahead

- Retail sales
- FOMC meeting
- Housing starts

### Thought of the week

After the election, many anticipated that the dollar would continue its upward trajectory, even after hitting its highest level in real effective terms since the 1980s. This was fueled by the belief that the new administration's policies would stimulate real economic growth and reduce the probability of significant Fed rate cuts in 2025. However, this week's chart shows the dollar's recent plunge, declining 4.4% year-to-date, casting doubt on previous expectations.

Why is this happening? Interest rate differentials between the U.S. and other developed markets, a crucial short-term driver of the dollar, have fallen from 2.0% to 1.5% since January. This shift is largely due to increased expectations for Fed rate cuts, which have risen to 72bps this year, up from about 30bps a few months ago. Last week's inflation report, which showed a modest 0.2% m/m increase in headline inflation, has further bolstered the case for more cuts. Additionally, ongoing trade conflicts initiated by the U.S. may be perceived as more harmful to domestic growth than to international growth, contributing to the dollar's decline.

For equity performance, a weaker dollar has been a boon for international equities this year. The euro and Japanese yen have appreciated by 5.0% and 5.8%, respectively, against the dollar YTD. This marks a significant reversal from last year, when a stronger dollar shaved off 10.8% from Japanese equity returns and 5.9% from European ex-UK equities. Despite the current decline, the dollar remains highly valued, indicating potential for further depreciation. This underscores the importance of broad international diversification amid heightened uncertainty.

Please see important disclosures on next page.

### Weekly Data Center

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	5639	-2.23	-3.85	-3.85	10.96	41.53
Dow Jones 30	41488	-2.98	-2.10	-2.10	8.53	33.73
Russell 2000	5080	-1.45	-8.11	-8.11	2.00	10.02
Russell 1000 Growth	2457	-2.53	-7.95	-7.95	11.40	53.66
Russell 1000 Value	1128	-1.87	0.61	0.61	9.28	25.70
MSCI EAFE	2467	-1.10	9.45	9.45	8.93	31.94
MSCI EM	1120	-0.74	4.50	4.50	9.87	16.40
NASDAQ	17754	-2.40	-7.93	-7.93	10.86	44.55

Fixed Income	Yield	1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.70	-0.06	2.08	2.08	5.09	0.59
U.S. Corporates	5.24	-0.27	1.66	1.66	5.29	4.40
Municipals (10yr)	3.49	-0.73	0.84	0.84	0.69	4.36
High Yield	7.73	-0.67	1.08	1.08	8.40	17.70

Key Rates	Levels (%)					
	3/14/25	3/7/25	12/31/24	12/31/24	3/14/24	3/14/22
2-yr U.S. Treasuries	4.02	3.99	4.25	4.25	4.68	1.87
10-yr U.S. Treasuries	4.31	4.32	4.58	4.58	4.29	2.14
30-yr U.S. Treasuries	4.62	4.62	4.78	4.78	4.44	2.47
10-yr German Bund	2.89	2.83	2.35	2.35	2.42	0.35
SOFR	4.30	4.34	4.49	4.49	5.31	0.05
3-mo. EURIBOR	2.48	2.53	2.71	2.71	3.93	-0.50
6-mo. CD rate	N/A	2.29	2.29	2.29	2.28	0.16
30-yr fixed mortgage	N/A	6.98	7.28	7.28	7.09	4.43
Prime Rate	7.50	7.50	7.50	7.50	8.50	3.25

Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
20.29	4.91	1.29	47773	
18.86	5.41	1.85	17309	
22.76	1.87	1.40	2410	
25.89	12.08	0.59	26979	
16.11	2.74	2.05	24561	
14.22	1.89	2.69	17424	
12.28	1.76	2.16	7973	
25.00	6.47	0.70	28993	

Levels			
Currencies	3/14/25	12/31/24	3/14/24
\$ per €	1.09	1.04	1.09
\$ per £	1.29	1.25	1.27
¥ per \$	148.52	157.16	148.19

Levels			
Commod.	3/14/25	12/31/24	3/14/24
Oil (WTI)	66.56	72.44	82.16
Gasoline	3.07	3.01	3.38
Natural Gas	4.11	3.40	1.26
Gold	2978	2609	2161
Silver	33.90	28.91	24.97
Copper	9759	8706	8792
Corn	4.42	4.53	4.18
BBG Idx	255.66	238.62	229.97

### Chart of the Week

The dollar has lost the ground it gained since the election.



### Style Returns

	V	B	G
L	-1.9	-2.2	-2.5
M	-2.1	-2.2	-2.4
S	-1.8	-1.4	-1.1
	V	B	G
L	0.6	-3.9	-8.0
M	-3.1	-3.9	-6.3
S	-6.9	-8.1	-9.2

### S&P 500 Sector Returns

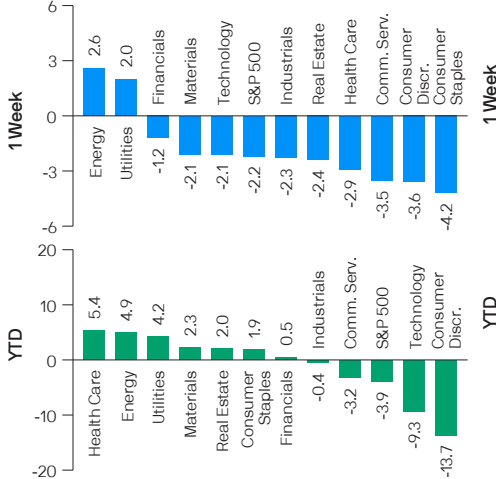




Chart of the Week: FactSet, J.P. Morgan Asset Management.

Thought of the week: Bloomberg, FactSet, J.P. Morgan Asset Management.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.) ; provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI – EAFE; provided by: MSCI – gross official pricing. Index: MSCI – EM; provided by: MSCI – gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Bloomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share

information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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**Diversification does not guarantee investment returns and does not eliminate the risk of loss.**

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