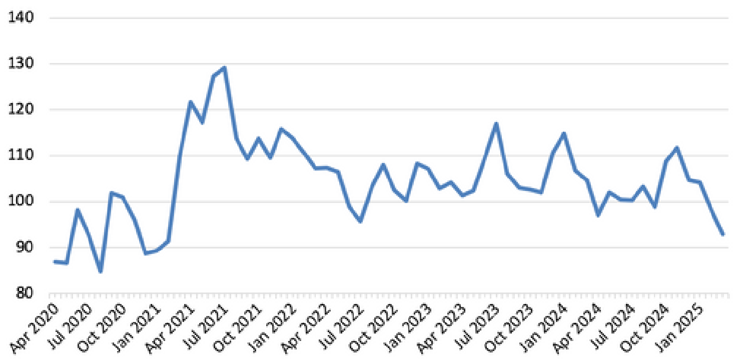
Economic Update Report

April 2, 2025

Tariff threats, hotter than expected inflation data, and mass layoffs are scaring investors, causing worries of stagflation to arise.

Consumer Confidence



Data from London Stock Exchange a/o 3/31/2025

Recent **consumer confidence** data reflects levels as low as ones we haven't seen since the pandemic , meaning the US population is choosing to be more **conservative** with their spending due to economic **uncertainty**. This uncertainty is spearheaded by the constant **tariff threats** and trade war worries that come along to president Donald Trump's plans to bring back manufacturing to the US to be less **reliant on imports**.

Key Indices	3/31 Close	2/28 Close	% Change
S&P 500	5,611.85	5,954.5	(6.11%)
Nasdaq	19,439.5	20,919.5	(7.61%)
Dow Jones	42,001.76	43,840.91	(4.38%)

Data from Yahoo Finance a/o 3/31/2025

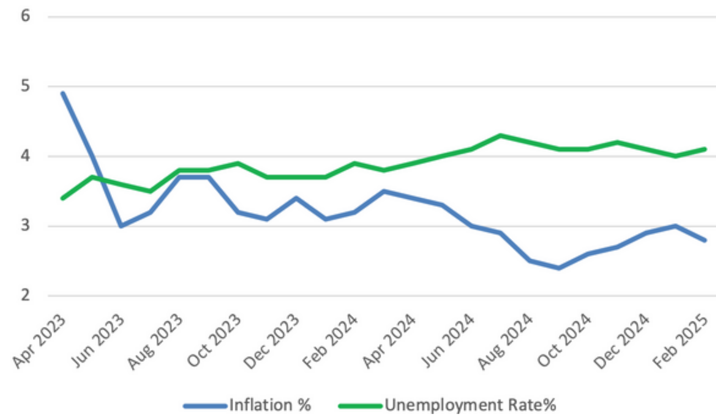
The **S&P 500** index is made up of the US' top 500 performing stocks, being the lead indicator of performance in the US stock market.

The **Nasdaq** index is an index of the top 100 non financial companies in the US. Another key indicator of stock market health.

The **Dow Jones** is an index comprised of the 30 biggest stocks in the US. A less popular index, but the best performer in **2025 YTD**.

What is Stagflation?

Stagflation is a period of time where economic growth is slow due to high inflation and unemployment. Trade tensions, inflation, and consumer behavior are key perpetrators of this fear.



Data from London Stock Exchange a/o 3/31/2025

Historically, there has been an inverse correlation between unemployment rate and inflation. Currently, both have remained stagnant, but still relatively high. If history repeats, inflation has potential to rise, which might be a leading fear factor in today's economic environment. We could see the labor market rebound, with a strong jobs report of 155 thousand new US jobs being reported according to the London Stock Exchange. This could be one of the more positive signs of a rallying economy, Although it is a small piece of the pie, more people being employed means more money being made, which could lead to better spending habits stimulated by pent up consumption. This ties back to consumer confidence, the higher the confidence the more people are williing to spend their money,

Why is this important?

Slower economic growth could lead to companies growth staggering, which in turn could lead to more layoffs, cost cutting campaigns, or project pausing. We need as much confidence as we can if we want to make positive assumptions, so any indicators of good health should be recognized.