

Market Pulse 11 Brief

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Full Report: <https://financialmarketmonitor.github.io/market-pulses/mp11/market-pulse-11.html>

Date: February 24, 2025

Over the past two weeks, US markets navigated a complex backdrop shaped by tariffs, rising inflation readings, and persistent AI-driven tech investment, with the S&P 500 down 1.78%, Nasdaq 2.53%, Dow 2.50%, and Russell 2000 3.71%, while month-to-date declines were led by small-cap equities. Domestically, economic data showed mixed signals, with soft employment gains in January, retail sales slowing, housing starts down nearly 10% MoM, and the University of Michigan consumer sentiment index falling sharply, though the ISM PMI indicated modest expansion in manufacturing and services. The Fed maintained a restrictive stance in response to 3.0% YoY CPI and 3.3% core inflation, while fiscal deficit dynamics and federal workforce reforms remain longer-term considerations. Abroad, Europe saw modest growth with mixed PMI readings, the ECB anticipating rising inflation, and the UK cutting rates to 4.5% amid slowing demand, while Japan experienced rising CPI and wage growth, and China posted stronger Lunar New Year consumer activity but persistent factory deflation. Earnings season remained robust, led by Palantir, AMD, and Pfizer beating expectations, while Alphabet, Walmart, and Chipotle delivered mixed results, with Mag7 earnings up 25% in Q4. In M&A, Celsius Holdings' \$1.65B acquisition of Alani Nutrition signals consolidation in the functional beverage sector, while energy, AI, and tariff-related developments continue to shape market sentiment.