



WEEK OF MARCH 31, 2025

Market Update

Consumer confidence continued to struggle; the Conference Board's gauge of future expectations fell to a 12-year low. U.S. equities moved lower amid tariff concerns and a hotter-than-expected inflation report. The focus this week will be Institute for Supply Management (ISM) reports, trade data, and the March employment report.

Quick Hits

- 1. Report releases:** Consumer confidence continued to struggle; the Conference Board's gauge of future expectations fell to a 12-year low.
- 2. Financial market data:** U.S. equities moved lower amid tariff concerns and a hotter-than-expected inflation report.
- 3. Looking ahead:** The focus this week will be on ISM reports, trade data, and the March employment report.

Report Releases: March 24–28, 2025

New Home Sales: February (Tuesday)

New home sales were slightly below expectations but exceeded the previous month's reading. Although inventory has shown recent improvement, home builder sentiment is under pressure as the impacts of tariffs and immigration policies are considered.

- Expected/prior month new home sales: 680,000/664,000
- Actual new home sales: 676,000



Conference Board Consumer Confidence Index: March (Tuesday)

The Conference Board Consumer Confidence Index fell to a four-year low. Consumers' views on the current situation fell modestly, whereas future expectations continued to plummet, reaching a 12-year low.

- Expected/prior month Conference Board Consumer Confidence Index: 94.0/100.1
- Actual Conference Board Consumer Confidence Index: 92.9



Durable Goods Orders: February (Wednesday)

Durable goods orders beat expectations despite being below the previous month's reading. Some buyers likely tried to get ahead of looming tariffs, so it will be important to see how these numbers shift.

- Expected/prior month durable goods orders monthly change: -1.0%/+3.3%
- Actual durable goods orders monthly change: +0.9%



Personal Income and Spending: February (Friday)

Personal income beat expectations, coming in just shy of the previous month's growth rate. Personal spending barely missed expectations but rebounded from the previous month's modest decline.

- Expected/prior month personal income monthly change: +0.4%/+0.9%
- Actual personal income monthly change: +0.8%
- Expected/prior month personal spending monthly change: +0.5%/-0.2%
- Actual personal spending monthly change: +0.4%



>> The Takeaway

- Economic data was mixed, with new home sales and consumer confidence softer than expected.
- Durable goods orders surprised to the upside, possibly due to ordering ahead of potential tariffs.

Financial Market Data

Equity

Index	Week-to-Date	Month-to-Date	Year-to-Date	12-Month
S&P 500	-1.52%	-6.16%	-4.81%	7.62%
Nasdaq Composite	-2.59%	-8.02%	-10.15%	6.52%
DJIA	-0.96%	-5.01%	-1.85%	6.33%
MSCI EAFE	-0.98%	1.80%	9.27%	7.79%
MSCI Emerging Markets	-0.88%	2.41%	4.77%	10.74%
Russell 2000	-1.62%	-6.33%	-9.02%	-3.53%

Source: Bloomberg, as of March 28, 2025

U.S. equities were lower as investors eyed the April 2 tariff announcement and inflation surprised to the upside. Investors took a risk-off approach, with consumer staples, energy, and real estate being bid up amid hotter-than-expected inflation. Technology, communication services, and industrials lagged; higher inflation means a higher cost of capital, pressuring valuations.

Fixed Income

Index	Month-to-Date	Year-to-Date	12-Month
U.S. Broad Market	-0.19%	2.54%	4.64%
U.S. Treasury	-0.05%	2.63%	4.22%
U.S. Mortgages	-0.19%	2.87%	5.21%
Municipal Bond	-2.02%	-0.55%	0.89%

Source: Bloomberg, as of March 28, 2025

The Treasury yield curve continued its recent trend, with a drop in yields in the belly of the curve and steepening on the long end. The 5-year dipped 2 basis points (bps) to 3.98 percent. The 10-year was flat at 4.26 percent and the 30-year rose 3 bps to 4.63 percent.

>> The Takeaway

- Fewer international trade negotiations and blackout periods for the Federal Reserve (Fed) and equities led to lighter volatility.
- The Treasury yield curve continued its recent trend, with a drop in yields in the belly of the curve and steepening on the long end.

Looking Ahead

The focus this week will be on ISM reports, trade data, and the March employment report.

- The week kicks off Tuesday with the **ISM Manufacturing index** for March. Manufacturer confidence is expected to fall modestly into contractionary territory, where it has spent most of the past two years.
- On Thursday, the **ISM Services index** for March and the **U.S. trade deficit** for February will be released. Service sector confidence is expected to fall modestly but remain in expansionary territory. The U.S. trade deficit is set to improve from \$131.4 billion to \$123 billion.
- Finally, on Friday, the **employment report** for March will be released. Additions to nonfarm payrolls are expected to fall but remain on solid footing, with 120,000 jobs added. The unemployment rate is expected to tick up to 4.2 percent.





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companies and then dividing that total by an adjusted value, one which has been adjusted over the years to account for the effects of stock splits on the prices of the 30 companies. Dividends are reinvested to reflect the actual performance of the underlying securities. The MSCI EAFE Index is a float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a market capitalization-weighted index composed of companies representative of the market structure of 26 emerging market countries in Europe, Latin America, and the Pacific Basin. The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index. The Bloomberg US Aggregate Bond Index is an unmanaged market value-weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. The U.S. Treasury Index is based on the auctions of U.S. Treasury bills, or on the U.S. Treasury's daily yield curve. The Bloomberg US Mortgage Backed Securities (MBS) Index is an unmanaged market value-weighted index of 15- and 30-year fixed-rate securities backed by mortgage pools of the Government National Mortgage Association (GNMA), Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (FHLMC), and balloon mortgages with fixed-rate coupons. The Bloomberg US Municipal Index includes investment-grade, tax-exempt, and fixed-rate bonds with long-term maturities (greater than 2 years) selected from issues larger than \$50 million. One basis point is equal to 1/100th of 1 percent, or 0.01 percent. One basis point (bp) is equal to 1/100th of 1 percent, or 0.01 percent.

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