



Market update

April 3, 2025

Investor uncertainty rose again last month, pulling stock prices lower for March and now the year-to-date. U.S. stocks fell -5.9%, the hardest hit of which were small-cap stocks with losses close to -7%. Foreign stocks fared much better with a decline of -0.1%, holding on to a year-to-date gain of +5.4%. Gains were posted in both developed markets and emerging markets. Lower yields boosted prices for highest quality bonds, but widening credit spreads weighed on corporate bond prices. The U.S. taxable bond market broke even in March while retaining a gain for the first quarter.

	<u>March</u>	<u>Y-T-D</u>
• U.S. Taxable Bonds	+0.0%	+2.8%
• U.S. Stocks	-5.9%	-4.8%
• Foreign Stocks	-0.1%	+5.4%

Concerns converging in the first quarter included sticky inflation, slowing growth, tariff uncertainties and ongoing geopolitical tensions. The resulting market turbulence was in sharp contrast to post-election expectations for growth-enhancing policies including less government, lower taxes and reduced regulation. In particular, the overwhelming focus on higher tariffs has reduced growth expectations and limited prospects for lower inflation. Investor time horizons have been shortened materially, raising volatility for longer duration assets such as stocks generally and growth-oriented stocks such as technology specifically.

UPS & DOWNS		
	10/31/2024	12/31/2024
	12/31/2024	03/31/2025
LARGE GRADE A EGGS	+35.6%	-68.0%
COPPER	-7.6%	+25.9%
GOLD	-0.8%	+12.1%
DOW JONES INDUSTRIAL AVERAGE	+2.3%	-4.0%

The past few months have told a tale of some notable ups and downs as shown in the table here. For consumers, the change in the price of eggs has been most notable. And the changes here understate the dramatic rise to and crash from the high of \$8.17 per dozen. Bird flu was the culprit. Metals prices painted a different picture with both copper and gold declining through yearend. The increases since have a connection. Copper prices have advanced over potential supply disruptions resulting from any tariff impacts. The increase in the price of gold has a tariff component but also separate concerns over potential economic slowdown and/or higher inflation. Stock prices have been the least volatile of the four items shown even though the price decline from the recent high hit the -10% correction mark. The common theme throughout is increased uncertainty.