



PACIFIC GLOBAL  
Investment Management Company

# Weekly Recap

February 14, 2025

## Market Returns

INDEX <sup>1</sup>	CLOSE	WEEKLY CHANGE	YTD CHANGE
Dow Jones Industrial Avg.	44,546.08	242.68 / 0.55%	4.71%
S&P 500 <sup>®</sup>	6,114.63	88.64 / 1.47%	3.96%
Nasdaq	20,026.77	503.37 / 2.58%	3.71%
Russell 2000 <sup>®</sup>	2,279.98	0.27 / 0.01%	2.23%

  

	02/14/25 CLOSE	02/14/25 CLOSE
10-Year U.S. Treasury	4.48%	4.27%

Data: Bloomberg, Federal Reserve

## The Bottom Line

Investors focused primarily on tariff commentaries and economic data this week; the Nasdaq (2.58%) led the major indices on the strength of **AI** initiatives at *Apple* and bullish trends for *Nvidia*. The S&P 500<sup>®</sup> Index gained 1.47% followed by the Dow Jones Industrial Average (0.55%) and the Russell 2000<sup>®</sup> Index (0.01%). The yield on the 10-Year U.S. Treasury Note edged lower, to 4.48%, slightly lower than last week (4.50%).

President Trump announced last week a 25% tariff on aluminum and steel products; he followed up on Friday with a plan to impose “reciprocal tariffs” on countries which impose “unfair non-tariff policies” on U.S. products. The likely impact, and timing, of tariffs is uncertain as waivers may be granted for certain industries, such as automobiles, and exceptions may be negotiated for specific countries or industries.

January **Consumer Price Index (CPI)** rose 0.5% compared to consensus of 0.3% and December’s 0.4% gain; **one component, eggs, soared over 15%**. **Core CPI** rose 0.4% versus projections of 0.3%. Annualized **CPI** rose 3.3%, slightly above estimates of 3.2%. January **core Producers Price Index (PPI)** rose 0.3%, in line with consensus. Initial jobless claims and continuing claims were below projections and consistent with prior periods. Retail sales (-0.9%) fell well below expectations to the lowest level since March 2023.

Federal Reserve Chair Powell’s Senate testimony stated that the Fed does not need to be in a hurry to cut rates even though inflation remains above 2%. He also reiterated the need to put the budget on a sustainable path. Also, while stressing that the Fed would stay out of politics, he commented that tariffs could put upward pressure on inflation but added that it was too soon to discuss potential impact of the proposed tariffs.

Fourth quarter growth rate expectations from S&P 500<sup>®</sup> companies edged higher, to 16.9% compared to the prior week’s 16.4% projection. Market momentum seems to revolve around uncertainties related to the latest tariff news. Investors, however, remain attracted to companies with strong earnings and growth outlooks that may be less vulnerable to threatened tariffs.

<sup>1</sup>The Dow Jones Industrial Average is an unmanaged, price weighted measure of 30 U.S. stocks selected by the Averages Committee to represent the performance of all U.S. stocks outside the Transportation and Utilities sectors. The S&P 500<sup>®</sup> Index is an unmanaged, market capitalization weighted index which measures the performance of the large cap segment of the U.S. equities market, covering approximately 75% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy. The Nasdaq Composite Index is an unmanaged, market capitalization weighted measure of all domestic and international common stocks listed on The Nasdaq Stock Market. The Russell Midcap<sup>®</sup> Index measures the 800 smallest companies within the Russell 1000<sup>®</sup> Index based on a combination of their market cap and current index membership. The Russell 2000<sup>®</sup> Index is an unmanaged, market-weighted measure of stock market performance. It contains stocks of the 2,000 smallest publicly traded companies of the Russell 3000<sup>®</sup> Index. It is not possible to invest in the Indices.

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