



PACIFIC GLOBAL
Investment Management Company

Weekly Recap

March 7, 2025

Market Returns

INDEX ¹	CLOSE	WEEKLY CHANGE	YTD CHANGE
Dow Jones Industrial Avg.	42,801.72	-1,039.19 / -2.37%	0.61%
S&P 500 [®]	5,770.20	-184.30 / -3.10%	-1.89%
Nasdaq	18,196.22	-651.06 / -3.45%	-5.77%
Russell 2000 [®]	2,075.48	-87.59 / -4.05%	-6.94%

	03/07/25 CLOSE	03/07/24 CLOSE
10-Year U.S. Treasury	4.31%	4.09%

Data: The Wall Street Journal, Federal Reserve

The Bottom Line

Investors struggled to determine the impact on inflation and economic growth of tariff uncertainties, geopolitical fears, and actions to reduce government spending. The equity selloff inflicted across-the-board losses with the Dow Jones Industrial Average (-2.37%) remaining slightly positive year-to-date. The S&P 500[®] Index declined 3.10% followed by the Nasdaq (-3.45%) and the Russell 2000[®] Index (-4.05%). Earlier in the week, the Nasdaq briefly fell into correction territory with a decline of 10% from its December high. The yield on the 10-Year U.S. Treasury Note rose to 4.31% compared to 4.22% last Friday to reverse its recent downward trend.

The Administration delayed the previously announced 25% tariffs, set to begin on Tuesday, for goods imported from Canada and Mexico that were covered under the current trade agreement. These on again/off again tariff announcements have left companies and investors in limbo. Many fear that tariffs, if implemented, will trigger retaliations; such a “Trade War” could lead to a recession or stagflation. The Administration’s actions to freeze aid and intelligence to Ukraine, and reduce government spending, add to investor anxieties.

U.S. non-farm payrolls added 151,000 new jobs in February, below projections of 170,000. The unemployment rate rose 0.1% to 4.1%. Last week’s jobless claims were 221,000, below consensus of 236,000, while continuing claims (1.897 million) were above estimates of 1.868 million. February **Institute for Supply Management (ISM) services index** rose to 53.5 from 52.8 in January; the February **ISM manufacturing index** eased to 50.3 versus projections of 50.5 and January’s 50.9. Federal Reserve Chair Powell’s rear-view mirror comments on Friday, “Many indicators show that the labor market is solid and broadly in balance,” providing no compelling reason to reduce interest rates.

Investors typically adopt a forward-looking view of markets and economic growth. Presently, the outlook remains uncertain, subject to volatility and concerns of new events that may further disrupt economic and market conditions. This week’s rise in interest rates reflects concerns that U.S. government debt may rise and risk a potential downgrading by rating agencies. The current events highlight the importance of owning

companies best positioned to weather potential changes. The markets will likely remain volatile until the clouds of uncertainty begin to clear and effective strategies emerge.

¹The 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[®] 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[®] Index measures the 800 smallest companies within the Russell 1000[®] Index based on a combination of their market cap and current index membership. The Russell 2000[®] 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[®] Index. It is not possible to invest in the Indices.

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