



PACIFIC GLOBAL
Investment Management Company

Weekly Recap

March 21, 2025

Market Returns

INDEX ¹	CLOSE	WEEKLY CHANGE	YTD CHANGE
Dow Jones Industrial Avg.	41,985.35	497.16 / 1.20%	-1.31%
S&P 500 [®]	5,667.56	28.62 / 0.51%	-3.64%
Nasdaq	17,784.05	29.96 / 0.17%	-7.91%
Russell 2000 [®]	2056.98	12.88 / 0.63%	-7.77%

	03/21/25 CLOSE	03/21/24 CLOSE
10-Year U.S. Treasury	4.25%	4.27%

Data: The Wall Street Journal, Federal Reserve

The Bottom Line

The absence of new tariff scares and a “wait and see” message on interest rates enabled the S&P 500[®] Index and the Nasdaq to post moderate gains following losses in six of the last seven weeks. For the week, the Dow Jones Industrial Average gained 1.20%, followed by the Russell 2000[®] (0.63%), the S&P 500[®] (0.51%) and the Nasdaq (0.17%). The yield on the 10-Year Treasury Note declined to 4.25% from 4.32% last Friday.

As expected, the Fed left interest rates unchanged: the updated forecast anticipates two 25-basis point rate cuts this year. Chair Powell, in his post-meeting comments, stated that, “We think it’s a good time for to [a]wait for further clarity . . . That’s really due to the tariffs coming in.” He added, “With the arrival of the tariff inflation, further progress may be delayed.” Yet, overall, he commented that the inflationary impact of tariffs could be transitory. The Fed’s now anticipates a 2.7% inflation rate, up from 2.5% in January, and GDP growth of 1.7% in 2025, down from the December projections of 2.1%.

February retail sales rose 0.2% compared to consensus of 0.7% and January’s downwardly revised -1.2% decline. February housing starts unexpectedly jumped 8% above expectations, to exceed January’s level by more than 11%; existing home sales also rose while building permits were unchanged. Initial Jobless Claims of 223,000 were essentially unchanged while Continuing Claims, while below consensus, rose from 1.859 million to 1.892 million.

Investors are primarily concerned with the economic uncertainties related to the April 2 implementation of President Trump’s announced tariffs. Some express concerns about possible recession, while others, including the President, suggest that the threatened tariffs might be delayed or revised. For the near-term, equity market volatility will likely continue in reaction to the latest developments.

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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