



PACIFIC GLOBAL
Investment Management Company

Weekly Recap

March 28, 2025

Market Returns

INDEX ¹	CLOSE	WEEKLY CHANGE	YTD CHANGE
Dow Jones Industrial Avg.	41,583.90	-401.45 / -0.96%	-2.26%
S&P 500 [®]	5,580.94	-86.62 / -1.53%	-5.11%
Nasdaq	17,322.99	-461.06 / -2.59%	-10.29%
Russell 2000 [®]	2,023.27	-33.71 / -1.64%	-9.28%

	03/28/25 CLOSE	03/28/24 CLOSE
10-Year U.S. Treasury	4.25%	4.20%

Data: The Wall Street Journal, Federal Reserve

The Bottom Line

Tariff related inflation concerns took center stage after President Trump announced a 25% tariff on all imported cars and parts to take effect on April 2. *Technology* stocks continued to sell off as the Nasdaq (-2.59%) led the major indices lower followed by the Russell 2000[®] Index (-1.64%), the S&P 500[®] Index (-1.53%) and the Dow Jones Industrial Average (0.96%). The yield on the 10-Year U.S. Treasury was unchanged from its close last Friday.

Consumers reflected their fear of inflationary pressures and perhaps higher interest rates as the March **University of Michigan Index** came in at 57, the lowest level since 2022, and a steep decline from the February reading of 64.7. Over two thirds of consumers fear that unemployment will rise which is the highest level since 2009 during the “Great Recession.” The preliminary March **Purchasing Managers Index (PMI)** was 53.5 above consensus of 51.7 and higher than February (51.0). The February **core Personal Consumption Expenditure (PCE)** rose 0.4%, which was higher than projections of 0.3%. On an annual basis the reading was 2.8% again higher than consensus of 2.7%. Initial jobless claims and continuing claims were at recent levels and below estimates.

The tariff on foreign autos and parts will increase overall prices for imports but also impact domestic production as many parts are imported from other countries; pricing decisions by U.S. manufacturers are unknown currently. The administration is set to announce additional tariffs on April 2, but the scope and impact are unknown. Many countries may propose compromises or other strategies to find tariff relief.

Many companies, in particular auto manufacturers, rely on a global supply chain in production of goods and services. These suppliers cannot be easily replicated domestically due to the cost and time considerations. Negotiations will take place between the U.S. and other countries so the impact on the U.S. economy is unclear. As a result, many investors may remain on the sidelines until they regain confidence in the direction of the U.S. economy.

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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