



PACIFIC GLOBAL
Investment Management Company

Weekly Recap

April 25, 2025

Market Returns

INDEX ¹	CLOSE	WEEKLY CHANGE	YTD CHANGE
Dow Jones Industrial Avg.	40,113.50	971.27 / 2.48%	-5.71%
S&P 500 [®]	5,525.21	242.51 / 4.59%	-6.06%
Nasdaq	17,382.94	1,096.49 / 6.73%	-9.98%
Russell 2000 [®]	1,957.62	77.00 / 4.09%	-12.22%

	04/25/25 CLOSE	04/25/24 CLOSE
10-Year U.S. Treasury	4.30%	4.70%

Data: The Wall Street Journal, Federal Reserve

The Bottom Line

The equity and fixed income markets reacted favorably to comments by President Trump and other members of his Administration which softened tariff position and provided optimism on trade discussions underway. The Nasdaq (6.73%) led the market indices higher, followed by the S&P 500[®] Index (4.59%), the Russell 2000[®] Index (4.09%) and the Dow Jones Industrial Average (2.48%). The yield on the 10-Year U.S. Treasury Note eased slightly, to 4.30%, down from 4.33% last Thursday.

Treasury Secretary Bessent commented that the Administration's proposed tariff rates for China were "unsustainable." President Trump asserted that his negotiating team was in active talks with China; however, a spokesperson from China's foreign ministry stated, "China and the U.S. have not held consultations or negotiations on the issue of tariffs." Many expect that the eventual tariff rate for goods from China will be substantially lower than the previously announced 145%; on Friday, the President clarified that he would not drop tariffs on China unless "they give us something." Elsewhere, trade negotiations have begun with India, South Korea, Japan and others, with some optimism that agreements will be reached. Analysts, not surprisingly, describe the market sentiment as "jittery."

Tariff-related comments by business leaders varied widely based on the potential impact on their situations. Companies emphasize the need to adapt and work with suppliers even as others have announced layoffs and plant closings. Some companies, such as *Insteel* and *Whirlpool*, have applauded the tariffs as a means to level the playing field with companies and/countries which they believe are dumping product into the U.S. market. *Walmart*, *Home Depot* and *Target* executives met with President Trump to discuss the tariff implications. Curiously, *Pepsi* reported that the company will face higher tariffs because their syrup is manufactured in Ireland while *Coca-Cola's* is produced in the U.S. Transportation companies, including *SAIA*, reported lower shipping volumes as customers have deferred the normal spring inventory build. **The potential economic cost of proposed tariffs has caused the IMF to reduce its global growth projections from 3.3% to 2.8% in 2025, and from 3.3% to 3.0% for 2026.**

Final April **University of Michigan** consumer sentiment reading, 52.2, was higher than consensus (50.8) yet notably down from 74.0 in December. The Index's one-year inflation expectation reading rose to 6.5%, the highest reading since late 1981, and well above March's 5.0%. Initial jobless claims, 222,000, close to estimates while continuing claims, 1.841 million, fell below estimates of 1.856 million.

Oversold equities, better-than-expected earnings and suggestions of a potential softening in the Administration's tariff posture set the stage for this week's rally. Not surprisingly, though, companies and investors are in a wait-and-see posture which suggests that markets may remain volatile in reaction to the latest tariff headlines.

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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