



PACIFIC GLOBAL
Investment Management Company

Weekly Recap

May 23, 2025

Market Returns

INDEX ¹	CLOSE	WEEKLY CHANGE	YTD CHANGE
Dow Jones Industrial Avg.	41,603.07	-1,051.67 / -2.47%	-2.21%
S&P 500 [®]	5,802.82	-155.56 / -2.61%	-1.34%
Nasdaq	18,737.21	-473.89 / -2.47%	-2.97%
Russell 2000 [®]	2,039.85	-73.40 / -3.47%	-8.53%

	05/23/25 CLOSE	05/23/24 CLOSE
10-Year U.S. Treasury	4.52%	4.47%

Data: The Wall Street Journal, Federal Reserve

The Bottom Line

The equity markets stalled, and interest rates rose this week as optimism for less onerous trade tariffs faded. President Trump threatened to add a 25% on any *Apple* iPhones not manufactured in the U.S.; also, the President, noting a lack of progress in trade negotiations with the EU, stated that a 50% tariff on European goods might be implemented within days. For the week, the Nasdaq and Dow Jones Industrial Average both fell 2.47% followed by sharper declines in the S&P 500[®] Index (-2.61%) and Russell 2000[®] Index (3.47%). The yield on the 10-Year Treasury Note rose to 4.52% from 4.44% last Friday.

Investors seemingly ignored the downgrade late last Friday of U.S. government debt by Moody's as the rating cited higher interest costs and the continuing failure of recent administrations to address growing fiscal deficits. The debt downgrade added economic uncertainties as higher costs to finance U.S. debt will impact mortgages, interest rates and inflation. Weak demand for the U.S. Treasury's 20-year Bond auction, and a similarly weak demand for long-dated Japanese government debt highlighted concerns about deficit costs. President Trump's trade warnings rekindled investor concerns about inflation and the economy. Treasury officials, though, noted that trade negotiations with approximately 15 countries were close to agreements and discussions with multiple countries continue as the administration approaches the half-way point in its 90-day tariff pause.

Economic data were limited this week. Initial jobless claims of 227,000 were below consensus (230,000) while continuing claims (1.903 million) exceeded estimates (1.890 million). Earnings announcements were limited: *Home Depot* reaffirmed annual targets; *Target* missed on earnings and revenues and cited company-specific and economic challenges in lowering its annual guidance. On Thursday, the House passed the "One Big Beautiful Bill Act" which makes permanent tax cuts, changes Medicare and Medicaid changes, increases state and local tax (SALT) deductions and many other changes. The Bill, which next heads to the Senate, includes a projected tax cost of \$3.8 trillion.

Tariffs remain the primary concern of investors as the rapidly changing messages challenge companies and investors to assess longer-term opportunities and risks. Equity and bond market volatility will likely continue in the near-term as ebb and flow of trade negotiations, the Senate's consideration of the tax Bill, and short-term trading reflect the latest economic and tariff announcements.

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.

©2025 Pacific Global Investment Management Company. **This material is protected by United States copyright law and may not be reproduced, distributed, transmitted, displayed, published or broadcast without the prior written permission of Pacific Global.**

Any specific securities referenced in this commentary may or may not be held in client portfolios.

Some information contained herein has been obtained from third party sources believed to be reliable but has not been independently verified by us; its accuracy or completeness is not guaranteed. Commentary is based on information considered to be reliable at the time of publication. The views expressed represent the opinions and beliefs at publication and are not meant as a market forecast. Pacific Global disclaims any responsibility to update such views. This information may not be relied on as investment advice. Economic and performance information referenced is historical and **past performance does not guarantee future results**. References to future returns are not promises or estimates of actual returns we may achieve. No investment strategy or risk management process can guarantee returns or eliminate risk in any market environment. Investing in securities involves risk of loss. Stock prices can decline significantly in response to adverse market conditions, company-specific events, and other domestic and international political and economic developments.

Pacific Global • 101 N Brand Blvd • Suite 1950 • Glendale, California 91203 • (800) 989-6693 • www.pacificglobal.us