



PACIFIC GLOBAL
Investment Management Company

Weekly Recap

May 30, 2025

Market Returns

INDEX ¹	CLOSE	WEEKLY CHANGE		YTD CHANGE
Dow Jones Industrial Avg.	42,270.07	667.00	/ 1.60%	-0.64%
S&P 500 [®]	5,911.69	108.87	/ 1.88%	0.51%
Nasdaq	19,113.77	376.56	/ 2.01%	-1.02%
Russell 2000 [®]	2,066.29	26.44	/ 1.30%	-7.35%

	05/30/25 CLOSE	05/30/24 CLOSE
10-Year U.S. Treasury	4.40%	4.55%

Data: The Wall Street Journal, Federal Reserve

The Bottom Line

Equities recouped some of the prior week's losses, and interest rates declined, as the implementation of tariffs paused. The Nasdaq (2.01%) led the major indices followed by the S&P 500[®] Index (1.88%), the Dow Jones Industrial Average (1.60%) and the Russell 2000[®] Index (1.30%). For the month, the Nasdaq (9.6%) and the S&P 500[®] (6.2%) recorded their highest gains since November 2023. The yield on the 10-Year U.S. Treasury Note fell to 4.40% from 4.52% last Friday.

The President's tariffs provided headlines this week: on Monday, President Trump paused, until July 9th, his recently announced 50% tariffs on European goods following a "very nice" call with the European Commission president. On Wednesday, the Court of International Trade blocked most of the President's reciprocal tariffs (those imposed under the International Emergency Powers Act); the U.S. Court of Appeals for the Federal Circuit on Thursday granted a request to temporarily pause the ruling until an upcoming hearing. Meanwhile, the White House is reportedly considering an appeal to the Supreme Court or other legislative avenues for tariffs, one of which authorizes a 15% tariff for 150 days followed by a lengthy comment process. The legal challenges compound investor uncertainties and confusion with trade partners. On Friday, Treasury Bessent commented that U.S.-China negotiations were "a bit stalled"; some countries may welcome the legal challenges as an opportunity for increased leverage.

The second estimate for Q1 GDP added 0.1% to a revised -0.2% rate; annualized, GDP rose to 2.1%, ahead of consensus of 2.0%. The final May **University of Michigan consumer sentiment**, 52.2, was unchanged from April and higher than a preliminary estimate; the reading follows a steep decline of readings in the 70s from October through January. Initial jobless claims (240,000) exceeded estimates of 220,000 while continuing claims (1.919 million) were also higher than consensus (1.890 million).

Nvidia shares rose on better-than-expected results and guidance. *ULTA Beauty* and *Abercrombie and Fitch* reported higher revenue and earnings as first quarter consumer spending remained resilient. On average, earnings for companies in the S&P 500[®] rose 12.9%, outpacing estimates of 7.25%, for the second

consecutive quarter of double-digit earnings growth. Most conference calls cited concerns over tariff costs and uncertainties.

The tariff overhang, including court hearings, the Administration's consideration of other trade provisions, and stalled negotiations with several countries, will perpetuate market unease. Both companies and investors will remain challenged in assessing the impact of the Administration's tariff policy on inflation and economic growth. A state of flux for the equity and fixed income markets will likely continue until the fate of tariffs becomes clear.

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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