

# Weekly Market Recap

## The week in review

- PCE fell to 0.3% m/m (2.5% y/y) in February
- Consumer confidence fell to 92.9 in March
- PMI composite rose to 53.5 in March

## The week ahead

- JOLTS / Jobs report
- ISM PMIs

## Thought of the week

Known for its notoriously strict borrowing laws, Germany's new fiscal spending package has the potential to transform both the country and the broader European Union in the coming decade. The package was proposed as a response to the uncertain future of the long-standing implicit security blanket from the U.S., featuring over €1 trillion in new defense and infrastructure spending. If enacted, it would be the largest fiscal stimulus the country has seen since post-Cold War reunification.

Specifically, the plan includes: (i) reforms to the country's "debt brake" with all defense spending above 1% of GDP excluded from the debt limit calculation; (ii) the creation of a €500 billion fund to invest in Germany's ailing infrastructure over 10 years; (iii) and an extension of the 0.35% debt brake limit to state budgets. Not only does this package have the potential to kick start Germany's economy out of a two-year recession, but it also shows a commitment to rearming its military after years of lackluster investment. While structural changes to Germany's tax code and regulatory body may still be necessary, the benefits are likely to spread throughout the EU.

For investors, this package has substantial implications for European markets, particularly if other countries decide to loosen their fiscal policies. If appropriated wisely, these large increases in government spending can lead to positive long-term growth effects. While bonds could underperform in the face of increased debt issuances and higher borrowing costs, European equities are well positioned to reap the rewards. Already up 16+% this year, with notable outperformance in defense and industrial stocks, the rise in European equities could be a longer-term trend in this new environment.

Please see important disclosures on next page.

## Weekly Data Center

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	5581	-1.52	-4.81	-4.81	7.64	27.75
Dow Jones 30	41584	-0.96	-1.85	-1.85	6.33	26.33
Russell 2000	5028	-1.62	-9.02	-9.02	-3.52	1.75
Russell 1000 Growth	2400	-2.57	-10.05	-10.05	7.67	32.04
Russell 1000 Value	1134	-0.45	1.18	1.18	6.17	19.13
MSCI EAFE	2451	-0.97	9.25	9.25	7.74	25.77
MSCI EM	1121	-0.86	4.81	4.81	10.86	9.36
NASDAQ	17323	-2.59	-10.15	-10.15	6.51	23.61

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.62	-0.04	2.54	2.54	4.64	2.18
U.S. Corporates	5.17	-0.21	2.09	2.09	4.67	4.44
Municipals (10yr)	3.68	-0.96	-0.03	-0.03	0.19	5.15
High Yield	7.86	-0.44	1.08	1.08	7.77	16.90

Key Rates	Levels (%)					
	3/28/25	3/21/25	12/31/24	12/31/24	3/28/24	3/28/22
2-yr U.S. Treasuries	3.89	3.94	4.25	4.25	4.59	2.35
10-yr U.S. Treasuries	4.27	4.25	4.58	4.58	4.20	2.46
30-yr U.S. Treasuries	4.64	4.59	4.78	4.78	4.34	2.57
10-yr German Bund	2.74	2.76	2.35	2.35	2.29	0.57
SOFR	4.36	4.30	4.49	4.49	5.34	0.28
3-mo. EURIBOR	2.33	2.39	2.71	2.71	3.89	-0.48
6-mo. CD rate	1.88	1.88	2.29	2.29	2.32	0.15
30-yr fixed mortgage	6.75	6.73	7.28	7.28	7.24	4.86
Prime Rate	7.50	7.50	7.50	7.50	8.50	3.50

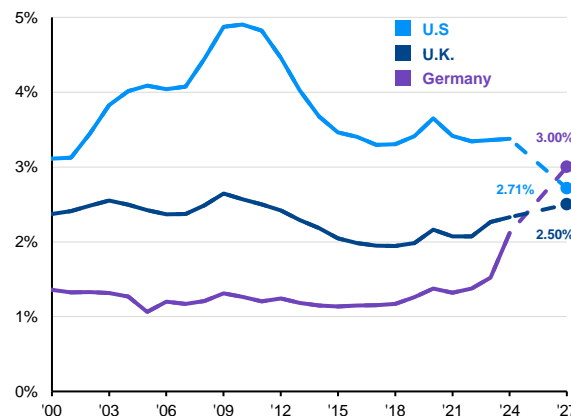
Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
20.07	4.88	1.31	47292	
18.85	5.39	1.85	17046	
22.64	1.86	1.41	2393	
25.21	11.92	0.62	26517	
16.20	2.73	2.04	24645	
14.14	1.89	2.67	17317	
12.29	1.76	2.19	7991	
24.33	6.40	0.72	28266	

Currencies	Levels		
	3/28/25	12/31/24	3/28/24
\$ per €	1.08	1.04	1.08
\$ per £	1.29	1.25	1.26
¥ per \$	150.28	157.16	151.35

Commod.	Levels		
	3/28/25	12/31/24	3/28/24
Oil (WTI)	69.90	72.44	83.96
Gasoline	3.12	3.01	3.52
Natural Gas	3.92	3.40	1.54
Gold	3072	2609	2214
Silver	34.40	28.91	24.54
Copper	9829	8706	8729
Corn	4.40	4.53	4.30
BBG Idx	258.23	238.62	231.40

## Chart of the Week

**Defense spending**  
% of nominal GDP, 2000 – 2027F



## Style Returns

	V	B	G
L	-0.4	-1.5	-2.6
M	-0.6	-1.1	-2.6
S	-1.1	-1.6	-2.1
L	1.2	-4.8	-10.0
M	-2.8	-3.9	-6.9
S	-7.5	-9.0	-10.4

## S&P 500 Sector Returns

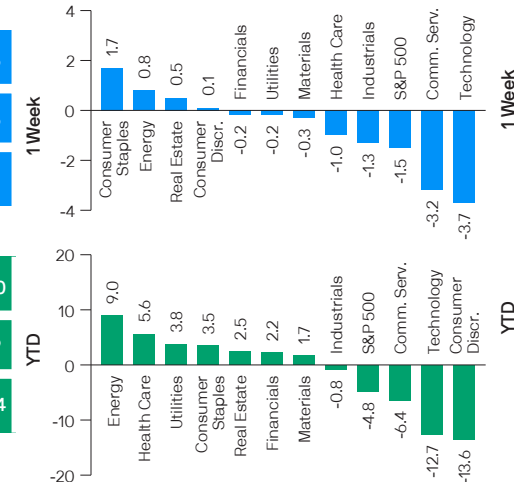




Chart of the Week: Source: Congressional Budget Office, Goldman Sachs Global Investment Research, HM Treasury, Stockholm International Peace Research Institute, J.P. Morgan Asset Management.

Thought of the week: Source: Reuters, Wall Street Journal, J.P. Morgan Asset Management.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.) ; provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI – EAFE; provided by: MSCI – gross official pricing. Index: MSCI – EM; provided by: MSCI – gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Bloomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by

Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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**Diversification does not guarantee investment returns and does not eliminate the risk of loss.**

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