

Monthly Market Pulse – 03/07/2025

Curated By: LMZ Wealth Management of WFA Financial Network

Markets experienced a volatile February. The S&P 500 declined 1.4%. The Dow Jones Industrial Average fell by 1.6%. The yield on the 10-Year US Treasury fell from 4.58% to 4.24%. The unemployment rate ticked up to 4.1% in January, up from 4.0% in February. The Federal Reserve's preferred measure of inflation, Personal Consumption Expenditures (PCE) rose 0.3%, taking the headline inflation rate to 2.5%.

Tariff announcements were made on February 1st as the White House ordered 25% tariffs on Canada and Mexico. Additional tariffs on Chinese goods were announced soon after. Technology stocks struggled throughout the month, reversing gains made in January and sliding into negative territory for 2025. NVIDIA released their quarterly earnings report at the end of February. Despite strong results, the stock market perception of the company remained cautious due to increased competition and potential trade disruptions. In the housing market, the median sale price of existing homes fell below \$400,000 for the first time since March of 2024. Short-term interest rates were unchanged during the month as the Federal Reserve did not meet in February.

Looking ahead to March, investors are seeking clarity on trade policy and how this may impact economic conditions in the US. A key report will be the unemployment statistics for insight into the US consumer. The Federal Reserve meets March 19th for a decision on short term interest rates.

Thank you for being our client,

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All data points sourced from FactSet

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