

April 2025

DeMarche Dashboard

A Flash Report on Markets and the Economy



Data and Commentary for the Period Ended 04/30/2025

Global Overview

U.S. equity markets remained volatile in April as new tariffs sparked a sharp initial selloff. The S&P 500 ended the month down 0.7%, after a late month rebound driven by a tariff delay and strong corporate earnings that reversed much of the initial 10% loss in the index. International equities continued to outperform in April, led by the MSCI EAFE's 4.6% gain, as Europe showed early strength on pre-tariff inventory buildup and central bank quantitative easing. The Eurozone economy expanded while the U.S. contracted in Q1, marking the first time Eurozone growth has outpaced the U.S. in nearly three years. The dollar continues to be challenged as a result of economic and political headwinds as investors question the long-term implications of new policies, Federal Reserve independence, and the sustainability of U.S. economic leadership.

U.S. Markets & Economy

March's volatility continued into April, as domestic equity markets grappled with ongoing policy uncertainty, shifting interest rate expectations, and renewed geopolitical tensions. On April 2, President Trump announced a universal 10% tariff on all U.S. imports, along with additional, higher tariffs targeting China (34%), the European Union (20%), Vietnam (46%), Taiwan (32%), India (26%), and Japan (24%). In the two days following these tariff announcement, dubbed "Liberation Day," the U.S. equity market declined around \$6.6 trillion, as investors reacted adversely to the scale, breadth, and abrupt delivery of the tariff policy decision. Following the market's adverse reaction, President Trump later announced a 90-day pause on the newly imposed tariffs for all countries besides China. The delay, along with better-than-expected corporate earnings, helped reverse much of the S&P 500's initial loss, as the index ended the month down 0.7%. Leading indicators continue to be challenged in the economic backdrop, as the Conference Board Consumer Confidence Index fell from 93.9 to 86.0 points, marking the lowest level since 2020. Similarly, ISM Manufacturing PMI slightly contracted from 49.0 to 48.7, and Initial jobless claims experienced a slight uptick in April, as the four-week moving average rose from 222,500 to 226,000. As a result, real GDP contracted for the first time since 2022 by an annualized 0.3%. Despite value stocks outperforming over the prior two months, growth once again took leadership in April. The Russell 1000 Growth Index returned 1.8%, outperforming the Russell 1000 Value's 3.1% decline. The trend was similar in small caps, where the Russell 2000 Growth lost 0.6% while the Russell 2000 Value fell 4.0%.

The U.S. bond market responded to April's volatility with a modest steepening of the yield curve, as short-term yields declined amid a flight to Treasuries, while longer-term yields rose on inflation and tariff concerns. The Federal Reserve maintained its policy rate at 4.25% to 4.50%. Credit spreads widened across both investment-grade and high-yield bonds, reflecting broad-based risk aversion as investors shifted toward safer assets. As a result of rising long-term yields, the Bloomberg U.S. Government/Credit Long Index posted a negative 1.2% return. In contrast, shorter-duration indexes posted gains for the month, as the Bloomberg U.S. Aggregate and Bloomberg Government/Credit Index both returned 0.4%, while the Bloomberg Government/Credit Intermediate Index returned 0.9%. Lastly, the ICE BofA U.S. High Yield Index was roughly flat for the month.

International Markets & Economy

The Eurozone economy expanded 0.4% in the first quarter aided by American businesses building up stocks of imported goods in anticipation of higher tariffs. This marks the first time that EU has outgrown the U.S. in almost three years. However, activities are expected to weaken as the U.S. tariffs are implemented. The European Union now pays a 10% universal tariff, and 25% duty on cars, steel, and aluminum for their annual \$235.6bn exports to the U.S. The ECB cut rates for a seventh time in eight meetings to 2.25% from 2.5% in early April as inflation fell to 2.2% in March

DeMarche Dashboard

Data and Commentary for Periods Ended 04/30/2025

April 2025

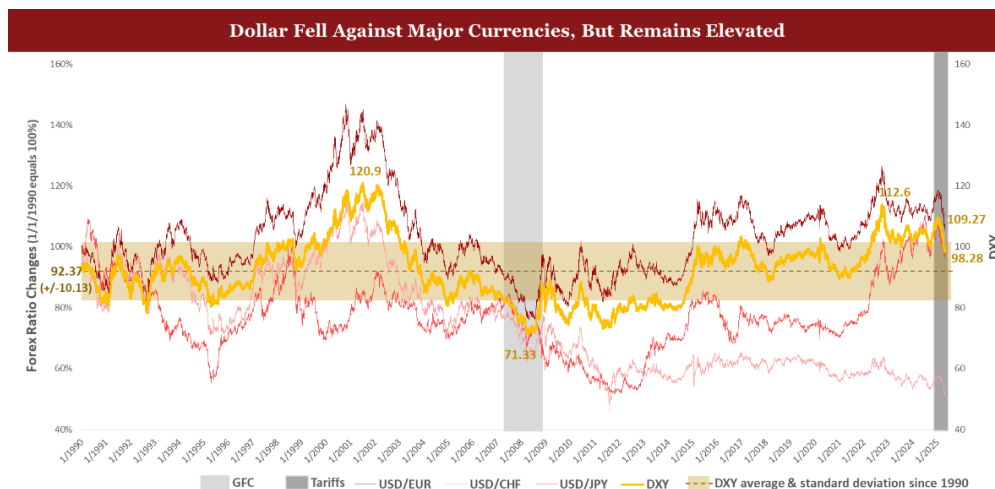
Page 2 of 6

from 2.3% in February. Germany's GDP grew 0.2% in Q1 of 2025, and its April PMI declined from 51.3 to 49.7 in March. The country's lawmakers last month agreed to break its borrowing restriction and allow for unlimited borrowing for defense spending and an infrastructure fund worth up to €500bn. The incoming German chancellor Friedrich Merz sealed a deal with Social Democrats to form a new government that aims to spur economic growth, ramp up defense spending, take a tougher approach to immigration and catch up on long-neglected modernizations. France's GDP rose 0.1% in the first quarter, and its April PMI fell to 47.3 from 48 in March. Japanese core CPI rose 3.2% in March from February, exceeded the BOJ's 2% inflation target. BoJ kept interest rate steady at 0.5% and halved its growth forecast for fiscal year 2025 from 1.1% to 0.5% for the Japanese economy as U.S. tariffs begin to materialize. Canadian voters selected Mark Carney as their new Prime Minister in April. The incoming PM promised he won't bend to Trump and would carve out a more diversified trade network and an independent path from the U.S. The international market outperformed the U.S. market last month with MSCI EAFE index gaining 4.6% in April. China's GDP grew by a better-than-expected 5.4% in the first quarter, supported by strong exports ahead of Trump's 145% tariffs on Chinese products. Beijing has retaliated with 125% tariffs on U.S. exports and showed no signs of bending. Against this backdrop, the MSCI Emerging Markets index returned 1.3% in April.

In the News

The dollar index (DXY) fell 4.5%, reaching a three year low at 99.01 on April 28th, the second largest monthly drop in 10 years. The depreciation is viewed as a market reaction to Trump's tariff policies and the long term implications of slower GDP growth and protectionism. Some on Wall Street believe the high tariffs are part of an effort (the "Mar-A-Lago Accord") to structurally weaken the dollar in the longer run, which could potentially boost U.S. exports and lower the value of U.S. debts. The Euro, Swiss Franc, and Yen appreciated against dollar in April. Goldman Sachs expects the dollar will depreciate another 25-30% as the current value of the currency still stands nearly two standard deviations above its average level since 1973. The dollar had been on an upward trend since the GFC thanks to the prosperous U.S. economy, the world's largest and most liquid capital market. Concerns are piling up over a potential paradigm shift. The reduced trade deficit, could lower U.S.' capital account surplus given the balance of international payments and could eventually impact the demand for U.S. treasury bonds (which may increase rates). The annual U.S. current-account trade deficit is close to \$1trillion, which requires funding through net capital inflows every year. Foreign investors now hold \$22 trillion in U.S. assets. Despite concerns, markets do not expect the dollar to lose its status as the world's reserve currency due to its global role in reserves, trade settlement, and financial infrastructure. The dollar accounts for about 90% of foreign exchange transactions, 66% of international debt, 58% of foreign exchange reserves, and 48% of SWIFT transactions, according to JPMorgan.

Chart of the Month



DeMarche Dashboard

Data and Commentary for Periods Ended 04/30/2025

April 2025

Page 3 of 6

Capital Markets Overview

	TRAILING			ANNUALIZED				
	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	
Broad Market	MSCI World NR USD	0.89	(4.30)	(0.92)	12.16	11.06	13.95	9.34
	Bloomberg US Agg Bond TR USD	0.39	2.64	3.18	8.02	1.95	(0.67)	1.54
	Russell 3000 TR USD	(0.67)	(8.26)	(5.36)	11.40	11.41	15.12	11.68
	DJ Industrial Average TR USD	(3.08)	(8.30)	(3.92)	9.48	9.41	13.05	11.04
	NASDAQ Composite PR USD	0.85	(11.11)	(9.65)	11.42	12.25	14.44	13.44
	MSCI EAFE NR USD	4.58	6.18	11.76	12.57	10.07	11.37	5.45
	FTSE Treasury Bill 3 Mon USD	0.36	1.08	1.46	5.07	4.54	2.74	1.94
	Bloomberg Commodity TR USD	(4.81)	(0.30)	3.64	4.08	(3.70)	13.74	1.70
Domestic Equities	S&P 500 TR USD	(0.68)	(7.50)	(4.92)	12.10	12.18	15.61	12.32
	S&P MidCap 400 TR	(2.25)	(11.62)	(8.21)	1.19	6.21	13.34	8.35
	S&P SmallCap 600 TR USD	(4.19)	(15.21)	(12.74)	(1.93)	2.01	11.42	7.32
	Russell 1000 TR USD	(0.60)	(7.99)	(5.06)	11.94	11.87	15.42	12.03
	Russell 1000 Growth TR USD	1.77	(10.15)	(8.37)	14.53	15.60	17.23	15.27
	Russell 1000 Value TR USD	(3.05)	(5.36)	(0.98)	8.55	7.61	13.00	8.36
	Russell Mid Cap TR USD	(1.03)	(8.30)	(4.40)	7.33	7.08	12.96	8.81
	Russell Mid Cap Growth TR USD	3.36	(9.76)	(4.00)	13.65	11.70	12.31	10.58
	Russell Mid Cap Value TR USD	(2.48)	(7.78)	(4.54)	5.24	5.04	13.24	7.47
	Russell 2000 TR USD	(2.31)	(13.83)	(11.57)	0.87	3.27	9.88	6.32
	Russell 2000 Growth TR USD	(0.64)	(14.39)	(11.68)	2.42	5.05	7.60	6.39
Russell 2000 Value TR USD	(4.02)	(13.23)	(11.45)	(0.68)	1.38	11.74	5.87	
International Equities	MSCI ACWI Ex USA NR USD	3.61	4.81	9.03	11.93	8.03	10.09	4.83
	MSCI EAFE NR USD	4.58	6.18	11.76	12.57	10.07	11.37	5.45
	MSCI EAFE Growth NR USD	5.15	1.88	7.39	6.62	7.02	8.08	5.60
	MSCI EAFE Value NR USD	4.06	10.45	16.09	18.64	13.09	14.49	5.02
	MSCI Japan NR USD	5.23	3.96	5.58	8.28	10.43	8.77	5.43
	MSCI AC Asia Ex Japan NR USD	0.74	1.81	2.57	10.79	3.86	5.54	3.58
	MSCI Europe NR USD	4.37	7.88	15.31	13.69	11.04	12.82	5.68
	MSCI United Kingdom NR USD	2.65	7.03	12.61	15.28	10.27	13.26	4.45
	MSCI EAFE Small Cap NR USD	5.80	6.05	9.71	12.42	5.26	8.96	5.46
	MSCI EM NR USD	1.31	2.45	4.28	9.02	3.85	6.35	3.07
Fixed Income	Bloomberg US Govt/Credit TR USD	0.42	2.58	3.13	7.66	1.95	(0.70)	1.68
	Bloomberg US Govt/Credit Interm TR USD	0.93	2.79	3.37	8.09	3.19	0.76	1.90
	Bloomberg US Govt/Credit Long TR USD	(1.16)	1.94	2.37	6.35	(1.73)	(4.81)	1.14
	ICE BofA US High Yield TR USD	0.00	(0.43)	0.95	8.69	6.14	6.42	4.79
	Credit Suisse HY USD	(0.04)	(0.71)	0.65	7.73	6.06	6.48	4.69
	Morningstar LSTA US LL Index TR USD	(0.05)	(0.26)	0.43	6.16	7.12	8.00	4.88
	FTSE WGBI NonUS USD	5.37	7.34	7.82	8.81	(0.56)	(3.29)	(0.53)
	Bloomberg Gbl Agg Ex USD TR USD	5.11	7.14	7.77	9.48	0.49	(1.77)	0.10
REITs	FTSE Nareit All REITs TR	(2.23)	(0.59)	0.57	15.28	(1.24)	7.24	5.73
	Wilshire US REIT TR USD	(2.67)	(2.69)	(1.69)	16.39	(0.20)	8.77	5.66

USD - US dollar priced index TR - Total Return PR - Price Return LCL - Local Currency Priced Index NR - Return includes reinvested net dividends

Source: Morningstar

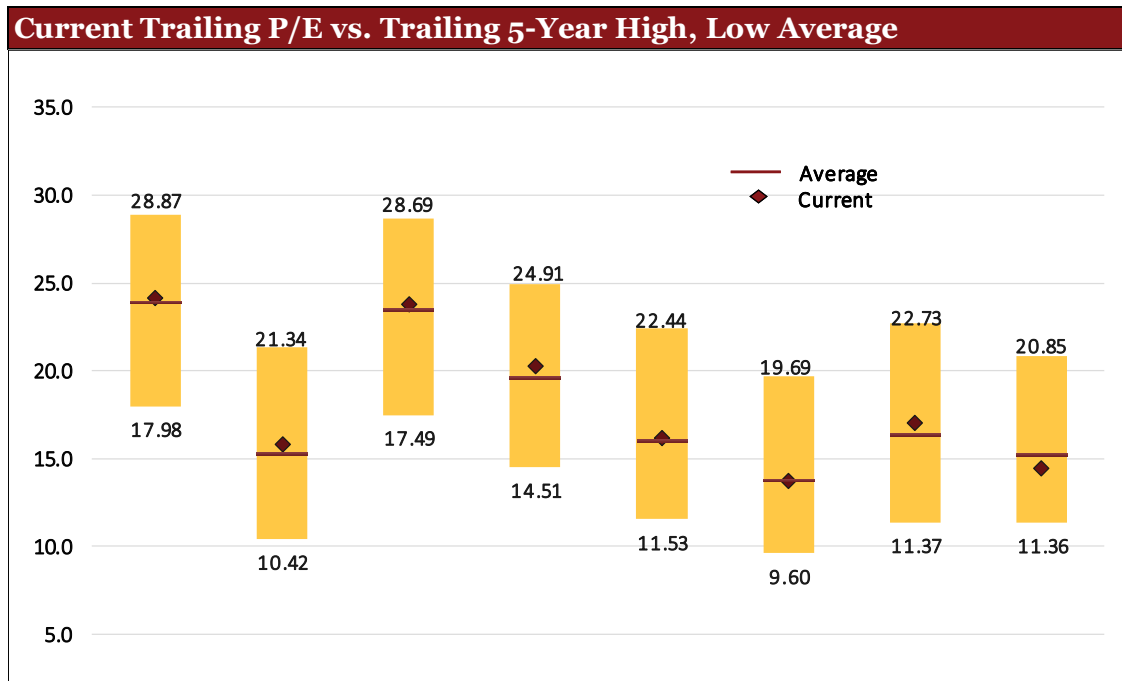
For Institutional Use Only

DeMarche Dashboard

Data and Commentary for Periods Ended 04/30/2025

April 2025

Page 4 of 6



	S&P 500	Russell 2000	Russell 1000	MSCI AC World	MSCI EAFE	MSCI EM	MSCI Europe	MSCI AC Asia Pac
High Month	Mar-21	Mar-21	Mar-21	Mar-21	Mar-21	Jan-21	Mar-21	Jan-21
Low Month	Sep-22	Sep-22	Sep-22	Sep-22	Sep-22	Oct-22	Sep-22	Sep-22

Source: Morningstar; Data as of 04/30/2025

Economic Indicators

	GDP			Unemployment Rate	Interest Rates	Exchange Rates ³ per US \$		Inflation ²
	Latest ¹	2025 ¹	2026 ¹	(Most recently available)	Sovereign Bonds, 10 Year	Current	1 Year Ago	(Most recently available)
United States	-0.30	2.20	1.60	4.20	4.23	-	-	2.80
China	1.20	4.80	4.40	5.20	1.63	7.27	7.24	0.50
Japan	0.60	1.10	0.20	2.50	1.26	144.52	153.77	3.20
United Kingdom	0.10	1.40	1.20	4.40	4.52	1.33	1.25	3.40
Euro Area	0.40	1.00	1.20	6.20	3.08	1.13	1.07	2.70
Germany	0.20	0.40	1.10	6.30	2.53	1.13	1.07	2.60
France	0.10	0.80	1.00	7.30	3.25	0.92	1.07	1.30
Italy	0.30	0.70	0.90	6.00	3.63	1.13	1.07	2.10
Canada	0.60	0.70	0.70	6.70	3.22	1.38	1.37	2.20
India	1.60	6.40	6.60	7.90	6.35	85.58	83.40	4.95
Mexico	0.20	-1.30	-0.60	2.20	9.45	19.67	16.93	3.64
Brazil	0.20	2.10	1.40	7.00	14.09	5.65	5.11	4.21

Sources: (Most recently available data) St. Louis Federal Reserve, The Wall Street Journal, OECD, Trading Economics

1. Latest GDP is seasonally adjusted annualized rate. 2025 & 2026 is forecasted data from OECD

2. In terms of Core CPI

3. Euro Area and U.K. exchange rates quoted in market standard format (USD/Non-USD currency)

4. Germany, France, and Italy currency exchange rates are taken at the Euro Area exchange rates

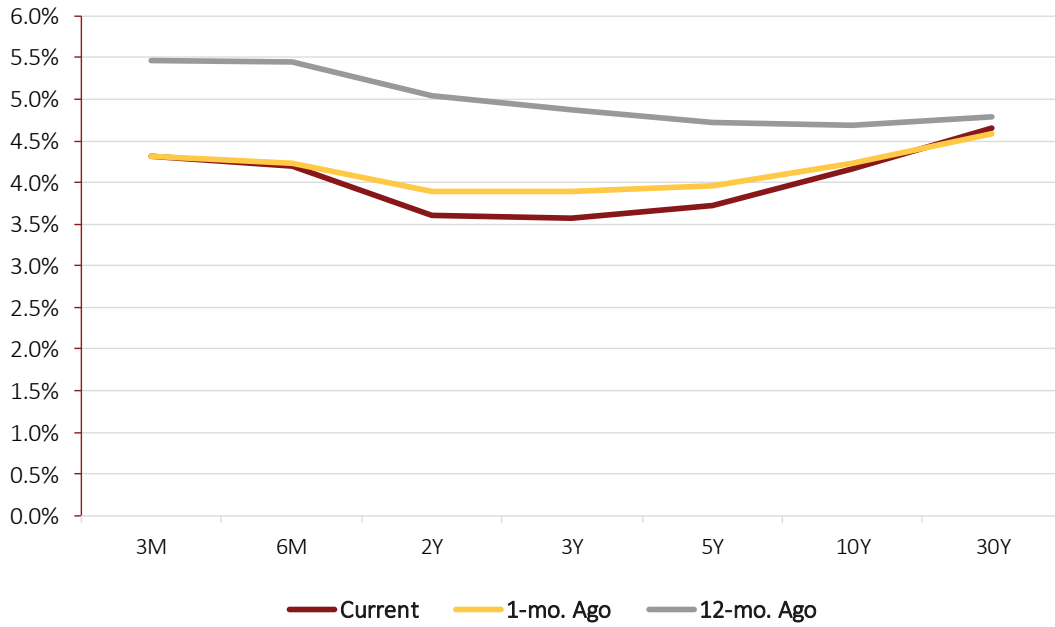
DeMarche Dashboard

Data and Commentary for Periods Ended 04/30/2025

April 2025

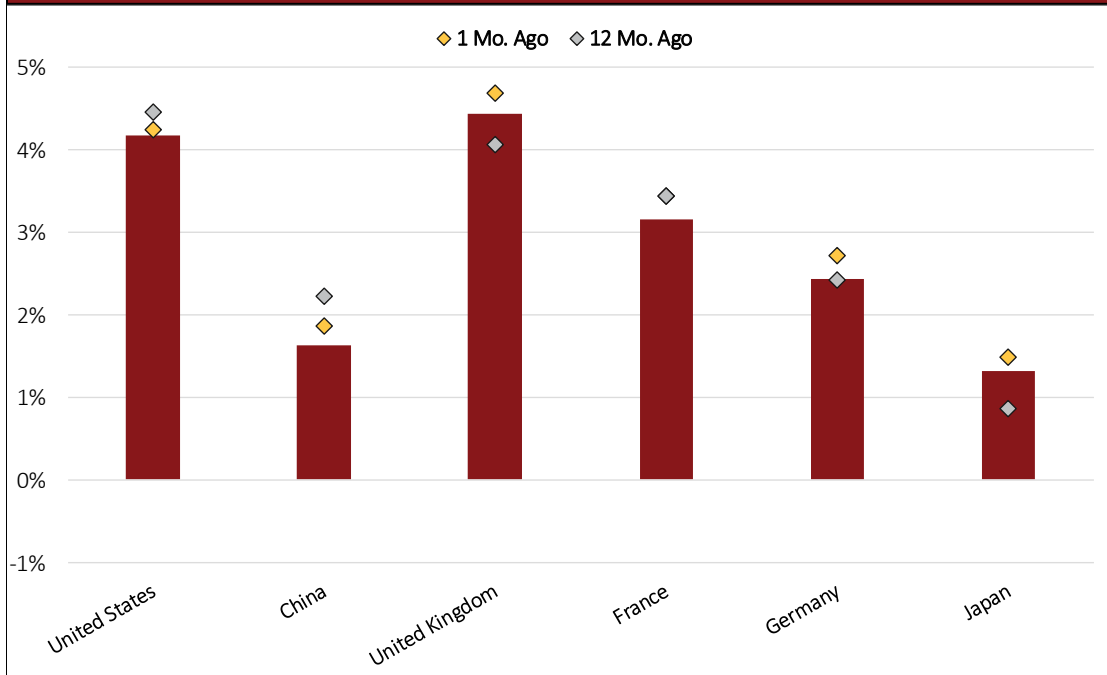
Page 5 of 6

U.S. Treasury Yield Curves



Source: Federal Reserve Bank; Data as of 04/30/2025

10-Year Sovereign Yields



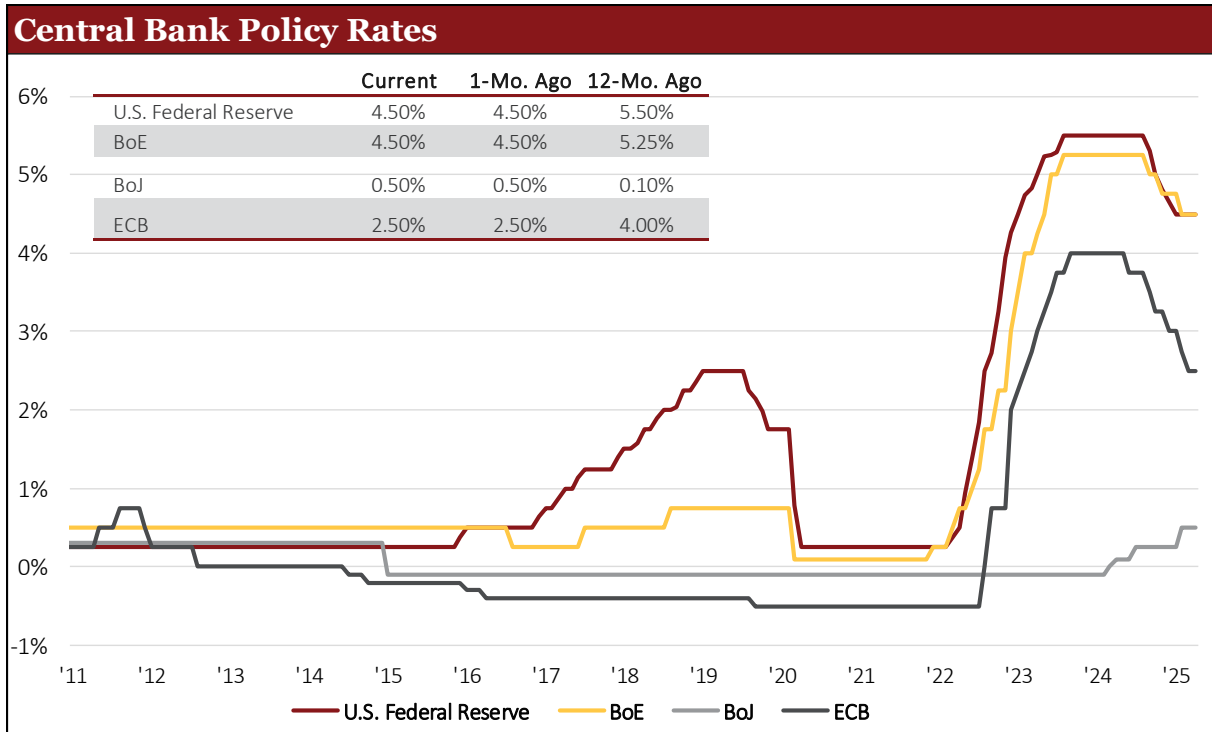
Source: Trading Economics; Data as of 04/30/2025

DeMarche Dashboard

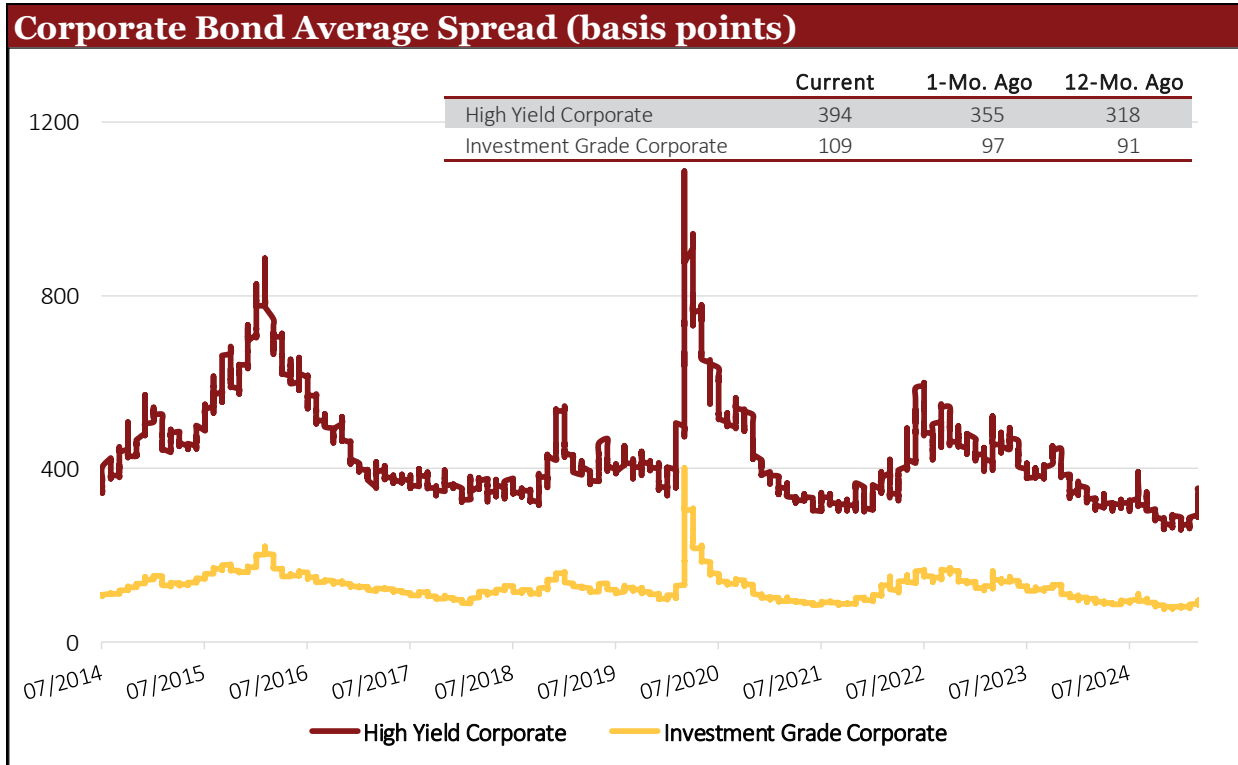
Data and Commentary for Periods Ended 04/30/2025

April 2025

Page 6 of 6



Source: Federal Reserve Bank, Bank of England, European Central Bank, Trading Economics; Data as of 04/01/2025



Source: Federal Reserve Bank, Bank of America; Data as of 04/30/2025