

## MONDAY MORNING RECAP - March 24, 2025

### Last Week

Dow Jones Industrial Average (DJIA)	41,985.35	+497.16	+1.20%
S&P 500 Index	5,667.56	+28.62	+0.51%
NASDAQ Composite Index	17,784.05	+29.97	+0.17%
U.S. 10 yr. Treasury Note Yield	4.25%	-6 Basis Points	
Gold (\$ per troy oz.)	\$3,018.20	+\$23.70	+0.79%
WTI Oil (\$ per barrel)	\$68.28	+\$1.37	+2.05%

### Market Summary

**Global Equities:** US equities posted weekly gains for the first time in five weeks despite continued uncertainty around the future of US inflation and economic growth. The S&P 500 rose 0.51%, with the Magnificent 7 stocks now trading at their lowest valuation premium to the rest of the S&P 500 since 2017 despite new announcements on increased AI spending. Outside the US, the STOXX 600 and FTSE 100 ended the week up 0.62% and 0.18%, respectively, with the former rising mid-week after signs of inflation progress in the Euro Area.

**Commodities:** Oil prices rose for the second consecutive week on the back of growing tensions in the Middle East and fresh US sanctions on Iran. WTI and Brent Crude ultimately ended the week at \$68.28 and \$72.16/bbl, respectively. Meanwhile, gold prices notched another all-time high last week behind strong demand for the safe-haven asset, before ending the week at \$3018.20/troy oz.

**Fixed Income:** US Treasury yields slid last week after FOMC commentary indicated the potential for further rate cuts in 2025. The 2-Year and 10-Year US Treasury yields ended the week at 3.95% and 4.25%, respectively. Elsewhere, the 10-Year UK Gilt yield rose slightly last week as the BoE reiterated its gradual approach to any further policy easing, ultimately ending the week at 4.71%.

**FX:** The US dollar strengthened against a basket of currencies, posting its first weekly gain in over three weeks, with the US dollar index rising 0.36%. The euro fell against the dollar, ending the week at \$1.08, as investors remain cautious towards looming US tariff policy announcements.

## **Economic Summary**

**Monetary Policy:** The FOMC left the target rate unchanged at 4.25-4.50% at its March meeting and decided to slow the pace of balance sheet runoff by \$20bn per month. The Committee updated the post-meeting statement to note that “Uncertainty around the economic outlook has increased.” The median Summary of Economic Projections forecast showed higher core inflation and unemployment rate forecasts in 2025 and a lower GDP growth forecast for 2025-2027. Meanwhile, the Bank of England’s MPC voted to keep the policy rate at 4.5% at its recent meeting, reiterating that “gradual and careful” approach to policy easing is appropriate while acknowledging the two-sided risks around the monetary policy path. The Bank of Japan also held its policy rate at 0.5%. BOJ Governor Ueda noted that the recent shunto spring wage agreement to raise the base pay by 3.8% was somewhat higher than expectations but still in the range.

**Activity:** In the US, core retail sales rose 1.0% in February, well above consensus expectations. Core retail sales growth was weakest at clothing stores, sporting goods stores, and miscellaneous store retailers, and strongest at non-store retailers, and health and personal care stores. Headline spending rose 0.2%, below consensus expectations.

**Inflation:** The Euro Area final release of February inflation prints showed that headline inflation came in at 2.3% YoY, below consensus expectations, while core inflation rose by 2.6% YoY. Services inflation remains the main driver contributing 1.7% YoY in February. In Japan, national new core CPI rose to 2.6% YoY in February from 2.5% in the prior month.

## **Key Economic Releases**

**Monday, March 24:**

US Manufacturing PMI (Con: 51.9, Prior: 52.7)

US Services PMI (Con: 51.2, Prior: 21.0)

**Tuesday, March 25:**

US CB Cons. Confidence (Con: 94.2, Prior: 98.3)

US Net Home Sales (Con: 682K, Prior: 657K)

**Wednesday, March 26:**

US CPI YoY (Con: 2.9%, Prior: 3.0%)

**Thursday, March 27:**

US 4Q GDP QoQ (Con: 2.3%, Prior: 3.1%)

**Friday, March 28:**

US Core PCE YoY (Con: n/a, Prior: 2.6%)

UK 4Q GDP QoQ (Con: 0.1%, Prior: 0.0%)

Source: Goldman Sachs Asset Management: "Market Monitor", 3/21/2025

"AI" refers to Artificial Intelligence. "Magnificent 7" refers to NVDA, AMZN, TSLA, META, AAPL, GOOG, and MSFT. "WTI" refers to West Texas Intermediate crude oil, a common US benchmark for oil prices. "Brent" refers to a global benchmark for oil prices worldwide. "Bbl" refers to barrel. "Oz" refers to ounce. "FOMC" refers to Federal Open Market Committee. "BoE" refers to Bank of England. "BoJ" refers to Bank of Japan. "GDP" refers to Gross Domestic Product. "YoY" refers to year-over-year. "National new core CPI" refers to Consumer Price Index, excluding fresh food and energy.

### **Disclosure Statement**

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