

MONDAY MORNING RECAP - April 7, 2025

Last Week

Dow Jones Industrial Average (DJIA)	38,314.86	-3,269.04	-7.86%
S&P 500 Index	5,074.08	-506.86	-9.08%
NASDAQ Composite Index	15,587.79	-1,735.20	-10.02%
U.S. 10 yr. Treasury Note Yield	4.01%	-26 Basis Points	
Gold (\$ per troy oz.)	\$3,012.00	-\$74.50	-2.41%
WTI Oil (\$ per barrel)	\$61.99	-\$7.37	-10.63%

Market Summary

Global Equities: US equities plunged last week on the back of President Trump's reciprocal tariff announcement. The S&P 500 fell -9.08% as additional tariffs, especially those on Asian trading partners, raised concerns for negative growth shocks alongside spikes in prices. Global equities followed suit, with the STOXX 600 and FTSE 100 falling -8.36% and -6.94%. Meanwhile, the Hang Seng index also fell -2.46% as trade tensions escalated with China swift to impose a 34% reciprocal tariff on US goods last Friday.

Commodities: Oil prices fell last week as concerns for a global recession heightened. WTI and Brent Crude ultimately ended the week at \$61.99 and \$65.58/bbl, respectively, following the Energy Information Administration reporting an increase in crude oil inventories, against consensus expectations for a decrease. Meanwhile, gold prices continued to reach all-time highs as investors flocked to safe-haven assets, ending the week at \$3012.00/troy oz.

Fixed Income: US Treasury yields fell last week on the back of elevated investor expectations for more policy rate cuts due to growth concerns. The 2-Year and 10-Year US Treasury yields ended the week at 3.68% and 4.01%, respectively. Across the pond, the 10-Year German bund yield ended the week at 2.58% despite a larger decrease in core inflation than expected.

FX: The US dollar weakened against a basket of currencies, experiencing its worst day since 2022 last Thursday. The US dollar index fell -0.98% as growth concerns outweighed sweeping tariff announcements. Conversely, the euro and yen strengthened as challengers to the dollar, ending the week at \$1.0956 and ¥146.93, respectively, with the latter hitting a 6-month high as investors brace for escalation of retaliatory tariffs.

Economic Summary

Politics: President Trump announced a reciprocal tariff plan that consists of two parts: 1) a 10% baseline tariff that would apply to imports from all countries excluding Canada and Mexico, and 2) an additional tariff on most major trading partners to take effect April 9th. Most Asian trading partners were hit higher than expected, likely due to the larger trade surpluses they run from cheaper production. This reciprocal tariff policy would impose a weighted average tariff rate of 18.3%. However, roughly 1/3 of total imports would be exempt, which would reduce the impact to a 12.6pp increase in the effective tariff rate.

Labor: In the US, nonfarm payrolls surprised to the upside, with employers adding 228k jobs in March, above consensus expectations for 137k. Meanwhile, the unemployment rate edged up to 4.2% in March from 4.1% the month prior. JOLTS job openings printed below consensus expectations for February, coming in at 7.568M versus 7.690M. Outside the US, unemployment in the Euro area undershot expectations by 0.1pp, decreasing to 6.1% in March.

Activity: The US ISM Manufacturing PMI printed at 49.0, below consensus expectations for 49.5. Meanwhile, the ISM Services PMI printed at 50.8, below consensus expectations for 53.0.

Inflation: Euro area headline and core CPI printed at 2.2% and 2.4% year-over-year respectively in March, both below consensus expectations.



Key Economic Releases

Monday, April 7:

No economic releases

Tuesday, April 8:

No economic releases

Wednesday, April 9:

No economic releases

Thursday, April 10:

US Core CPI YoY (Prior: 3.1%) US CPI YoY (Prior: 2.8%%)

Friday, April 11:

UK GDP MoM (Prior: - 0.1%) US Core PPI MoM (Prior: 0.0%)
US UMich. Consumer Sentiment (Prior: 57.0)

Source: Goldman Sachs Asset Management: "Market Monitor", 4/4/2025

"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. "JOLTS" refers to Job Openings Labor Turnover Survey. "pp" refers to percentage points. "ISM" refers to Institute for Supply Management. "PMI" refers to Purchasing Managers Index. "Core CPI" refers to Consumer Price Index, excluding food and energy.

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