

# CAPITAL MARKETS REPORT - MARCH 17, 2025



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## SERVICE BEYOND COMPARISON

### Market Movers:

- Ongoing trade wars continue to agitate markets as the threat of tariffs expand. The S&P 500 descended into correction on Thursday.
- Building on last week's trade war uncertainty, the early part of the week was full of back and forth posturing over tariffs. Monday kicked off the week with a stock meltdown that ended with the worst day since 2022 for the tech-heavy Nasdaq dropping over a trillion dollars in value. The renewed volatility from the S&P's decline resulted in investors seeking solace in the Treasury market.
- Driven by medical care, used vehicles, recreation, and apparel, February's CPI number came in just below expectations. The number also revealed a drop in airfares which is consistent with the airlines projections of lower travel demand by consumers. Major players, pointing to reduced consumer demand, took measures to adapt including Delta cutting profit expectations and Southwest announcing new checked bag fees and other changes.
- February's PPI was unchanged from the prior month after January's number was revised slightly higher.
- Coming in much weaker than expected, February's consumer confidence number reflected the public's fear-riddled expectations for a bleaker economy.
- Tensions over the potential government shut down eased after Senate Democratic leader Chuck Schumer reversed course in a Senate floor speech, removing some of the potential road blocks to getting the Republican bill through the Senate, which passed in the GOP-lead House earlier in the week. The full Senate passed the bill on Friday night and President Trump signed the six-month funding bill on Saturday.
- Fed Funds futures are now pricing two 25bps rate cuts this year with the first likely cut in July.

### Market Last Week

	3/07/25 Close	03/14/25 Close	Weekly Change
2 yr. Note	4.00%	4.02%	+2bps
5 yr. Note	4.09%	4.09%	unch.
10 yr. Note	4.30%	4.31%	+1bp
30 yr. Bond	4.60%	4.62%	+2bps
SOFR Rate	4.32%	4.32%	unch.

### Data This Week

Date/Time (ET)	Economic Data	Market Estimate	Prior Report
3/17/25 8:30 AM	Retail Sales Adv MoM (Feb)	0.60%	-0.90%
3/17/25 10:00	NAHB Hsg Market Index (Mar)	42	42
3/18/25 8:30	Housing Starts (Feb)	1381k	1366k
3/18/25 8:30	Building Permits (Feb)	1450k	1473k
3/18/25 8:30	Import Price Index MoM (Feb)	-0.10%	0.30%
3/18/25 8:30	Export Price Index MoM (Feb)	-0.20%	1.30%
3/18/25 9:15	Industrial Produc- tion MoM (Feb)	0.20%	0.50%
3/19/25 7:00	MBA Mtg Applica- tions (March 14)	--	11.20%
3/19/25 14:00	FOMC Rate Deci- sion (Mar 19)	unch.	4.25-4.5%
3/20/25 8:30	Initial Jobless Claims (Mar 15)	224k	220k
3/20/25 10:00	Leading Index (Feb)	-0.20%	-0.30%
3/20/25 10:00	Existing Home Sales (Feb)	3940k	4080k

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