

# CAPITAL MARKETS REPORT - APRIL 7, 2025



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## Market Movers:

- Tariffs : Global Market Angst
- Following Donald Trump's sweeping implementation of trade tariffs, markets across the globe have cratered, wiping out \$9.5 Trillion dollars in US equity value alone. One Bloomberg columnist laid bare the market's reaction to the fundamental shift in foundational changes. *"One of the consequences of... Trumponomics is that it has brought a **toxic uncertainty** to the global economy. And yet the uncertainty that Trump is injecting isn't entirely new—and it's also not going away. The predictable pillars of the modern economy are crumbling."*
- Here at home, traders are now pricing in 4 (you read that right) quarter point target rate cuts by year-end including a growing belief that the Fed will be forced to make a cut prior to their next scheduled meeting on May 7. The FOMC's dilemma is being exacerbated by rising inflation concerns coincident with a decelerating economy. Citi's research group is now predicting US inflation to *"go from previously expecting 2% to being more like 4% this year for CPI, for PCE. Now, that's a problem for the Fed."*
- The past tells us that economic destabilizations like these typically lead to both economic and political unrest around the world as well...*"history indicates that one period of uncertainty leads into another. The Smoot-Hawley tariffs of 1930 helped lengthen and deepen the Great Depression and led to the collapse of global trade, which hit German exports. That in turn contributed to the downturn that helped Hitler recover from a false start in German politics."* When trade is restricted in nations that have few sources of economic viability, social unrest often ensues as well.
- Currently, the DOW has opened down 1345 and the 10Y yield is up 4bps to 4.03%.

## Market Last Week

	3/28/25 Close	04/04/25 Close	Weekly Change
2 Y. Note	3.91%	3.65%	-26bps
5 Y Note	3.97%	3.71%	-26bps
10 Y Note	4.25%	4.00%	-25bps
30 Y Bond	4.63%	4.41%	-22bps

## Data This Week

Date/Time (ET)	Economic Data	Market Esti- mate	Prior Report
04/07/25 3:00 PM	Consumer Credit	\$15B	\$18B
04/08/25 6:00 AM	NFIB Small Biz Optimism	99.0	100.7
04/9/25 7:00 AM	MBA Mortgage Applications	n/a	-1.6%
04/10/25 8:30 AM	CPI (MoM)	0.1%	0.2%
04/10/25 8:30 AM	CPI Ex Food & Energy (MoM)	0.3%	0.2%
04/10/25 8:30 AM	Initial Jobless Claims	224K	219K
04/10/25 8:30 AM	Continuing Claims	1884K	1903K
04/11/25 8:30 AM	PPI (MoM)	0.2%	0.0%
04/11/25 8:30 AM	PPI Ex Food & Energy (MoM)	0.3%	-0.1%
04/11/25 10:00 AM	U of M Consumer Sentiment	54.0	57.0
04/11/25 10:00 AM	U of M Expectations	50.8	52.6

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