

Market Commentary

Last Week's Highlights: More news about potential pauses in tariffs, along with highly-leveraged institutional funds de-risking, seems to have calmed markets for the moment. The Dow was up 4.95% last week, while the S&P 500 gained 5.70%, the Nasdaq was up 7.29%, and the Russell 2000 added 1.82%. Bond yields were higher across the board, leading to declines for bonds. The BBgBarc Agg Bond Index was down 2.60% for the week, while short-term bonds lost 0.49%. The US dollar was down for the 2nd week, but international equities were mixed. The MSCI EAFE Index was up 0.73%, while the MSCI Emerging Markets Index declined 3.94%. **Economic Data:** Most investors will be focused on Fed Chairman Powell's comments on Wednesday of this week. The key economic data releases this week are NY Empire State Manufacturing Index, Redbook Sales, Retail Sales, Industrial Production, Manufacturing Production, NAHB Housing Market Index, Building Permits (P), Philly Fed Manufacturing Index, Housing Starts, Initial Jobless Claims, & Continuing Claims. **Earnings Releases:** Financials and Netflix report this week. The key earnings releases this week are GS, PNFP, JNJ, BAC, C, PNC, ABT, USB, FHN, TSM, UNH, NFLX, SCHW, KEY, FITB, & ALLY. **Takeaways:** Despite the volatile week with markets suffering intra-day declines of up to 3% and intra-day advances of up to 9%, the S&P 500 Index had it's best week (+5.7%) since November, 2023. Last week, the numbers for both CPI (Consumer Price Index) and PPI (Producer Price Index) came in lower than expected and dropped on a year-over-year basis. Initial Jobless Claims were flat, while Continuing Claims declined. Neither metric is anywhere close to the elevated levels typically seen prior to recessions. Meanwhile, instead of explaining to investors what has been going on behind the scenes, news media have been busy stoking fear. The "Basis Trade" - hedge funds using leverage to gain a performance advantage and selling assets due to lower collateral levels - is the reason for a large portion of the volatility. Moving forward, if we look at days like Tuesday & Wednesday, when the S&P closed below it's 200-day low, then 97% of the stocks in the index move higher the following day, we see good results long-term. Tuesday & Wednesday's results have occurred 9 other times since 2008. In each case, the returns 9 months and 12 months later were positive, with the average return being 25.3% and 29.9%, respectively.

Market Returns

Sectors	1 Week Return	YTD Return
Technology	8.94%	-15.10%
Industrials	6.09%	-7.45%
Energy	0.11%	-7.55%
Communication Svcs	6.40%	-8.83%
Basic Materials	3.99%	-3.55%
Consumer Cyclical	3.79%	-16.05%
Financial Svcs	5.46%	-4.29%
Real Estate	-0.51%	-4.31%
Consumer Defensive	2.75%	2.64%
Healthcare	1.23%	-1.10%
Utilities	3.28%	1.63%

Key Indices	1 Week Return	YTD Return
S&P 500	5.70%	-8.81%
Dow Jones Industrial Average	4.95%	5.87%
Russell 2000	1.82%	-16.59%
Nasdaq	7.29%	-13.39%
MSCI EAFE	0.73%	1.59%
BBgBarc Agg Bond	-2.60%	1.04%
60% S&P / 40% BB Agg Bond	1.91%	-4.87%

Key Rates—as of 4/11/2025	
3mth T-bills	4.33%
2yr U.S. Treasury	3.97%
10yr U.S. Treasury	4.49%
Fed Funds	4.25%-4.50%

Investment Styles—1 Week Returns

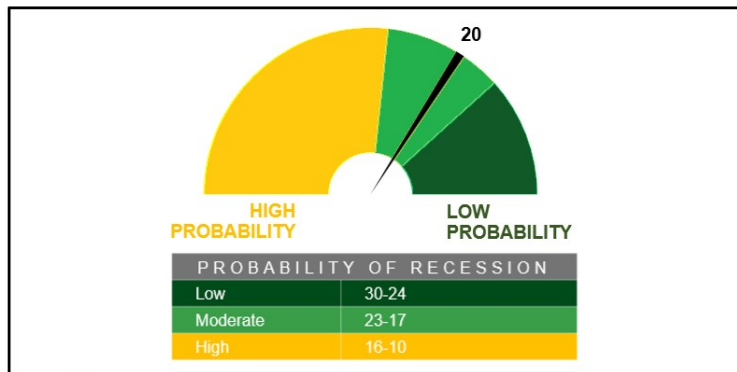
Value	Blend	Growth	
3.36%	5.68%	8.57%	Large
2.18%	2.60%	6.23%	Mid
0.72%	2.07%	5.00%	Small

Investment Styles—YTD Returns

Value	Blend	Growth	
-0.19%	-8.20%	-9.55%	Large
-5.69%	-9.65%	-9.81%	Mid
-12.73%	-13.36%	-12.29%	Small

Recession Indicator

The current score of our Recession Indicator suggests that there is a moderate probability of a recession in the next 6-12 months. The Indicator was unchanged last week. It stands at a level of 20. The ANCFI, and the Financial Stress Index are at a positive levels. The Weekly Economic Index, CPI, KC Labor Market Index, Housing Starts, & S&P 200 DMA are at moderate levels. The Yield Curve, Consumer Sentiment, Sahm Rule, & the Savings Rate are at warning levels.



Source: Eudaimonia Asset Management

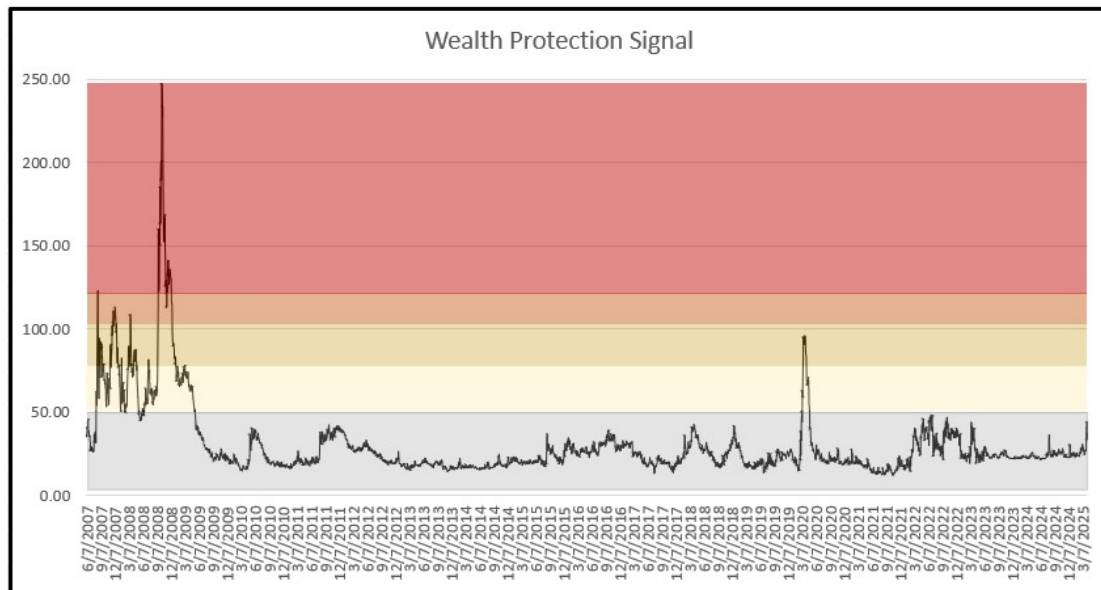
Wealth Protection Signal

Description

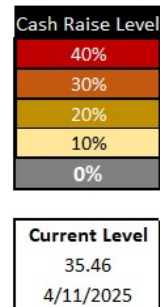
The Wealth Protection Signal measures panic or “fear” among investors, as well as, “volatility” in the market. The Signal is comprised of a proprietary weighting to the VIX Index (volatility) and to the TED Spread (fear). When these indices spike, major market meltdowns tend to follow. The Signal is also measured against the Yield Curve. When the 1st Cash Raise Level is reached, the Yield Curve (2yr Treasury Bond Yields > than 10yr Treasury Bond Yields) must also be inverted or have been inverted within the past 90 days in order for the 1st Cash Raise to trigger.

Current Level

The current level of the Wealth Protection Signal is at 35.46 as of Friday’s close on April 11th, 2025. The Signal decreased 10.7% last week. Volatility spiked early in the week, but settle lower when news of pauses in tariffs was announced later in the week. The Signal would have to increase 27% to reach the first cash raise trigger. The Wealth Protection Signal is currently indicating that investors should have a 0% cash-weighting as a defensive position within their respective asset allocation at this time.



Source: Eudaimonia Asset Management



Disclosures

Sources: Investment Style returns are derived from Morningstar, Inc. (<https://indexes.morningstar.com/indexdata#>). Key Rates table derived from Bloomberg. (<https://www.bloomberg.com/markets/rates-bonds/government-bonds/us>). Sectors and Key Indices tables are derived from Charles Schwab Advisor Center.

Recession Indicator is comprised of 10 economic measurements including, the Yield Curve, GDP, Inflation, Wage Growth, Unemployment, Housing Starts, Consumer Sentiment, Adjusted National Financial Conditions Index, the Fed's Financial Stress Index, U.S. Savings Rate, and the NAAIM (National Association of Active Investment Managers) Index.

Wealth Protection Signal is comprised of the VIX and the TED Spread Indices. The VIX Index is the Chicago Board of Options Exchange (CBOE) Volatility Index, which shows the market's expectation of 30-day volatility. The TED Spread is the price difference between 3-month futures contracts for U.S. Treasuries and 3-month futures contracts for Eurodollars having identical expiration months.

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