PHOENIX
ASSET ADVISORS, LLC

Weekly Market Recap

April 21, 2025

Market Commentary

Last Week's Highlights: Equities were mixed last week as the Fed offered little guidance and tariff news was light. The Dow was down 1.14% last week, while the S&P 500 gained 0.28%, the Nasdaq was down 0.62%, while the Russell 2000 added 2.69%. Bond yields were lower last week, leading to gains for bonds. The BBgBarc Agg Bond Index was up 0.91% for the week, while short-term bonds gained 0.41%. The US dollar was down for the 3rd consecutive week, helping international equities out-perform. The MSCI EAFE Index was up 4.12%, while the MSCI Emerging Markets Index gained 2.03%. **Economic Data:** There's plenty of economic data to interpret this week, along with multiple Fed speakers. The key economic data releases this week are US Leading Index, Redbook Sales, Richmond Manufacturing Index, Building Permits, S&P Manufacturing PMI (P), S&P Services PMI (P), New Home Sales, Beige Book, Chicago Fed National Activity Index, Initial Jobless Claims, Continuing Claims, Existing Home Sales, KC Fed Manufacturing Index, & UoM Consumer Sentiment. **Earnings Releases:** More Mag 7 earnings and Industrials report this week. The key earnings releases this week are TSLA, GE, CB, ISRG, MMM, KMB, HAL, PM, IBM, T, NOW, BA, RJF, GOOG, PG, MRK, PEP, DOW, APOG, ABBV, & SLB. **Takeaways:** Financial media continue to try to create confusion as they did in 2018. Words like "havoc" and "chaos" were used by media then, as they are being used now. In addition, China used similar language in 2018 as the nation is signaling now. "Fight until the end" was the phrasing then and it's being repeated during this trade war. While no two markets are exactly the same, what we do know is that pullbacks lead to opportunities. When equities go through a 15% or greater drawdown, returns are higher 12 months later 83% of the time. As more time passes, the odds eventually become 100% positive 10 years out or longer. The data would suggest that the consumer is strong. Retail Sales data for March showed that consumers spent 1.4% month-over-month, which is significantly stronger than February's data (+0.2%). The level of buying by insiders has risen during the recent volatility. It would appear that key executives and insiders are busy betting that equity markets are nearing lows and now is a good time to step in if you have a long-term time horizon. For the time being, turning off the media and the talking heads and listening to your financial advisor is a better approach to investing.

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

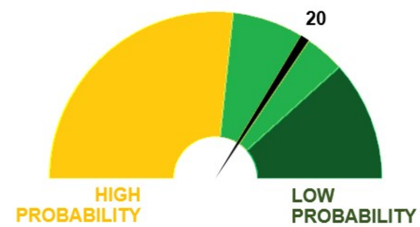
Investment Styles—YTD Returns

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

See important disclosures on last page.

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.



PROBABILITY OF RECESSION	
Low	30-24
Moderate	23-17
High	16-10

Source: Eudaimonia Asset Management

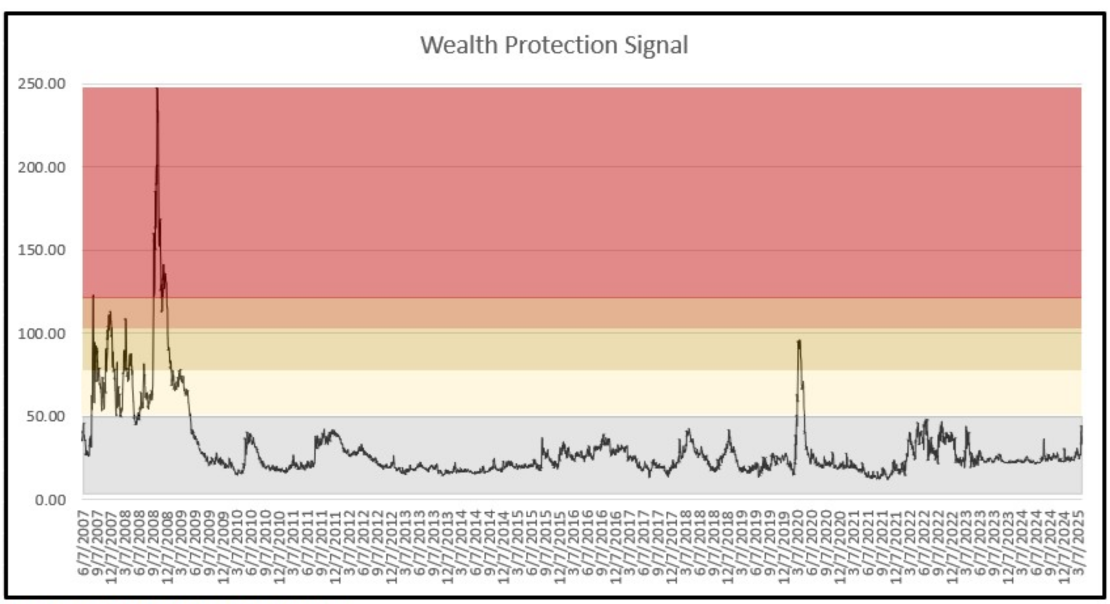
Wealth Protection Signal

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.



Cash Raise Level
40%
30%
20%
10%
0%

Current Level
35.46
4/11/2025

Source: Eudaimonia Asset Management

See important disclosures on last page.

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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Risk Disclosure

No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

All investments include a risk of loss that clients should be prepared to bear.