



Summary

Last week, equities rebounded sharply in response to boosted optimism in U.S. markets following President Trump's indication that tariffs on China will "come down substantially." The NASDAQ rose 6.7%, the S&P 500 gained 4.6%, and the DJIA climbed 2.5%, however other data indicated poor expectations for future growth. The U.S. Leading Economic Index declined a steeper-than-expected 0.7% in March. The MBA Mortgage Applications Index fell 12.7% from last week, possibly due to heightened 30-year

conventional mortgage rates. Despite higher mortgage rates, new home sales outperformed expectations; in contrast, existing home sales were lower than expected in March. The preliminary S&P Manufacturing and Services PMIs both checked in at above 50, indicating that both sectors may have expanded in April. Durable goods surged in March, primarily due to a sharp increase in orders for nondefense aircraft and parts. The Final University of Michigan Index of Consumer Sentiment checked in at 52.2, above

the consensus of 48.5, but still much lower than the 77.2 reading from April of last year. Inflation expectations for the next 12 months measured at 6.5%, levels not seen since 1982. Long-run inflation expectations measured at 4.4%, a level not seen since 1991. Despite the negative consumer outlook, the final reading for April is an improvement from the preliminary measurement of 50.8, indicating that even within the span of a couple weeks, consumers became slightly less pessimistic about future economic conditions.

ECONOMIC RELEASES

Last Week: Indicator	Number Reported	Consensus Expectation*	Comment
Leading Indicators (Mar – Sun 10:00)	-0.7%	-0.4%	
MBA Mortgage Applications Index (04/19 – Tue 07:00)	-12.7%	NA	
S&P Global US Manufacturing PMI - Prelim (Apr – Tue 09:45)	50.7	NA	
S&P Global US Services PMI - Prelim (Apr – Tue 09:45)	51.4	NA	
New Home Sales (Mar – Tue 10:00)	724K	684K	
Durable Orders (Mar – Wed 08:30)	+9.2%	+1.5%	
Durable Goods ex transportation (Mar – Wed 08:30)	+0.0%	+0.3%	
Initial Claims (04/19 – Wed 08:30)	222K	220K	
Continuing Claims (04/12 – Wed 08:30)	1,841K	NA	
Existing Home Sales (Mar – Wed 10:00)	4.02M	4.20M	
Univ. of Michigan Consumer Sentiment - Final (Apr – Thu 10:00)	52.2	48.5	
Next Week: Indicator	Consensus Expectation*	Prior	Comment
Adv. Intl. Trade in Goods (Mar – Mon 08:30)	NA	-\$147.9B	
Adv. Retail Inventories (Mar – Mon 08:30)	NA	+0.1%	
Adv. Wholesale Inventories (Mar – Mon 08:30)	NA	+0.3%	
Consumer Confidence (Apr – Mon 10:00)	88.3	92.9	
JOLTs - Job Openings (Mar – Mon 10:00)	NA	7.568M	
GDP-Adv. (Q1 – Tue 08:30)	0.4%	2.4%	
GDP Deflator-Adv. (Q1 – Tue 08:30)	3.1%	2.3%	
Employment Cost Index (Q1 – Tue 08:30)	+0.9%	+0.9%	
Personal Income (Mar – Tue 08:30)	+0.4%	+0.8%	
Personal Spending (Mar – Tue 08:30)	+0.4%	+0.4%	
PCE Prices (Mar – Tue 08:30)	+0.0%	+0.3%	Prior Core PCE Prices: +0.4%
Construction Spending (Mar – Wed 10:00)	+0.3%	+0.7%	
ISM Manufacturing Index (Apr – Wed 10:00)	47.9	49.0	
Nonfarm Payrolls (Apr – Thu 08:30)	130K	228K	
Nonfarm Private Payrolls (Apr – Thu 08:30)	125K	209K	
Avg. Hourly Earnings (Apr – Thu 08:30)	+0.3%	+0.3%	
Unemployment Rate (Apr – Thu 08:30)	4.2%	4.2%	
Average Workweek (Apr – Thu 08:30)	34.2	34.2	
Factory Orders (Mar – Thu 10:00)	+4.1%	+0.6%	

Sources: www.briefina.com and www.federalreserve.gov



Economic Review

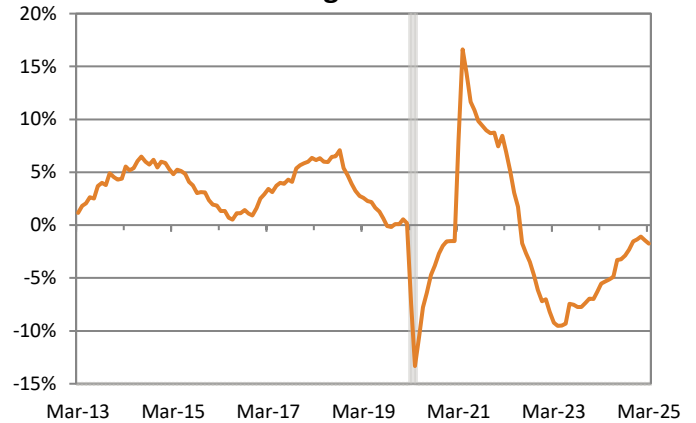
The Conference Board's LEADING ECONOMIC INDEX (LEI) declined 0.7% in March, marking the fourth consecutive monthly decline in the index. The LEI checked in at 100.5 in March, following 101.2 in February and 101.4 in January. Compared to six months ago, the LEI is down 1.2%—less extreme than the decline of 2.3% during the same period a year ago. This decline is largely attributed to economic uncertainty due to tariffs; pessimistic consumer expectations, a struggling equities market, and relatively fewer new manufacturing orders were all exacerbated by tariff announcements and implementation. Despite the weakening trend, the LEI has not yet reached the threshold that typically signals a recession.

NEW HOME SALES increased 7.4% month-over-month and 6.0% year-over-year in March with consumers benefitting from relatively stable mortgage rates, better weather, and lower home prices. The median sale price of new homes decreased 7.5% year-over-year in March. In contrast, EXISTING HOME SALES declined in March, likely due to price increases across all regions in the U.S. Existing home sales decreased 5.9% in March to a seasonally adjusted rate of 4.02 million,

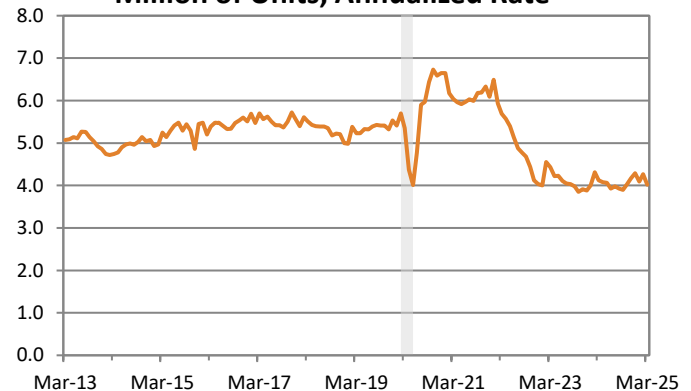
significantly under consensus expectations of 4.20 million. Sales were down 2.4% compared to the same period a year ago. The median sale price for existing homes increased 2.7% year-over-year; the price of single-family homes rose 2.9%. Sales declined in all regions, most significantly in the West, falling 9.4% in March. Median home prices rose in all regions, and significantly in the Northeast.

DURABLE GOODS orders surged in March, far above consensus expectations. Orders increased 9.2% month-over-month, primarily due to a 139% increase in orders for nondefense aircraft and parts. This increase in nondefense aircraft and parts in turn fueled a 27.0% jump in overall transportation orders in March, following a 1.2% increase in February. Excluding transportation, durable goods orders were flat month-over-month. Nondefense capital goods, excluding aircraft, which is indicative of business-spending, rebounded in March, increasing 0.1% after declining in February.

U.S. Leading Economic Index



Existing Home Sales Million of Units, Annualized Rate



Durable Good Orders, Trillions of Dollars





Fed Speeches

Vice Chair Philip Jefferson spoke at the Economic Mobility Summit at the Federal Reserve Bank of Philadelphia this past Tuesday. In his remarks, Jefferson explored the connection between the Federal Reserve's dual mandate and broader economic mobility. He acknowledged that the Fed does not have direct control over economic mobility, nor is the institution designed to address the issue. Despite this, Jefferson stressed that,

"Our dual mandate of maximum employment and price stability has implications for a wide range of economic outcomes, including economic mobility."

He explained that, historically, marginalized workers benefit from strong labor markets, while stable prices

allow households to fully appreciate their gains from income. This was seen in the period following the Great Recession, where wage growth was especially pronounced for the bottom-half of earners.

Building on this discussion, Jefferson also raised the possibility that greater economic mobility might enhance the effectiveness of monetary policy itself, noting,

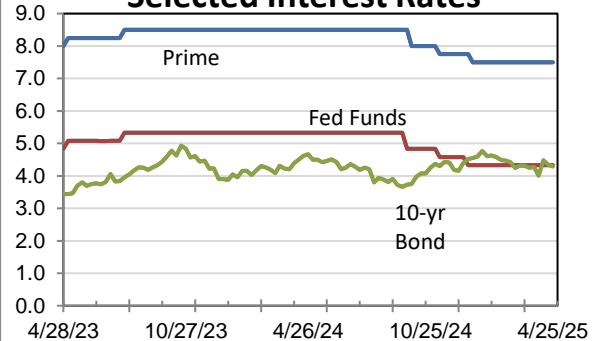
"[A] society with relatively higher mobility may allow for more efficient transmission of monetary policy."

Jefferson concluded without a definitive answer on the role of the Fed in economic mobility but affirms that it is a subject of vital importance to maintaining the American Dream.

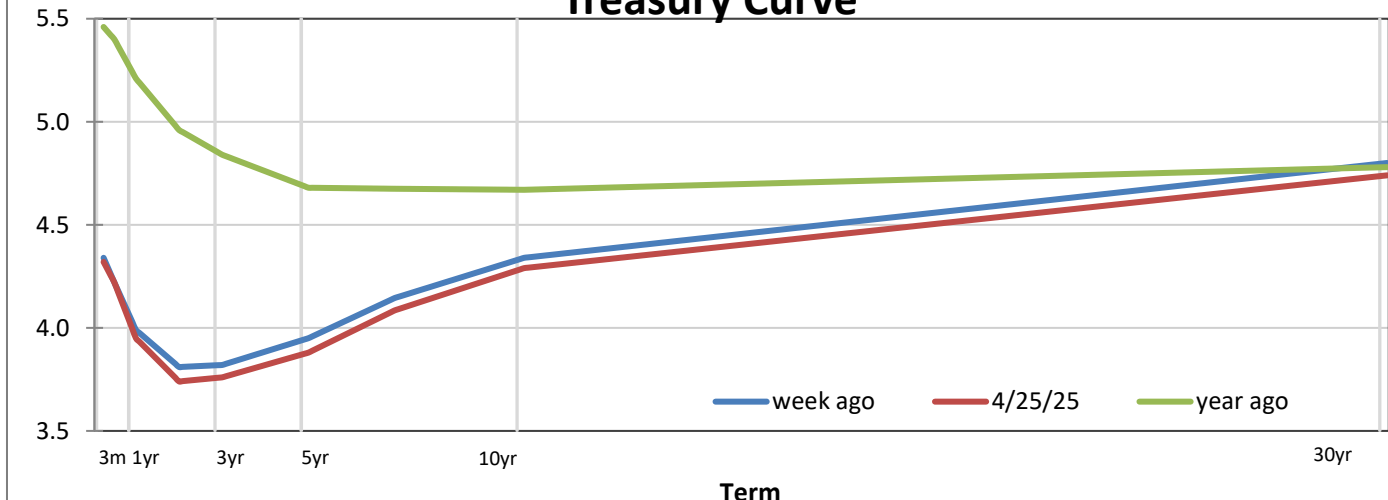
Financial Markets

Equities markets rebounded last week, with the NASDAQ rising 6.7%, the S&P 500 increasing 4.6%, and the DJIA climbing 2.5%. Treasury yields continued to fall this week, with both the 2-year and 5-year maturities down over 50 basis points from their value 13-weeks ago; possibly indicating that investors expect the Fed to cut rates within the next few months due to slowing economic growth. Municipal yields stayed relatively flat this week, excepting the 10-year maturity. The 10-year municipal bond yield fell nearly 30 bp from last week, indicating a spike in demand from investors for intermediate-length, safer assets. Oil prices fell 2.1%, now down 18.7% from the price 13-weeks ago. Gold dipped slightly but remained elevated, underscoring ongoing demand from investors for safe haven assets.

Selected Interest Rates



Treasury Curve





Interest Rate Forecast*

During the Fed's March policy meeting, the Federal Open Market Committee (FOMC) left the federal funds target rate unchanged at 4.25% to 4.50% while slowing the pace of decline of its securities holdings from \$25 billion to \$5 billion/month. In the statement released following the meeting, the FOMC said, "The Committee seeks to

achieve maximum employment and inflation at the rate of 2 percent over the longer run. Uncertainty around the

economic outlook has increased. The Committee is attentive to the risks to both sides of its dual mandate."

Language about employment and inflation goals being roughly in balance was removed.

Avg. for:	Prime	Fed Funds	SOFR	6-Mo. T-Bill	2-Yr. Note	10-Yr. Treasury	30-Yr Bond	30-Yr Mortgage
2 nd Qtr '25	7.50	4.33	4.33	4.31	4.05	4.31	4.59	6.67
3 rd Qtr	7.39	4.26	4.26	4.31	4.10	4.32	4.57	6.64
4 th Qtr	7.25	4.13	4.12	4.18	4.09	4.32	4.55	6.44
1 st Qtr '26	7.00	3.88	3.87	3.96	4.07	4.22	4.44	6.21
2 nd Qtr	6.83	3.71	3.70	3.80	3.93	4.09	4.39	6.07

April 2025

FINANCIAL MARKET SUMMARY

	As of 4/25/2025	As of 4/17/2025	Weekly Change	4-Week Change	13-Week Change
MONEY MARKETS (Changes in BPs)					
Prime	7.50	7.50	0	0	0
Secured Overnight Financing Rate (SOFR)	4.29	4.31	(2)	(7)	(6)
Fed Funds (Wed close)	4.33	4.33	0	0	0
TREASURIES (BE) (Changes in BPs)					
3 Months	4.32	4.34	(2)	(1)	(3)
6 Months	4.22	4.22	0	(4)	(3)
1 Year	3.95	3.99	(4)	(9)	(22)
2 Years	3.74	3.81	(7)	(15)	(53)
5 Years	3.88	3.95	(7)	(10)	(55)
10 Years	4.29	4.34	(5)	2	(34)
30 Years	4.74	4.80	(6)	10	(11)
MUNICIPALS- AAA G.O. & Mortgage (Changes in BPs)					
2-Year Muni	2.97	2.94	3	27	19
5-Year Muni	3.13	3.10	3	21	23
10-Year Muni	3.13	3.42	(29)	21	(1)
30-Year Muni	4.52	4.51	1	21	50
30-Year Conventional Mortgage	6.81	6.83	(2)	16	(15)
MARKET INDICATORS (Changes in %)					
DJIA	40,113.50	39,142.23	2.5	(3.5)	(9.7)
S&P 500	5,525.21	5,282.70	4.6	(1.0)	(9.4)
NASDAQ	17,382.94	16,286.45	6.7	0.3	(12.9)
CRB Futures	363.79	360.91	0.8	(2.4)	(2.6)
Oil (WTI Crude)	63.33	64.68	(2.1)	(7.2)	(18.7)
Gold	3,312.87	3,326.85	(0.4)	7.4	19.6
Yen / Dollar	143.71	142.45	0.9	(3.8)	(8.1)
Dollar / Euro	1.14	1.14	(0.0)	4.9	8.2



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