PHOENIX
ASSET ADVISORS, LLC

Weekly Market Recap

March 24, 2025

Market Commentary

Last Week's Highlights: Most equity sectors were positive last week as the market seemed to like what it heard from the Fed. The Dow was up 1.20% last week, while the S&P 500 gained 0.51%, the Nasdaq added 0.17%, and the Russell 2000 gained 0.63%. Bond yields were mixed last week along the yield curve. The BBgBarc Agg Bond Index was up 0.48% for the week, while short-term bonds up 0.60%. The US dollar was higher last week, but international equities held their own. The MSCI EAFE Index was up 0.82%, while the MSCI Emerging Markets Index gained 1.10%. **Economic Data:** Consumer spending and housing data dominate the headlines this week. The key economic data releases this week are Chicago Fed National Activity Index, S&P Manufacturing PMI (P), S&P Services PMI (P), Building Permits, Case-Shiller Home Price Index, CB Consumer Confidence, New Home Sales, Richmond Manufacturing Index, Durable Goods Orders, Initial Jobless Claims, Continuing Claims, Q4 GDP (last revision), Pending Home Sales, KC Manufacturing Index, PCE Price Index (inflation), Personal Income, Personal Spending, & UoM Consumer Sentiment. **Earnings Releases:** The last full week of Q4 earnings reports has only a few highlighted earnings. The key earnings releases this week are OKLO, MKC, GME, RUM, PAYX, DLTR, CHWY, LULU, WBA, & SPWH. **Takeaways:** Volatility declined last week as the Fed provided some dovish language and fears over tariffs subsided. The Fed left interest rates alone, but pointed to the possibility of two more rate cuts this year. The Fed remains confused on projections for 1st quarter GDP as the Atlanta Fed is projecting negative Q1 GDP, but both the New York Fed and St. Louis Fed projections are positive 2.7% and 2.3%, respectively. Language from the Trump administration this morning points to lower than expected tariffs going into effect on April 2nd, which has markets responding with glee. There seems to be further confusion at the Fed as Chairman Powell stated on Wednesday of last week that, "Inflation has started to move up." Yet, the Cleveland Fed, which publishes an Inflation "Nowcast" for the next month, is showing 0% increase in CPI for March and only a 0.03% increase in PCE for March. In addition, the highly-publicized price of eggs has dropped for the past 5 consecutive weeks, falling from a high of $8/dozen to just over $3/dozen. Investors should ignore tariff and inflation noise and stick to their financial plan/investment strategy.

Market Returns

Sectors	1 Week Return	YTD Return
Technology	0.28%	-8.77%
Industrials	0.43%	-2.42%
Energy	3.25%	7.16%
Communication Svcs	0.08%	-3.21%
Basic Materials	-0.34%	2.42%
Consumer Cyclical	0.38%	-13.04%
Financial Svcs	1.93%	1.59%
Real Estate	0.05%	1.96%
Consumer Defensive	-0.05%	0.42%
Healthcare	1.14%	5.89%
Utilities	0.24%	4.10%

Key Indices	1 Week Return	YTD Return
S&P 500	0.51%	-3.64%
Dow Jones Industrial Average	1.20%	-1.31%
Russell 2000	0.63%	-7.77%
Nasdaq	0.17%	-7.91%
MSCI EAFE	0.82%	9.87%
BBgBarc Agg Bond	0.48%	2.55%
60% S&P / 40% BB Agg Bond	0.49%	-1.16%

Key Rates—as of 3/14/2025	
3mth T-bills	4.30%
2yr U.S. Treasury	3.95%
10yr U.S. Treasury	4.25%
Fed Funds	4.25%-4.50%

Investment Styles—1 Week Returns

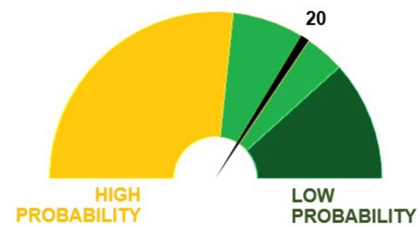
	Value	Blend	Growth
Large	1.10%	0.58%	1.19%
Mid	0.96%	0.61%	1.84%
Small	1.07%	0.25%	1.07%

Investment Styles—YTD Returns

	Value	Blend	Growth
Large	4.80%	-2.71%	-5.01%
Mid	1.17%	-3.14%	-4.13%
Small	-3.33%	-5.75%	-6.17%

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

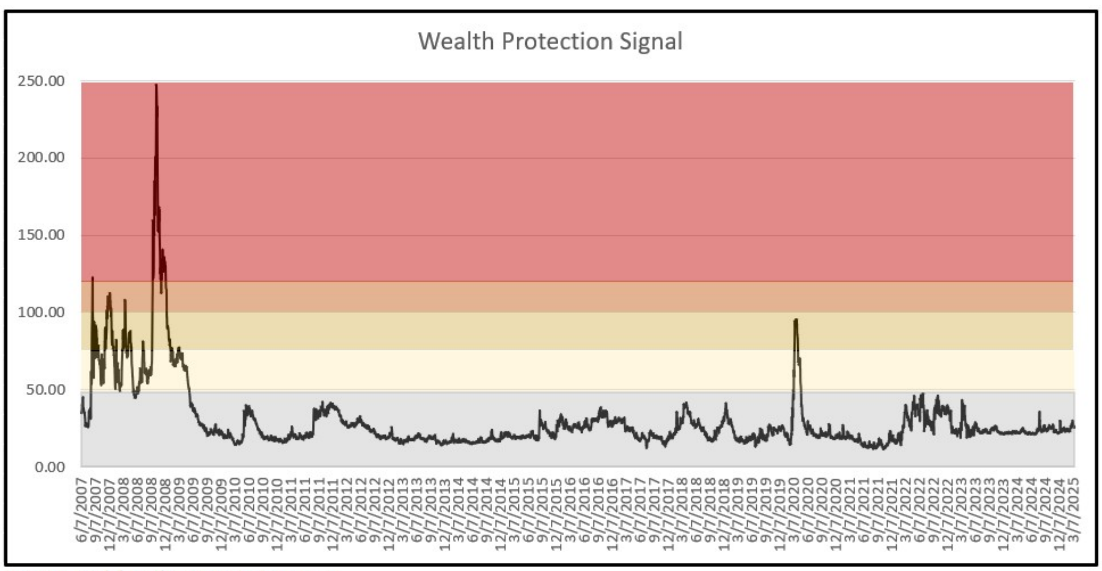
Wealth Protection Signal

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 25.41 as of Friday's close on March 21st, 2025. The Signal decreased 5.1% last week. Volatility declined throughout the week as investors got a favorable outcome from the Fed meeting. The Signal would have to increase 77% 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

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

Current Level
25.41
3/21/2025

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.