

MARKET VIEW WEEKLY

Ladenburg Asset Management



ECONOMIC REVIEW¹

- Retail sales rose a substantial 1.4% in March – the largest monthly increase in more than two years – easily surpassing the median forecast (1.2%) and February’s figure (0.2%), which was revised higher.
 - Sales of autos (5.3%) and building materials (3.3%) led category groups as consumers rushed to front-run tariffs in the sectors expected to be the hardest hit.
 - “Core” retail sales, which exclude the volatile categories of autos, building materials, and gas stations, rose 0.6% in March, but more than doubled that increase when including revisions (1.3%).
 - At the headline level, retail sales are up 4.6% over the last year.
- Housing starts plummeted 11.4% in March to a 1.324 million annual rate, meaningfully lagging the consensus expectation (1.42 million) and February’s reading (1.49 million).
 - Both single- and multi-family homes contributed to the decline.
 - In the past year, single-family starts are down 9.7% while multi-unit starts are up 48.8%.
 - In total, starts are up 1.9% from a year ago.
- New building permits rose 1.6% last month to a 1.482 million annual rate, comfortably outpacing the median forecast (1.44 million) and the previous month’s reading (1.46 million).
 - In the last year, permits for single-family homes are down 0.6%, and permits for multi-unit homes are up 0.6%.

How does the most recent economic data impact you?

- As alluded to earlier, consumers appear to be concentrating their spending in the sectors and industries that are widely expected to be the most heavily targeted by tariffs, particularly cars and building materials.
 - Some have suggested this could negatively impact future spending as consumers effectively “pull forward” principally large purchases to avoid any potential price increases from rising trade barriers.
 - Furniture stores (-0.7%), one of two out of thirteen categories that declined last month, may provide some indication of the potential impact of higher trade barriers, as a substantial percentage of furniture is manufactured in China, where tariffs have been most impactful.
 - The other declining category was gas stations, which can be attributed to lower oil prices.
- The housing market continues to struggle with affordability, i.e., high home prices and high (and recently rising) mortgage rates. Now, builders must also contend with new tariffs and likely rising building costs.

A LOOK FORWARD¹

- The Federal Reserve’s (Fed) Beige Book, durable-goods orders, leading economic indicators (LEI), and further housing data (New and Existing home sales) highlight the economic calendar.

How does this week’s slate of economic data impact you?

- The Beige Book is one of the most comprehensive reports the Fed produces, covering current economic conditions, and will likely be heavily scrutinized by investors.
- Durable-goods orders, particularly “core” orders, should provide an indication of recent and planned business investment in the face of higher tariffs.



MARKET UPDATE²

Market Index Returns as of 4/18/2025	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	-1.49%	-5.81%	-9.83%	7.79%	7.43%	14.70%
NASDAQ	-2.62%	-5.84%	-15.50%	7.33%	6.99%	14.37%
Dow Jones Industrial Average	-2.66%	-6.75%	-7.56%	4.85%	5.99%	12.28%
Russell Mid-Cap	0.86%	-5.46%	-8.68%	3.73%	2.75%	12.57%
Russell 2000 (Small Cap)	1.11%	-6.49%	-15.35%	-2.12%	-1.08%	10.34%
MSCI EAFE (International)	4.33%	-0.02%	6.84%	10.02%	7.42%	10.89%
MSCI Emerging Markets	2.29%	-2.80%	0.04%	9.03%	1.81%	6.03%
Bloomberg Barclays US Agg Bond	0.91%	-0.78%	1.98%	6.57%	1.50%	-0.86%
Bloomberg Barclays High Yield Corp.	1.26%	-1.17%	-0.18%	8.21%	5.32%	5.83%
Bloomberg Barclays Global Agg	0.99%	2.10%	4.79%	7.60%	0.46%	-1.18%



OBSERVATIONS

- Major U.S. stock indices gave back some of the ground recovered after the news that reciprocal tariffs would be paused for 90 days.
 - The Dow Jones led the group lower (-2.66%), followed closely by the NASDAQ (-2.62%), and the S&P 500 (-1.49%).
- Domestic down-cap indexes like the Russell Mid-Cap and the Russell 2000 (Small Cap), however, produced solidly positive returns, climbing 0.86% and 1.11%, respectively.
- International developed stocks turned in yet another week of significant outperformance, improving 4.33%.
 - Emerging market equities also strongly outpaced domestic stocks (2.29%) but trailed developed international markets.
- Fixed income indices were domestically, internationally, and across the credit spectrum.
 - High-yield bonds outpaced most other fixed income sectors as lower quality credit spreads tightened substantially last week.



BY THE NUMBERS

Pope Francis, voice for the poor who transformed the Catholic Church, dies on Easter Monday: Rome (CNN) — Pope Francis, a voice for the poor who overcame fierce resistance to reshape the Catholic Church, died on Easter Monday at the age of 88, the Vatican announced. The pope passed away the morning after the holiest day in the Christian year, when the world's 1.3 billion Catholics celebrate the resurrection of Jesus Christ. Despite his poor health, Francis was seen a number of times in public at the Vatican during Holy Week, culminating in an Easter Sunday appearance where he delighted crowds at St. Peter's Basilica in Rome. The pope's death was announced "with deep sorrow" by Cardinal Kevin Farrell, the Vatican camerlengo, who said Francis died at 7:35 a.m. local time (1.35 a.m. ET). Until a new pope is chosen, Farrell acts as the head of the Vatican. "With immense gratitude for his example as a true disciple of the Lord Jesus, we commend the soul of Pope Francis to the infinite merciful love of the Triune God," the statement said.³

Gold Price Surges to Another Record High: Gold prices hit a fresh intraday record Monday, as skittish investors seek refuge from hard-hit equity and bond markets. Gold futures gained over 2% from Thursday's settling price to breach \$3,400 for the first time. Last Wednesday, gold notched its biggest daily gain since April 2020 during the Covid market meltdown. Gold futures have climbed almost 30% since the start of the year, while the S&P 500 index has fallen 10%, driven down by concerns over President Trump's tariffs. Gold often rises when the dollar weakens. That's because gold is priced in dollars, making it cheaper for holders of now-stronger overseas currencies.⁴

Economic Definitions

Building Permits: This concept tracks the number of permits that have been issued for new construction, additions to pre-existing structures or major renovations. These statistics are based on the number of construction permits approved.

Housing Starts: Housing (or building) starts track the number of new housing units (or buildings) that have been started during the reference period.

Retail Sales: Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

Durable Goods Orders: This concept tracks the value of new orders received during the reference period. Orders are typically based on a legal agreement between two parties in which the producer will deliver goods or services to the purchaser at a future date.

Federal Reserve (Fed): The Federal Reserve System is the central banking system of the United States of America.

Conference Board Leading Economic Index (LEI): Leading indicators include economic variables that tend to move before changes in the overall economy. These indicators give a sense of the future state of an economy.

New Home Sales: This concept tracks sales of newly constructed homes during the reference period. The Implicit US index is computed by taking the number of houses sold in the US and dividing it by the seasonally adjusted number of houses sold in the US.

Existing Home Sales: This concept tracks the sales of previously owned homes during the reference period. Total existing home sales include single-family homes, townhomes, condominiums and co-ops. All sales are based on closings from Multiple Listing Services. Foreclosed homes are only counted in the inventory if the bank is working with a realtor. Foreclosed homes that sell via auction (or other closings outside of the Multiple Listing Services) are not included.

Index Definitions

S&P 500: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

NASDAQ: The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971.

Dow Jones Industrial Average: The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

Russell Mid-Cap: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell 2000: The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

MSCI EAFE: The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

MSCI EM: The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg Barclays US Agg Bond: The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg Barclays High Yield Corp: The Bloomberg Barclays US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded.

Bloomberg Barclays Global Agg: The Bloomberg Barclays Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Barclays Municipal Bond Index: The Bloomberg Barclays U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

Disclosures

Index performance does not reflect the deduction of any fees and expenses, and if deducted, performance would be reduced. Indexes are unmanaged and investors are not able to invest directly into any index. Past performance cannot guarantee future results.

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¹ Data obtained from Bloomberg as of 4/18/2025.

² Data obtained from Morningstar as of 4/18/2025.

³ [Pope Francis dies at 88: Voice for the poor who transformed the Catholic Church | CNN](#)

⁴ [Gold Price Surges to Another Record High](#)