

US Economy and Credit Markets

Yields and Weekly Changes:

3 Mo. T-Bill:	4.292 (-0.7 bps)	Bond Buyer 40 Yield:	4.60 (10 bps)
6 Mo. T-Bill:	4.243 (0.5 bps)	Crude Oil Futures:	67.18 (0.14)
1 Yr. T-Bill:	4.072 (2.7 bps)	Gold Spot:	2,984.16 (75.06)
2 Yr. T-Note:	4.017 (1.7 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	4.006 (-0.1 bps)	US High Yield:	7.71 (20 bps)
5 Yr. T-Note:	4.089 (0.3 bps)	BB:	6.49 (13 bps)
10 Yr. T-Note:	4.312 (1.1 bps)	B:	7.85 (23 bps)
30 Yr. T-Bond:	4.622 (2.4 bps)		

Treasury yields inched higher to end the week as the uncertainty surrounding the Trump Administration's trade war continued. Yields opened the week lower following remarks made by President Trump on Sunday in which he refused to rule out a potential recession for the U.S. this year, stating that this transition period could cause problems in the short-term but would drive future prosperity. Wednesday's Consumer Price Index (CPI) Inflation report came in cooler than Wall Street expected, and yields rose as investors backed off of buying U.S. government debt. CPI Inflation rose 0.2% in February, coming in below the consensus expected +0.3% and while the 0.2% increase was the smallest move in four months, it still comes out to a 2.6% annualized rate and remains above the Federal Reserve's inflation target of 2.0%. Investors received more favorable news on Thursday, as the Producer Price Index (PPI) was unchanged in February, coming in below the consensus expected increase of 0.3%. However, yields fell as the tariff fight between the U.S. and Europe intensified and the potential for a government shutdown loomed. Yields ended the week higher after the University of Michigan's Consumer Sentiment report posted a reading of 57.9 in March, the lowest level since 2022 as Trump's tariffs continue to spark inflation worries. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Monday: March Empire Manufacturing (-2.0, 5.7), February Retail Sales Advance MoM (0.6%, -0.9%); Tuesday: February Housing Starts (1381k, 1366k), February Industrial Production MoM (0.2%, 0.5%); Wednesday: March 14 MBA Mortgage Applications (n/a, 11.2%), March 19 FOMC Rate Decision (Upper Bound) (4.50%, 4.50%); Thursday: March 15 Initial Jobless Claims (224k, 220k), February Leading Index (-0.2%, -0.3%), February Existing Home Sales (3.94m, 4.08m).

US Equities

Weekly Index Performance:

Market Indicators:

The Dow®	41,488.19 (-2.98%)	Strong Sectors:	Energy, Utilities
S&P 500®	5,638.94 (-2.23%)		Financials
S&P MidCap 400®	2,927.15 (-1.93%)	Weak Sectors:	Comm. Services, Cons. Discretionary
S&P SmallCap 600®	1,279.85 (-2.61%)		Cons. Staples
Nasdaq Composite®	17,754.09 (-2.4%)	NYSE Advance/Decline:	916 / 1,931
Russell 2000®	2,044.10 (-1.45%)	NYSE New Highs/New Lows:	85 / 345
		AAll Bulls/Bears:	19.1% / 59.2%

The S&P 500 fell 2.23% after a volatile week. The market started the week unsettled after President Trump, in an interview with Maria Bartiromo on Sunday Morning Futures, seemingly refused to rule out a recession as he implements his plans for the economy. On Tuesday, President Trump announced new tariffs on steel and aluminum coming from our neighbor and significant trade partner, Canada, as the two countries vie to define what fair trade should be. That same day, **Delta Air Lines** dramatically reduced its forward guidance on fears of the U.S. consumer reducing their spending. No surprise then that the Consumer Discretionary sector and the Consumer Staples sector were the worst two performing sectors for the week. Soft inflation data on Wednesday and Thursday along with a government shutdown seeming increasingly unlikely led into a market rally to end the week that undid at least some of the market's losses. The Technology Hardware Storage & Peripherals industry was the worst performing industry overall, led downward by mega-cap Apple Inc, which fell over 10% on the week. Energy proved to be the best performing sector as oil prices saw a slight rise after weeks of decline from this year's high in January; **ConocoPhillips'** 9.18% return led the sector. The Independent Power and Renewable Electricity Producers industry led industries in the Utilities sector as **AES Corp.** and **Vistra Corp.** rose 9.42% and 8.87%, respectively. In other news, JOLTS Job Openings were higher than estimated (7740k vs 7600k Est.) and the JOLTS Layoffs Level was lower than estimated (1635k vs 1806k Est.) the YoY CPI came in soft at 2.8% vs 2.9% expected, while PPI Final Demand YoY registered a 3.2% number vs the 3.3% expected. The University of Michigan Consumer Sentiment survey was 57.9, colder than the 63 figure that was expected. Upcoming this week there will be plenty of news for investors to digest; on the economic front, Retail Sales for February, February Housing Starts, and FOMC rate decisions to be made. On the earnings front, a mere 10 members of the S&P 500 are expected to announce quarterly earnings next week, among which include technology consultation name **Accenture PLC**, semiconductor name **Micron Technology Inc.**, and apparel titan **NIKE Inc.** On behalf of Irishmen everywhere, I wish you a happy Saint Patrick's Day.

