

MARKET MONITOR

Month in Review: April 2025

Index	Asset Class	2025		2024
		Apr	YTD	
Equity Indexes		Total Returns		
Russell 3000	U.S. Equity	-0.67	-5.36	23.81
S&P 500	Large Cap U.S. Equity	-0.68	-4.92	25.02
Russell 1000	Large Cap U.S. Equity	-0.60	-5.06	24.51
Russell 2000	Small Cap U.S. Equity	-2.31	-11.57	11.54
MSCI All Country World	Global Equity	0.98	-0.25	18.02
MSCI All Country World (Ex U.S.)	International Equity	3.69	9.25	6.09
MSCI Europe, Asia & Far East (EAFE)	International Developed Market Equity	4.69	12.02	4.35
MSCI Emerging Markets (EM)	International Emerging Market Equity	1.34	4.39	8.05
Fixed Income Indexes				
Bloomberg U.S. Aggregate Bond	U.S. Investment Grade Bond	0.39	3.18	1.25
S&P National AMT-Free Municipal Bond	U.S. Investment Grade Muni Bond	-0.59	-1.21	1.32
S&P Municipal High Yield	U.S. Muni Bonds (Below Investment Grade)	-1.48	-1.04	6.73
Bloomberg U.S. Corp. High Yield	U.S. Corp Bonds (Below Investment Grade)	-0.02	0.98	8.19
Index Blends: Stock/Bond				
80%/20%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		0.86	0.43	14.66
60%/40%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		0.74	1.12	11.31
40%/60%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		0.63	1.81	7.96
20%/80%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		0.51	2.50	4.60
Data as of 4/30/2025. Sources are Morningstar for Index returns, and Envestnet Tamarac for Index Blend returns, based on monthly rebalancing.				

Market Overview

Please see important disclosures at end of this report.

April was marked by extraordinary volatility, culminating in one of the most tumultuous weeks in recent market memory. Early in the month, the announcement of sweeping tariffs by the current administration triggered a dramatic four-day sell-off, wiping out \$6.6 trillion in market capitalization. The S&P 500 plunged more than 9% and the Nasdaq fell over 10%, officially entering bear market territory. These moves were further compounded by China's swift retaliatory tariffs, reigniting fears of a global recession and amplifying equity market stress.¹

Amid mounting political pressure and investor backlash, the administration walked back elements of its trade policy. The resulting rebound was equally historic, with the Dow, S&P 500, and Nasdaq rising more than 7%, 9%, and 12% respectively in a single trading session—the largest one-day gain for the S&P 500 since 2008 and Nasdaq since 2001. Institutional investors attributed the rally to a combination of short-covering and renewed hopes that policy uncertainty might abate in the near term.²

Despite this late-month turnaround, U.S. equities finished April slightly lower. The S&P 500 returned -0.68%, while small-cap stocks (Russell 2000) declined by -2.31%, reflecting ongoing risk aversion. Conversely, international developed markets significantly outperformed, with the MSCI EAFE index gaining +4.69%. A softening U.S. dollar and stronger-than-expected economic data from Europe and Japan helped drive overseas strength.³

Bond markets were mixed. The Bloomberg U.S. Aggregate Bond Index rose +0.39% as longer-term yields eased slightly, but municipal bonds lagged, with both investment-grade (-0.59%) and high-yield (-1.48%) segments finishing in the red. Treasury markets showed resilience, but credit spreads remain sensitive to any surprises in inflation or policy rhetoric.³

On the economic front, first-quarter GDP contracted by 0.3%—the first decline since early 2022—driven in part by a rush of import activity ahead of expected tariffs. Inflation remained stubbornly elevated, and the Fed's preferred gauge, the core PCE, continued to run above target.⁴

With trade policy, inflation expectations, and interest rates still evolving, market volatility is likely to persist. Advisors and investors alike may benefit from staying diversified and grounded in long-term objectives as we navigate continued macroeconomic uncertainty.

Reference(s):

- 1) "How One of the Wildest Weeks in Market History Unfolded." The Wall Street Journal. <https://www.wsj.com/finance/investing/how-one-of-the-wildest-weeks-in-market-history-unfolded-41353450>
- 2) "Dow Surges 2,900 Points, S&P 500 Posts Biggest Gain since 2008 on Trump Tariff Reversal: Live Updates." CNBC.com, CNBC, 9 Apr. 2025, www.cnbc.com/2025/04/08/stock-market-today-live-updates-.html.
- 3) "Index Return Data for April 2025." Morningstar Direct, May. 2025.
- 4) "March PCE Report: PCE Inflation Index up 2.3%, Stronger than Expected." Morningstar.Com, Morningstar, 30 Apr. 2025, www.morningstar.com/economy/march-pce-report-pce-inflation-index-up-23-stronger-than-expected.

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Reference to market index information is included for illustrative purposes only, as it is not possible to directly invest in an index. Indexes are unmanaged, hypothetical vehicles that serve as market indicators. Index total return performance data reflects the assumptions of the reinvestment of interest and dividends but does not include the deduction of fees or transaction costs which otherwise reduce performance of an actual portfolio. The blended indexes are shown for informational purposes only and are not representative of any particular investment or plan.

Index Definitions:

Russell 3000 – Index comprised of 3,000 largest U.S. stocks by market capitalization. Russell

1000 – Index comprised of 1,000 largest U.S. stocks by market capitalization.

Russell 2000 – Index comprised of 2,000 smaller U.S. stocks by market capitalization within the Russell 3000.

S&P 500 – Compilation of 500 major U.S. stocks meeting certain criteria; market capitalization and float-weighted.

MSCI All Country World – Global equity index across market capitalizations with about 2,800 constituents, representing about 85% of the free float-adjusted market capitalization across 23 developed and 27 emerging markets.

MSCI All Country World ex USA – Global equity index across market capitalizations, which excludes the U.S., with about 2,300 constituents which represents free float-adjusted market capitalization across 22 developed and 27 emerging markets.

MSCI Europe, Asia & Far East (EAFE) – International equity index across market capitalizations, which excludes North America, with about 840 constituents which represents free float-adjusted market capitalization across 21 developed markets.

MSCI Emerging Markets (EM) – International equity index across market capitalizations with about 1,400 constituents which represents free float-adjusted market capitalization across 27 emerging markets.

Bloomberg U.S. Aggregate Bond – Widely followed bond benchmark comprised of investment grade, U.S. dollar denominated, fixed rate taxable bonds including Treasuries, government-related, corporate, mortgage-backed, and agency.

S&P National AMT-Free Municipal Bond – Broad market-value weighted index comprised of larger and more liquid tax-exempt investment-grade U.S. municipal bonds.

S&P Municipal High Yield Bond – U.S. index of municipal bonds that are either not rated or rated below investment grade.

Bloomberg U.S. Corporate High Yield Bond – Index of fixed rate U.S. dollar denominated corporate bonds rated BB+ or below by Fitch and S&P.

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