



Investment and insurance products offered through RBC Wealth Management are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.

Market Week: May 5, 2025



The Markets (as of market close May 2, 2025)

Wall Street enjoyed another solid week of gains on the heels of some strong corporate earnings data, a better-than-expected jobs report, and more signs that the White House and China may be open to trade talks. By the close of trading last Friday, the Dow had posted 10 straight sessions of gains, while the S&P 500 enjoyed nine consecutive sessions. Investors have seen signs that the economy is resilient in the face of tariffs, despite the fact that the GDP contracted in the first quarter. Tech shares have played a large part in driving the market higher. Information technology rose about 6.0% last week to lead gains for nearly all of the market sectors, with the exception of energy, which was flat. Crude oil prices declined for the second straight week on fears of sluggish Chinese demand, rising U.S. production, and concerns that OPEC+ will boost supply. The dollar ticked higher for the second week in a row, while bond markets seemed to have responded to concerns that trade policies could still slow the economy, putting pressure on the Federal Reserve to cut interest rates.

Stock Market Indexes

Market/Index	2024 Close	Prior Week	As of 5/2	Weekly Change	YTD Change
DJIA	42,544.22	40,113.50	41,317.43	3.00%	-2.88%
NASDAQ	19,310.79	17,382.94	17,977.73	3.42%	-6.90%
S&P 500	5,881.63	5,525.21	5,686.67	2.92%	-3.31%
Russell 2000	2,230.16	1,957.62	2,020.74	3.22%	-9.39%
Global Dow	4,863.01	5,038.05	5,161.52	2.45%	6.14%
fed. funds target rate	4.25%-4.50%	4.25%-4.50%	4.25%-4.50%	0 bps	0 bps
10-year Treasuries	4.57%	4.26%	4.32%	6 bps	-25 bps
US Dollar-DXY	108.44	99.62	100.03	0.41%	-7.76%
Crude Oil-CL=F	\$71.76	\$63.23	\$58.54	-7.42%	-18.42%
Gold-GC=F	\$2,638.50	\$3,318.10	\$3,247.90	-2.12%	23.10%

Chart reflects price changes, not total return. Because it does not include dividends or splits, it should not be used to benchmark performance of specific investments.

Key Dates/Data Releases

5/5: S&P Global Services PMI

5/6: International trade in goods and services

5/7: FOMC meeting statement

Last Week's Economic News

- There were 177,000 new jobs added in April, according to the latest report from the Bureau of Labor Statistics. The average monthly gain over the 12 months ended in April was 152,000. The change in employment for February was revised down by 15,000, and the change for March was revised down by 43,000. With these revisions, employment in February and March combined was 58,000 lower than previously reported. In April, employment continued to trend up in health care, transportation and warehousing, financial activities, and social assistance. Federal government employment declined. The number of unemployed, at 7.2 million, rose by less than 100,000. The unemployment rate was unchanged at 4.2%. The labor force participation rate and the employment-population ratio each ticked up 0.1 percentage point to 62.6% and 60.0%, respectively. In April, the number of long-term unemployed (those jobless for 27 weeks or more) increased by 179,000 to 1.7 million. The long-term unemployed accounted for 23.5% of all unemployed people. In April, average hourly earnings rose by \$0.06, or 0.2%, to \$36.06. Over the past 12 months, average hourly earnings have increased by 3.8%. The average workweek was unchanged at 34.3 hours in April.
- The first, or advance, estimate of first-quarter gross domestic product showed economic growth declined 0.3%, the first negative quarter since the first quarter of 2022 and below the consensus of up 0.2%. The decline in GDP was largely attributable to a significant increase in imports, which are a negative in the calculation of GDP, likely due to the anticipation of higher tariffs increasing the cost of imports. Personal consumption expenditures rose 1.8% in the first quarter (4.0% in the fourth quarter), making a lower-than-usual 1.21% contribution to GDP. Government consumption expenditures and gross investment fell 1.4% in the first quarter, likely impacted by cuts in payrolls, services, and other expenditures.
- According to the latest Personal Income and Outlays report, personal consumption expenditures rose 0.7% in March following a 0.5% increase in February. Spending on goods rose 0.9%, while spending on services advanced 0.6%. Personal income increased 0.5% in March after increasing 0.7% in the prior month. Disposable (after-tax) personal income also increased 0.5% last month. The personal consumption expenditures price index, a measure of inflation, was unchanged in March. Excluding food and energy, prices also were flat last month. From March 2024, prices rose 2.3%, down from a 2.7% increase for the 12 months ended in February. Prices less food and energy rose 2.6% over the last 12 months, a decrease from the February estimate of 3.0%.
- The number of job openings in March, at 7.2 million, fell by about 280,000 from the February total and was 901,000 under the March 2024 total. In March, the number of hires, at 5.4 million and the number of total separations, at 5.1 million, were little changed from a month earlier. Within separations, the number of layoffs and discharges in March edged down 222,000 to 1.6 million.
- The manufacturing sector expanded marginally in April, according to the latest purchasing managers survey from S&P Global. The S&P Global US Manufacturing Purchasing Managers' Index™ (PMI®) was 50.2 last month, unchanged since March. A minimal increase in new orders was supported by domestic demand, although tariffs resulted in heightened uncertainty and a noticeable drop in new export sales. Confidence in future growth fell to its lowest level since last June, while job losses were recorded for the first time in six months.
- The international trade in goods deficit was \$162.0 billion in March, up \$14.1 billion from February. Exports of goods were \$180.8 billion, \$2.2 billion more than February exports. Imports of goods for March were \$342.7 billion, \$16.3 billion more than February imports. Since March 2024, the goods deficit rose by \$69.2 billion.
- The national average retail price for regular gasoline was \$3.133 per gallon on April 28, \$0.008 per gallon below the prior week's price and \$0.520 per gallon less than a year ago. Also, as of April 28, the East Coast price ticked up \$0.004 to \$2.987 per gallon; the Midwest price decreased \$0.020 to \$2.992 per gallon; the Gulf Coast price rose \$0.002 to \$2.686 per gallon; the Rocky Mountain price increased \$0.004 to \$3.134 per gallon; and the West Coast price declined \$0.028 to \$4.192 per gallon.
- For the week ended April 26, there were 241,000 new claims for unemployment insurance, an increase of 18,000 from the previous week's level, which was revised up by 1,000. According to the Department of Labor, the advance rate for insured unemployment claims for the week ended April 19 was 1.3%, an increase of 0.1 percentage point from the previous week's rate. The advance number of those receiving unemployment insurance benefits during the week ended April 19 was 1,916,000, an increase of 83,000 from the previous week's level, which was revised down by 8,000. This is the highest level for insured unemployment since November 13, 2021, when it was 1,970,000. States and territories with the highest insured unemployment rates for the week ended April 12 were New Jersey (2.4%), California (2.2%), Rhode Island (2.2%), Washington (2.2%), Illinois (1.9%), Massachusetts (1.9%), Minnesota (1.9%), the District of Columbia (1.8%), New York (1.7%), and Oregon (1.7%). The largest increases in initial claims for unemployment insurance for the week ended April 19 were in New Jersey (+2,875), Connecticut



(+2,231), Rhode Island (+1,868), Maryland (+452), and Arizona (+450), while the largest decreases were in Kentucky (-4,613), Texas (-1,896), Oklahoma (-1,336), California (-1,226), and Virginia (-886).

Eye on the Week Ahead

The Federal Open Market Committee meets this week. It is not likely that a rate cut will result from the May meeting, although the consensus is that interest rates will be reduced at least two times before the end of the year.

Data sources: Economic: Based on data from U.S. Bureau of Labor Statistics (unemployment, inflation); U.S. Department of Commerce (GDP, corporate profits, retail sales, housing); S&P/Case-Shiller 20-City Composite Index (home prices); Institute for Supply Management (manufacturing/services). Performance: Based on data reported in WSJ Market Data Center (indexes); U.S. Treasury (Treasury yields); U.S. Energy Information Administration/Bloomberg.com Market Data (oil spot price, WTI, Cushing, OK); www.goldprice.org (spot gold/silver); Oanda/FX Street (currency exchange rates).

News items are based on reports from multiple commonly available international news sources (i.e., wire services) and are independently verified when necessary with secondary sources such as government agencies, corporate press releases, or trade organizations. All information is based on sources deemed reliable, but no warranty or guarantee is made as to its accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation for the purchase or sale of any securities, and should not be relied on as financial advice. Forecasts are based on current conditions, subject to change, and may not come to pass. U.S. Treasury securities are guaranteed by the federal government as to the timely payment of principal and interest. The principal value of Treasury securities and other bonds fluctuates with market conditions. Bonds are subject to inflation, interest-rate, and credit risks. As interest rates rise, bond prices typically fall. A bond sold or redeemed prior to maturity may be subject to loss. Past performance is no guarantee of future results. All investing involves risk, including the potential loss of principal, and there can be no guarantee that any investing strategy will be successful.

The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 largest, publicly traded companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the Nasdaq stock exchange. The Russell 2000 is a market-cap weighted index composed of 2,000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks worldwide. The U.S. Dollar Index is a geometrically weighted index of the value of the U.S. dollar relative to six foreign currencies. Market indexes listed are unmanaged and are not available for direct investment.

Investment and insurance products offered through RBC Wealth Management are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.

The information contained herein is based on sources believed to be reliable, but its accuracy cannot be guaranteed. RBC Wealth Management does not provide tax or legal advice. All decisions regarding the tax or legal implications of your investments should be made in connection with your tax or legal advisor. RBC Wealth Management is not a mortgage lender or broker. Nothing herein should be construed as an offer or commitment to lend. Any calculations are provided as educational tools, and are not intended to provide investment advice or serve as a financial plan. The result of any calculation performed is hypothetical and does not assume the effect of fees, commissions, tax rates, or changes in interest rates or the rate of inflation, and is not intended to predict or guarantee the actual results of any investment product or strategy. These results depend wholly upon the information provided by you and the assumptions utilized within. In selecting an anticipated investment return, you should consider factors affecting the potential return, such as investment objectives and risk tolerance. The articles and opinions in this advertisement, prepared by Broadridge Investor Communication Services, Inc., are for general information only and are not intended to provide specific advice or recommendations for any individual.

RBC Wealth Management, a division of RBC Capital Markets, LLC, Member NYSE/FINRA/SIPC.

RBC Wealth Management does not provide tax or legal advice. All decisions regarding the tax or legal implications of your investments should be made in connection with your independent tax or legal advisor. No information, including but not limited to written materials, provided by RBC WM should be construed as legal, accounting or tax advice.

Past performance does not guarantee future results.