

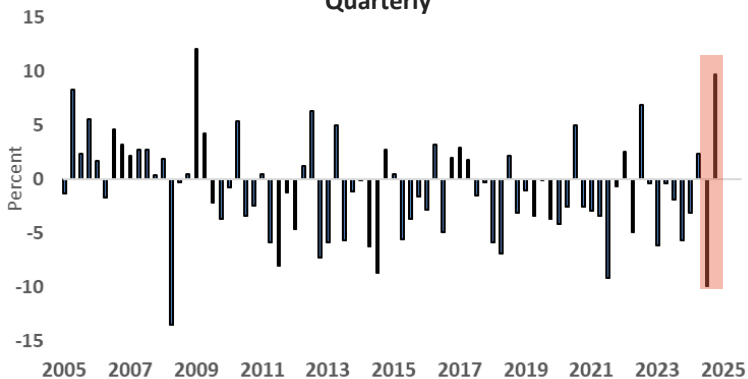
International Stocks Come to Life

The first quarter of 2025 delivered a dramatic turnaround for international stocks. To be sure, this year's outperformance of international stocks is to a large degree a simple reversal of last year's underperformance. As many noted at the year's outset, large cap U.S. stocks were "priced for perfection." To put this in perspective, the S&P 500's forward price-to-earnings multiple was 22 on January 1—a hefty premium to its 20-year average multiple of 15.

The elevated prices of U.S. large-cap stocks resulted from a remarkable two-year run for the S&P 500®. That rally gained steam following the fall elections, the results of which investors interpreted as favorable for U.S. corporate earnings and stock prices.

Optimism over U.S. corporate earnings has begun to fade, however, as a potentially large expansion of tariffs on imports has raised concerns over a slowdown in consumer demand and an erosion of corporate profit margins. Meanwhile, in Europe, the growth outlook has improved as countries such as Germany declare their intent to borrow and invest in infrastructure and defense industries, thus stimulating their economy and investor appetite for their stocks.

Total Return Spread
International ex-U.S. Stocks vs. S&P 500®
Quarterly



MSCI All World ex U.S. Index and S&P 500, quarterly total returns, as of March 31, 2025. Accessed via Bloomberg.

Economy

- Last Week**
- **Conf. Board Consumer Confidence (Mar.):** 92.9 vs. 98.3 one month prior.
 - **GDP Annualized (QoQ, 3rd Revision):** 2.4%
 - **PCE Price Index (Feb., MoM and YoY):** 0.3% HL, 0.4% C (MoM), 2.5% HL, 2.8% C (YoY)
 - **U. of Michigan Sentiment (Mar.):** 57.0 vs. 57.9 one month prior.

- This Week**
- **JOLTS (Feb.):** 4/1
 - **ISM Manufacturing (Mar.):** 4/1
 - **ISM Services (Feb):** 4/3
 - **Payrolls & Unemployment (Mar.):** 4/4

Equities

Index	Level	Returns (%)					
		1 Week	QTD	YTD	1 Year	3-Year Ann.	5-Year Ann.
S&P 500	5612	-2.68	-4.28	-4.28	8.23	9.05	19.73
Russell 1000 Growth	3634	-4.65	-9.97	-9.97	7.75	10.28	21.35
Russell 1000 Value	1853	-0.88	2.13	2.13	7.16	6.41	17.22
FTSE High Dividend Yield*	462	-0.64	1.76	1.76	9.72	7.91	17.36
S&P Small and Mid Cap	16132	-3.24	-7.00	-7.00	-2.95	2.99	17.78
MSCI EAFE	2401	-2.52	7.03	7.03	5.46	6.84	13.02
MSCI EM	1101	-2.99	2.97	2.97	8.54	1.72	8.87

Index	NTM P/E	NTM P/E (20Y med)	Div Yield	S&P Sector Returns YTD													
				Energy	Health Care	Staples	Utilities	Real Estate	Financials	Materials	Industrials	Comm. Serv.	IT	Cons. Discr.			
S&P 500	18.6	15.3	1.5	15													
Russell 1000 Growth	22.7	17.7	0.7	10													
Russell 1000 Value	15.1	13.4	2.3	5													
FTSE High Dividend Yield*	12.5	13.0	3.9	0													
S&P Small and Mid Cap	12.7	15.5	2.1	-5													
MSCI EAFE	13.5	13.4	3.3	-10													
MSCI EM	10.9	11.1	2.9	-15													

* Bloomberg U.S. Large Cap Dividend Yield Total Return Index used as substitute for index characteristics.

Fixed Income

Index	Yield	Returns (%)					
		1 Week	QTD	YTD	1 Year	3-Year Ann.	5-Year Ann.
U.S. Aggregate	4.60	0.63	2.78	2.78	4.88	0.61	-0.42
U.S. Int. Gov/Credit	4.26	0.52	2.42	2.42	5.65	2.31	0.86
U.S. Corporates	5.15	0.40	2.31	2.31	4.90	1.18	1.55
High Yield	7.73	-0.74	1.00	1.00	7.69	5.03	7.52
Municipals (1-10)	3.34	-0.29	0.70	0.70	1.99	2.03	1.47

Key Rates	Last	1 Wk Ago	Last Qtr	Prev YE	Levels (%)		
					1 Yr Ago	3 Yrs Ago	5 Yrs Ago
2-yr Treasury	3.89	4.02	4.24	4.24	4.69	2.34	0.21
10-yr Treasury	4.21	4.31	4.57	4.57	4.35	2.34	0.58
30-yr Treasury	4.57	4.66	4.78	4.78	4.50	2.45	1.22
SOFR	4.41	4.33	4.49	4.49	5.34	0.29	0.01
6-mo. CD rate	4.36	4.31	4.33	4.33	5.31	1.43	0.85
Prime Rate	7.50	7.50	7.50	7.50	8.50	3.50	3.25
30-yr fixed mortgage	6.77	6.71	7.28	7.28	7.29	4.90	3.86

