

Uncertainty in Focus

Last week's defining moment arrived on Friday when the Supreme Court struck down the Trump administration's sweeping IEEPA-based global tariffs in a 6–3 ruling, offering markets a degree of relief from months of trade uncertainty. Stocks rose on the news, with the S&P 500 gaining 0.69% to close at 6,909.51 and the Nasdaq advancing 0.9% to 22,886.07. However, the rally was tempered when President Trump swiftly announced a new 10% global tariff using Section 122 authority, reinforcing that trade friction remains a live issue. It remains unclear whether companies will be able to reclaim the tariffs they have already paid, or how that process would work.

The week also brought sobering economic data. The U.S. economy grew just 1.4% in the fourth quarter, well below the expected 3.0%. Much of the slowdown can be attributed to the government shutdown. Markets also had to digest an increase in the core PCE Price Index, the Fed's preferred inflation gauge, to 3.0%. The combination of weak growth and stubbornly high inflation in the fourth quarter runs afoul of a market narrative that has centered on strong growth and lower inflation.

With both policy and economic trajectories in flux, navigating the months ahead will require heightened investor vigilance and discipline.

U.S. GDP Growth

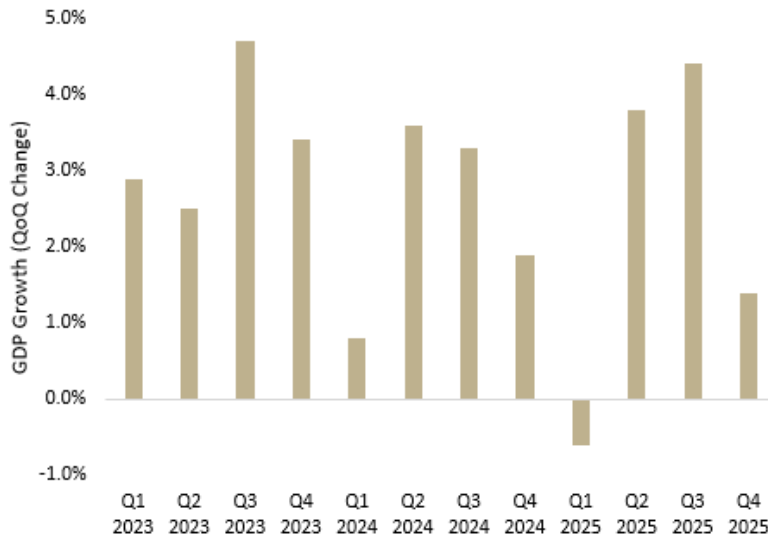


Chart source: Bureau of Economic Analysis

Economy

Last Week	This Week
- GDP Annualized (Q4): 2/20 1.4% vs. 4.4% 1 quarter prior	- Factory Orders (Dec): 2/23
- Personal Income (Dec): 2/20 0.3% vs. 0.3% 1 month prior	- Conf. Board Consumer Confidence (Feb): 2/24
- Personal Spending (Dec): 2/20 0.4% vs. 0.5% 1 month prior	- PPI (Jan): 2/27
- PCE Price Index (Dec): 2/20 0.4% vs. 0.2% 1 month prior	- Construction Spending (Dec): 2/27

Equities

Index	Level	Returns (%)					
		1 Week	QTD	YTD	1 Year	3-Year Ann.	5-Year Ann.
S&P 500	6838	0.06	0.04	0.04	15.13	21.81	13.52
Russell 1000 Growth	4507	0.12	-5.33	-5.33	11.24	26.42	13.80
Russell 1000 Value	2192	-0.33	6.05	6.05	18.02	15.65	10.94
FTSE High Dividend Yield*	563	-0.73	7.51	7.51	18.79	16.14	12.78
S&P Small and Mid Cap	19670	-0.86	7.34	7.34	15.98	11.76	7.25
MSCI EAFE	3135	0.81	8.56	8.56	32.46	19.30	10.68
MSCI EM	1583	1.61	12.80	12.80	41.72	21.02	5.79

Index	NTM P/E	NTM P/E (20Y med)	Div Yield	S&P Sector Returns YTD												
				Energy	Materials	Staples	Industrials	Real Estate	Comm. Serv.	Utilities	Health Care	Financials	Cons. Discr.			
S&P 500	21.8	15.7	1.2	30	25	20	15	10	5	0	-5	-10	-15	-20	-25	-30
Russell 1000 Growth	26.9	18.1	0.5	25	20	15	10	5	0	-5	-10	-15	-20	-25	-30	-35
Russell 1000 Value	16.3	13.6	1.9	20	15	10	5	0	-5	-10	-15	-20	-25	-30	-35	-40
FTSE High Dividend Yield*	14.1	13.1	3.6	15	10	5	0	-5	-10	-15	-20	-25	-30	-35	-40	-45
S&P Small and Mid Cap	16.5	15.4	1.5	10	5	0	-5	-10	-15	-20	-25	-30	-35	-40	-45	-50
MSCI EAFE	16.9	13.5	2.6	5	0	-5	-10	-15	-20	-25	-30	-35	-40	-45	-50	-55
MSCI EM	13.4	11.2	2.1	0	-5	-10	-15	-20	-25	-30	-35	-40	-45	-50	-55	-60

* 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	4.20	0.14	1.42	1.42	7.26	5.09	0.36
U.S. Int. Gov/Credit	3.82	0.16	0.99	0.99	6.84	5.45	1.32
U.S. Corporates	4.73	0.13	1.38	1.38	7.60	6.41	0.85
High Yield	6.63	0.13	0.86	0.86	7.79	9.64	4.44
Municipals (1-10)	2.63	0.15	1.78	1.78	5.80	4.08	1.67

Key Rates	Last	Levels (%)					
		1 Wk Ago	Last Qtr	Prev YE	1 Yr Ago	3 Yrs Ago	5 Yrs Ago
2-yr Treasury	3.44	3.44	3.48	3.48	4.10	4.70	0.13
10-yr Treasury	4.03	4.06	4.17	4.17	4.30	3.88	1.38
30-yr Treasury	4.70	4.69	4.85	4.85	4.56	3.89	2.23
SOFR	3.66	3.71	3.87	3.87	4.33	4.55	
6-mo. CD rate	3.70	3.65	3.62	3.62	4.32	5.22	0.22
Prime Rate	6.75	6.75	6.75	6.75	7.50	7.75	3.25
30-yr fixed mortgage	6.15	6.17	6.25	6.25	6.97	6.94	3.14

Data as of 2:50 PM ET, February 24, 2026. Returns through February 23, 2026.

