



EXECUTIVE WEALTH MANAGEMENT
at Steward Partners

2025 Market & Economic Update

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As many of you are aware, markets—particularly technology and momentum stocks—have had a rough stretch recently. Given the volatility, I wanted to share a few thoughts:

GROWTH SCARE

Last week brought the first real “growth scare” since last August, driven by softer-than-expected economic data. Retail sales came in weaker as consumers pulled back on discretionary spending, suggesting some fatigue after a strong holiday season. The Flash Services PMI, which tracks business activity in the service sector, also showed slower growth, raising concerns about economic momentum. Adding to this, Walmart issued a cautious outlook, signaling that even lower-income consumers may be feeling the pinch.

MARKET SENTIMENT & NEWS CYCLE

Investors are digesting a mix of headlines, including trade tariffs, government funding debates, and tax policy discussions. While these topics can create short-term market noise, history shows they tend to resolve themselves over time. We encourage investors to stay focused on fundamentals and be mindful of news sources that thrive on driving anxiety.

CNN FEAR & GREED INDEX

One of my favorite contrarian indicators is flashing “Extreme Fear” (see: [CNN Fear & Greed Index](#)). Historically, markets have tended to rebound from these levels.

BONDS ARE WORKING

Since peaking in January, the 10-year Treasury yield has drifted down to around 4.25% from 4.80%. The odds of a Fed rate cut in May are increasing, which brings back the idea of a “Fed put” supporting the market.

THIS WEEK'S KEY EVENTS

Nvidia's earnings will be closely watched, given its role as a market leader in AI and technology. Additionally, Friday's Core PCE report—the Federal Reserve's preferred inflation measure—will provide further insight into potential policy moves.

Taking all this into account, we could be approaching a near-term bottom in the market. While our focus remains on long-term investing, we are always monitoring short-term market dynamics. We remain constructive on equities and the positive economic outlook for 2025.

I always welcome any comments or questions

Regards,

Tim

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Sources for this report are from The 7's Report, FS Insight, FactSet, Bloomberg, and views of Tim Davis of Davis Executive Wealth Management Group at Steward Partners.

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Technology stocks may be especially volatile.

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