

THE MARKET MEMO



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The equity market remained turbulent through March, with the S&P 500 dipping into correction territory – 10% off its February peak – largely spurred by tariff policy uncertainty and related fears of potentially rising inflation and dwindling growth.

At its March meeting, the Federal Open Market Committee (FOMC) left target interest rates unchanged, raising inflation expectations for 2025 and lowering growth forecasts through 2027. Chairman Jerome Powell indicated that if growth falters, rate cuts would not be delayed.

In addition to easing Fed policy and a healthy earnings outlook, March also saw oil prices touch six-month lows, thanks partly to the success of Chinese EV production and perceived US market weakness resulting from impending tariffs.

The bottom line

Turbulence is expected to continue until the markets have a chance to adjust to policy changes, which will require clarity from the administration. Time will tell if tariffs will stand as indicated, or if they will be lessened or removed amid ongoing negotiations with the countries and industries affected. Equities may continue moving sideways as the market reacts to headlines and eventually settles at a historically normal bottom for pullbacks of this nature.

We hope this update finds you well and if you have any questions, that you will not hesitate to reach out at your earliest convenience.

Sincerely,

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