



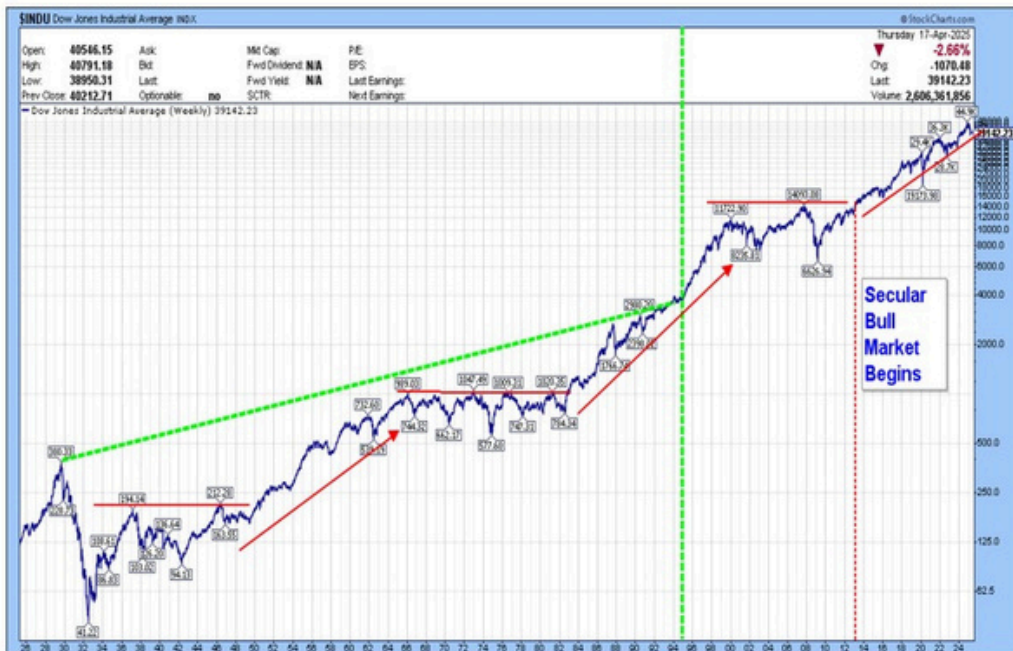
📅 April 21, 2025

## Temporarily Interrupted

**Trump's tariffs are continuing to cause volatility in the markets, and we suspect this will continue for a few more months.**

The good news is that the current pullback is holding the secular bull market uptrend; the bad news is that the April 7th lows of the market will need to be tested. This is where we get volatility, and lows take time to test, which can range from one month to four months. We do have high confidence that the lows will be successfully tested and, within the next twelve months, the S&P 500 will be at new record highs. One important indicator that supports this viewpoint is how extremely bearish sentiment has become – even on a global scale. The Bank of America April Fund Manager Survey (FMS) shows sentiment — based on growth expectations, cash levels, and equity allocations — dropped to its fifth-lowest reading in the survey's 25-year history. The other four lows were set in 2001, 2009, 2019, and 2022. Each of those proved to be a major buying opportunity — not a moment to 'sell and go to cash.' Bear markets are fueled by bad news, and market bottoms are set on bearish news, not positive news. For investors, patience remains a powerful virtue.

## Dow Jones Industrial Average Holds Secular Uptrend



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## Sentiment Is In The Gutter – But That’s A Contrarian Bullish Reading



Source: Bank of America Fund Manager Survey, April 2025

## Expected Trading Range For S&P 500

The S&P 500 April 7 low was 4835 and the market has since rallied up to the 50% retracement level of 5493. The next levels of resistance are 5648 and 5752. It is possible that the market stays within a trading range of 5600-5000 for a few months. This would build a base that we expect should allow the market to rally into new highs in 2026.

## S&P 500 With Fibonacci Projected Levels

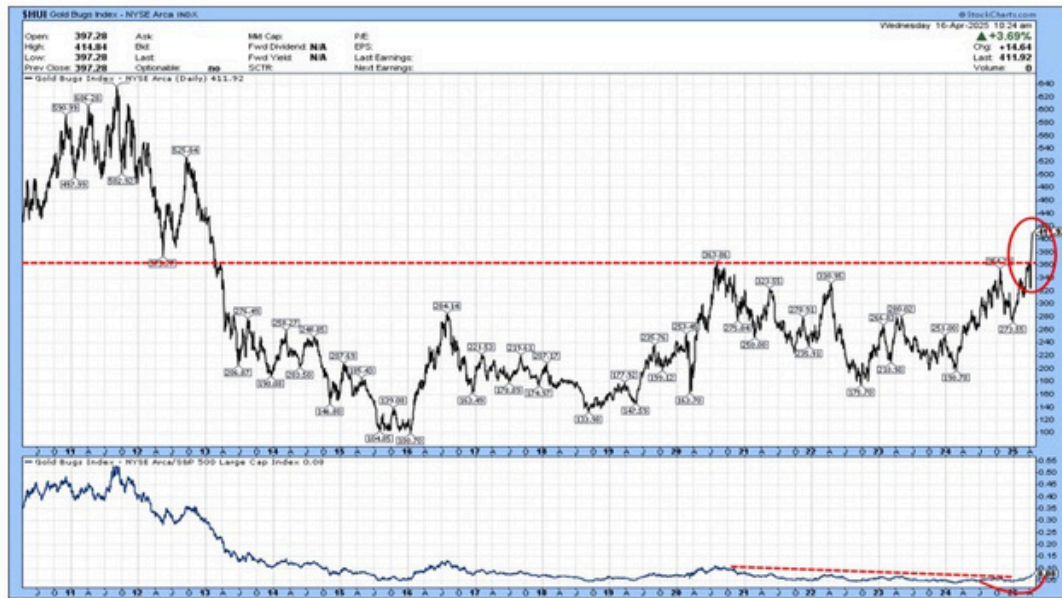


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## Gold Stocks Finally Break Out As Gold Has Been In A Bull Run

Gold has been used as an asset and safe haven for millennia. Gold continues to charge upward to new record highs. However, gold mining stocks had not been moving and just recently started to move higher -- hitting a significant breakout of a 10-year trading range. For those investors looking to get gold exposure, we would look at mining stocks.

### Gold Bugs Index (Top) With Relative To S&P 500 (Bottom)



### VanEck Gold Miners ETF (Top) With Relative To S&P 500 (Bottom)

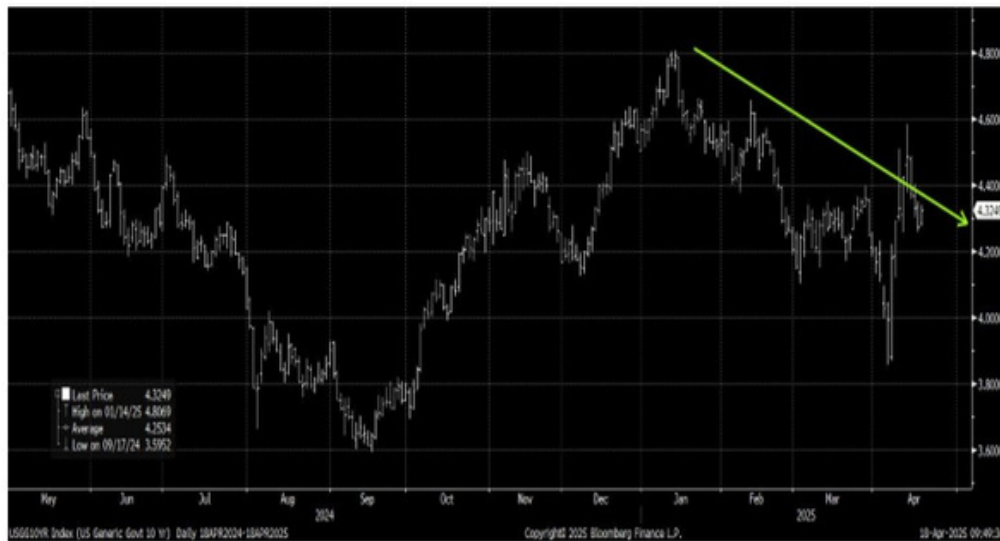


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## 10-Year Treasury Yields Resume Downtrend

The 10-year Treasury yield spiked higher as what appears to be a repositioning of global portfolios. This seems to have been a temporary event as the 10-year yield has resumed its downtrend.

## 10-Year Treasury Yield Still Trending Down

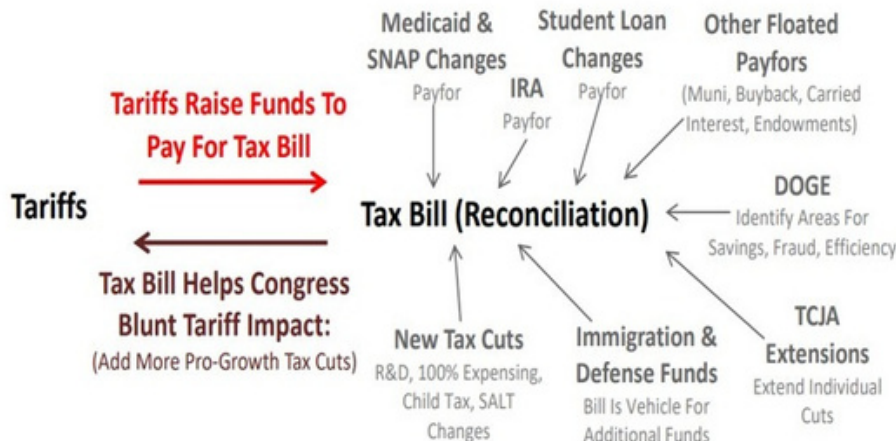


## Where Do We Stand On Tax Cuts?

According to Strategas, a Baird Company: "a tax bill can sterilize [i.e., offset] the negative tariff impacts. Both the House and Senate passed a unified budget resolution, unlocking the process for Congress to pass major tax legislation via reconciliation. Republicans were able to do this with a razor-thin majority in the House, a wide divergence among House members' priorities, and large differences between House and Senate Republicans over the path forward. Passage of a budget was no small feat and remains one of the most underreported stories in Washington. At stake is the expiration of the 2017 Trump tax cuts on individuals, with a \$400bn tax increase looming on January 1st. Failure here is not an option and we expect the tax cuts to be extended. But just extending those tax cuts does not provide any new economic stimulus, as it is simply extending what taxpayers have today. Rather, the tax bill represents an opportunity for Congress to add more pro-growth tax cuts to sterilize the negative economic effects of tariffs. Complicating these matters is that the U.S. is now in a restrictive fiscal policy environment for the first time in 30 years. In previous years Congress would extend tax cuts without offsetting them. That is no longer possible with interest costs eating up nearly 20 percent of tax revenue. Congress will need to find offsets on both the tax and spending sides of the budget. And if that was not enough, the legislation will also include a debt ceiling increase with a lot of House and Senate Republicans needed to vote for this legislation who have never voted for a debt ceiling increase in their careers."

It's clear from the explanation above that passing tax cuts won't be a straightforward task. What matters most is timing: the sooner it gets done, the less likely the U.S. economy heads into a recession.

## Chart Of Tariffs vs Tax Bill And Its Components



Source: Strategas, April 17, 2025


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## A Snapshot Of Where The Latest Tariffs And Retaliation Stand

With so many changes occurring on the tariffs front, we've provided a table summarizing where things stand today.

**What is the latest on tariffs and retaliation?**

Tariff and/or Jurisdiction	Rate	In Effect	Retaliation	Authority Used
Canada and Mexico (fentanyl)	20%, 10% on Canadian energy, USMCA exempt	Yes	Yes	IEEPA
China (fentanyl) and Reciprocal	(20%) <i>and</i> 125% - exemptions for some tech pending section 232 review	Yes	Yes	IEEPA and 301
Autos (and Parts)	25%, exemptions for US components	Yes (auto parts pending)	Threatened	232
Steel and Aluminum	20%	Yes	Threatened	232
Baseline (and Reciprocal Rates)	10% (up to 50%)	Yes (and paused)	Threatened	IEEPA
Secondary Tariffs on Venezuelan Oil	25%	Yes	No	301
Copper, Lumber, Pharma, Semiconductors	TBD	Threatened	N/A	TBD

1 

Source: Natixis, April 2025

## Sector Readings: Technology Falls To Last Place, Staples Remains Top-Ranked

In our April Corner monthly report, we introduced a new sector model using the S&P 500 GICs sector classifications that looks at price momentum over various periods of time, where we have created a weighted measure of three periods of time. We rank each sector from best to worst based upon the average of its 40-, 26-, and 13-week relative price performances. We rank each sector from 1-10 with 1 being the strongest and 10 the weakest. Last week, Technology fell back to last place, while Staples remained top-ranked.

## Sector Rankings By 40-, 26-, And 13-Week Average Relative Price Performance

	Apr 18	Apr 11	Apr 4	Mar 28	Mar 21	Mar 14	Mar 7	Feb 28
Consumer Discretionary	10	8	8	9	9	9	5	3
Consumer Staples	1	1	1	4	6	7	3	4
Energy	8	11	10	2	2	4	10	10
Financials	3	2	3	1	1	1	2	1
Health Care	7	7	5	8	8	8	8	9
Industrials	5	5	6	6	5	5	4	7
Information Technology	11	10	11	11	11	11	9	8
Materials	9	9	9	10	10	10	11	11
Communication Services	6	6	7	7	4	3	1	2
Utilities	2	3	2	3	3	2	7	5
Real Estate	4	4	4	5	7	6	6	6

Source: Bloomberg, Sanctuary Wealth, April 18, 2025

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## OBOS List: Staples Remains Most Overbought And Consumer Discretionary Most Oversold

In our April Corner monthly report, we also introduced a tactical sector rotation model using the S&P 500 GICs sector classifications. We apply a 13-week rate of change methodology that normalizes the rankings from overbought (OB) to oversold (OS). An industry group is overbought when it has risen too far too fast, relative to the rest of the market, based upon its normal movement. Conversely, it's oversold when it has lost too much too fast, relative to the rest of the market, based upon its normal movement. Over time, a sector tends to move back toward its normal change, relative to the rest of the market. Overbought sectors tend to slow their pace of gains in relative price, while oversold sectors tend to improve in relative price until they reach their average performance again.

Here's our methodology: the overbought-oversold table of sectors measures the 13-week rate of change in the relative price of each sector. We then average (smooth) this for 3 weeks and normalize the results. Normalized oscillator values over 1.0 are considered overbought, while those between 0.6 and 1.0 are considered near overbought. Normalized oscillator values below -1.0 are considered oversold, while those between -0.6 and -1.0 are considered near oversold.

### Sector Overbought / Oversold List as of 18 April 2025

rank	S&P Sector	normalized Oscillator
1	Consumer Staples	3.9381
2	Health Care	1.8908
3	Utilities	1.7941
4	Real Estate	1.7018 <i>Overbought</i>
5	Financials	0.9740
6	Industrials	0.9175
7	Materials	0.8757 <i>Near Overbought</i>
8	Energy	-0.0714 <i>Neutral</i>
9	Communication Services	-0.1647 <i>Neutral</i>
10	Information Technology	-1.6868 <i>Near Oversold</i>
11	Consumer Discretionary	-2.7272

Source: Bloomberg, Sanctuary Wealth, April 18, 2025

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## Market Performance: Gold Is The Best-Performing Asset At 27%

	Last 4/17/2025	Month End 3/31/2025	Month to Date	Quarter End 3/31/2025	Quarter to Date	Year End 12/31/2024	Year to Date	Year Ago 4/17/2024	Year To Year
S&P 500	5282.70	5611.85	-5.9%	5611.85	-5.9%	5881.63	-10.2%	5022.21	5.2%
NASDAQ Composite	16286.45	17299.29	-5.9%	17299.29	-5.9%	19310.79	-15.7%	15683.37	3.8%
NASDAQ 100	444.10	468.92	-5.3%	468.92	-5.3%	511.23	-13.1%	425.84	4.3%
Russell 2000	1880.62	2011.91	-6.5%	2011.91	-6.5%	2230.16	-15.7%	1947.95	-3.5%
S&P Consumer Discretionary Sector	1470.50	1575.40	-6.7%	1575.40	-6.7%	1831.16	-19.7%	1408.77	4.4%
S&P Consumer Staples Sector	902.78	892.71	1.1%	892.71	1.1%	853.65	5.8%	783.56	15.2%
S&P Energy Sector	625.42	715.75	-12.6%	715.75	-12.6%	654.85	-4.5%	719.56	-13.1%
S&P Financial Sector	776.06	829.46	-6.4%	829.46	-6.4%	804.44	-3.5%	660.26	17.5%
S&P Health Care Sector	1578.44	1702.26	-7.3%	1702.26	-7.3%	1604.75	-1.6%	1613.26	-2.2%
S&P Industrials Sector	1060.74	1109.72	-4.4%	1109.72	-4.4%	1115.65	-4.9%	1025.06	3.5%
S&P Information Technology Sector	3761.87	4019.98	-6.4%	4019.98	-6.4%	4609.52	-18.4%	3644.27	3.2%
S&P Materials Sector	511.30	541.98	-5.7%	541.98	-5.7%	529.77	-3.5%	560.47	-8.8%
S&P Real Estate Sector	253.73	262.90	-3.5%	262.90	-3.5%	255.92	-0.9%	224.02	13.3%
S&P Communications Sector	301.58	319.75	-5.7%	319.75	-5.7%	341.66	-11.7%	284.44	6.0%
S&P Utilities Sector	395.29	400.81	-1.4%	400.81	-1.4%	384.95	2.7%	325.37	21.5%
S&P 500 Total Return	11642.40	12360.21	-5.8%	12360.21	-5.8%	12911.82	-9.8%	10919.49	6.6%
3 month Treasury Bill Price	98.92	98.93	0.0%	98.93	0.0%	98.92	0.0%	98.65	0.3%
3 month Treasury Bill Total Return	260.27	259.66	0.2%	259.66	0.2%	256.97	1.3%	247.82	5.0%
10 Year Treasury Bond Future	111.17	111.22	0.0%	111.22	0.0%	108.75	2.2%	108.16	2.8%
10 Year Treasury Note Total Return	304.21	303.73	0.2%	303.73	0.2%	293.94	3.5%	284.98	6.7%
iShares 20+ Year Treasury Bond ETF	87.53	91.03	-3.8%	91.03	-3.8%	87.33	0.2%	89.28	-2.0%
S&P Municipal Bond Total Return	273.80	277.48	-1.3%	277.48	-1.3%	278.14	-1.6%	270.25	1.3%
iShares S&P National Municipal Bond NAV	103.64	105.21	-1.5%	105.21	-1.5%	106.40	-2.6%	106.32	-2.5%
S&P 500 Investment Grade Corporate Bond Total Return	469.67	475.67	-1.3%	475.67	-1.3%	465.24	1.0%	443.17	6.0%
S&P Investment Grade Corporate Bond	90.02	91.30	-1.4%	91.30	-1.4%	90.28	-0.3%	88.58	1.6%
S&P Investment Grade Corporate Bond Total Return	501.07	507.15	-1.2%	507.15	-1.2%	495.89	1.0%	471.83	6.2%
SPDR Bloomberg High Yield Bond ETF	93.72	95.30	-1.7%	95.30	-1.7%	95.47	-1.8%	92.69	1.1%
iShares iBoxx High Yield Corporate Bond ETF	77.77	78.89	-1.4%	78.89	-1.4%	78.65	-1.1%	75.78	2.6%
Gold	3326.85	3123.57	6.5%	3123.57	6.5%	2624.50	26.8%	2361.02	40.9%
Bitcoin	85139.14	82421.29	3.3%	82421.29	3.3%	93714.04	-9.2%	60855.27	39.9%

Source: Bloomberg, Sanctuary Wealth, April 17, 2025

## Tariff Talk And Earnings To Take Center Stage

***This week, it's all about jobs – data that fuels the consumer, the economy, and market confidence.***

Unfortunately, tariff talks look to be around for a while, so comments from the White House will remain a focus as potential market moving comments could drop at any time. Also, the 1Q25 earnings season is in full swing, and this week we'll hear from Tesla on Tuesday and Alphabet (Google) on Thursday. More than the earnings results themselves, it's the CEOs' outlooks that investors will be listening to most closely.

The Banks kicked off earnings season, reporting better than expected numbers. But importantly, Bank of America CEO Brian Moynihan commented, "Our business clients have been performing well; and consumers have shown resilience, continuing to spend and maintaining healthy credit quality."

Lastly, a major economic datapoint the market will continue to laser in on is initial jobless claims, out on Thursday. That data might indicate whether there is a risk of rising unemployment. But for now, the economy and consumers are in good shape. Still, we should expect some economic slowing as recession risk will remain with the consumer and their spending.



# Calendar

**Mon.**

10:00 am U.S. leading economic indicators  
Earnings: Comerica\*

**Tue.**

9:30 am Philadelphia Fed President Patrick Harker speaks  
2:00 pm Minneapolis Fed President Neel Kashkari speaks  
2:30 pm Richmond Fed President Tom Barkin speaks  
Earnings: Tesla, 3M, Capital One

**Wed.**

9:00 am Chicago Fed President Austan Goolsbee opening remarks  
9:30 am St. Louis Fed President Alberton Musalem and Fed Governor Christopher Waller speak  
9:45 am S&P flash U.S. services PMI, S&P flash U.S. manufacturing PMI  
10:00 am New home sales  
2:00 pm Fed Beige Book  
7:40 pm Atlanta Fed President Bostic speaks  
6:30 pm Cleveland Fed President Beth Hammack speaks  
Earnings: Chipotle Mexican Grill, AT&T, Norfolk Southern, Whirlpool

**Thu.**

8:30 am Initial jobless claims, Durable-goods orders, Core durable orders (business investment)  
10:00 am Existing home sales  
5:00 pm Minneapolis Fed President Neel Kashkari speaks  
Earnings: Alphabet, American Airlines, AllianceBernstein, Ameriprise Financial, First Bancorp, PepsiCo, PG&E, Federated Hermes, Principal Financial Group

**Fri.**

10:00 am Consumer sentiment (final)  
Earnings: Charter Communications, Colgate-Palmolive, Moog

\*Earnings reflect highlights

Source: CNBC, Kiplinger's, MarketWatch

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