

APRIL 14, 2025

Weekly Note

Orion OCIO On What Wall Street Is Wondering About, Worrying Over, Or Wishing For This Week...

By the Skin of Its Teeth

- Sometimes — when there isn't much going on in the markets and the economy — it can be hard for us to come up with a topic for the Weekly Note. This week — or we should say last week — was not one of those times, not when we consider the historic moves in the U.S. stock market (both down and up); the 90-day tariff pause announced by President Donald Trump April 9th; the sell-off in the U.S. dollar and U.S. government bonds that had more than a few market participants wondering if something more sinister was taking hold in the markets (we don't believe so); and the economic calendar, which included the Consumer Price Index and the Producer Price Index (both of which can be market-moving events). While all those topics — and others — were considered, we decided to focus on the world's most important equity benchmark — the S&P 500 — and what it didn't do last week, which was enter into a bear market.
- By way of definition, most folks consider an index to be in a bear market when it falls 20%+ from its recent high. Well, on April 7th, on an intra-day basis, the S&P 500 was 21% below its all-time high of 6,147 (hit on February 19th) — but then the index rallied into the close to end the day down 18% from its all-time high. It may be a distinction without a difference, but we would argue an index needs to close down 20%+ for a bear market to begin, something the S&P 500 has so far avoided. We know that doesn't negate the financial and emotional pain the past few weeks have caused for investors across the country, but given the difficult days we are living through, we will take small victories where we can find them. Finally, stepping back and considering the performance of the S&P 500 over a very long time — say 30 years, where it is up 925% (see chart) — might help put recent volatility in perspective and make these difficult days a bit more bearable.



Source: FactSet, 4/11/2025

The S&P 500 Index is an unmanaged composite of 500-large capitalization companies. This index is widely used by professional investors as a performance benchmark for large-cap stocks. An index is an unmanaged group of stocks considered to be representative of different segments of the stock market in general. You cannot invest directly in an index.

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