



# Market Pulse Monthly

A Monthly Review of Investment Trends and Insights

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## Month in Review

- April was a volatile month for stocks, bonds and currencies as investors digested the implications of rapidly changing trade policies.
- After hitting a high level for 2025 on February 19th, the S&P 500 fell nearly 19% through April 8th. The index recovered from those levels, ending April down just -0.68% for the month and ending April at -4.92% YTD.
- Other equity markets finished April on a stronger note, such as Developed International (MSCI EAFE NR Index) equities. The MSCI EAFE continued its strong 2025 through April, finishing the month up +4.58%, bringing YTD 2025 returns to +11.76%.
- Outside of equity markets, the bond market recovered after a choppy start to April, with the Bloomberg US Aggregate Bond TR Index finishing April +0.39%, illustrating diversification benefits from bond allocations in portfolios.

## US Dollar Decline

One surprise in 2025 has been the US dollar and the price movements versus other major currencies. Unlike major stock and bond markets which have recovered from late March/early April, the US dollar continues to fall versus major currencies. The US dollar depreciating, while US stocks are down, is a shift in behavior over the past 15-20 years: the US dollar had largely strengthened during times of uncertainty.

The decline of the US dollar has had a significant impact on equity markets already in 2025: year-to-date international equities have outperformed the U.S. by the largest margin since 1993 (roughly 14%). While international valuations were cheaper, the shifting economic outlook and change in the US dollar made significant contributions to strong results YTD for international equities

Investors are also weighing the impact of reduced international trade, something that is likely contributing to the US dollars decline. Any long-term reduction in trade could lessen demand for US dollars, another major long-term trend that could be shifting.



Source: FactSet, J.P. Morgan Asset Management; Currencies in the DXY Index are: British pound, Canadian dollar, euro, Japanese yen, Swedish krona and Swiss franc.

## What's on Deck for May?

- Earnings for the first quarter of 2025 will be reported through May, with investors focusing on forward guidance given the changes in trade policy in 2025.
- The Federal Reserve meets on May 7th, but markets are not expecting any change to interest rate policy at this meeting.
- Ahead of the July extension, investors will be monitoring for any new trade deals.



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