



## MONTHLY MARKET REVIEW – March 2025

	Mar 2025	YTD	1-Year	3-Years	5-Years	10-Years
<b>U.S. Large Cap Equities</b> S&P 500	-5.63%	-4.27%	8.25%	9.06%	18.59%	12.50%
<b>U.S. Small Cap Equities</b> Russell 2000	-6.81%	-9.48%	-4.01%	0.52%	13.27%	6.30%
<b>Energy Infrastructure Equities</b> Alerian U.S. Midstream	0.72%	7.89%	42.97%	26.37%	42.86%	9.18%
<b>U.S. Real Estate Equities</b> Dow Jones U.S. Select REIT	-3.76%	1.17%	9.79%	-1.41%	10.84%	4.53%
<b>Global Equities</b> MSCI All Country World Index	-3.95%	-1.32%	7.15%	6.91%	15.18%	8.84%
<b>Int'l Developed Equities</b> MSCI EAFE	-0.40%	6.86%	4.88%	6.05%	11.77%	5.40%
<b>Emerging Market Equities</b> MSCI Emerging Markets	0.63%	2.93%	8.09%	1.44%	7.94%	3.71%
<b>U.S. Taxable Fixed Income</b> Bloomberg U.S. Aggregate	0.04%	2.78%	4.88%	0.52%	-0.40%	1.46%
<b>U.S. Tax-Exempt Fixed Income</b> Bloomberg Municipal Aggregate	-1.69%	-0.22%	1.22%	1.53%	1.07%	2.13%
<b>High Yield Fixed Income</b> Bloomberg U.S. Corp High Yield	-1.02%	1.00%	7.69%	4.98%	7.29%	5.01%
<b>Floating Rate Loans</b> Morningstar LSTA U.S. Loan	-0.31%	0.48%	6.86%	7.21%	8.96%	4.98%
<b>Collateralized Loan Obligations</b> JP Morgan Collateralized Loan Index	0.05%	1.07%	7.00%	6.73%	6.81%	4.12%

- Markets were lower in March amid rising economic concerns and escalating geopolitical tensions.
- U.S. large and small cap stocks fell sharply, while “value” outperformed “growth” by 5.2%.
  - “Mag 7” stocks have declined 14.8% year-to-date, while ex-Mag 7 stocks have gained 0.4%.
  - U.S. small cap stocks declined 6.8% while trading at an 11% premium to Core U.S. large cap.
- International and emerging markets stocks gained despite heightened tariff uncertainty.
  - Returns for non-U.S. equities have been supported by multiples and a weakened U.S. dollar.
- Fixed income returns were mixed, but mostly negative; investment grade bonds performed best.
  - The yield curve spread between 2-year and 10-year Treasuries widened to 0.34%. Nominal 10-year treasury yields were 4.2%, with inflation at 2.5% (PCE), producing positive real yields.
- High yield bonds yielded 7.7%, or 1.2%, above the 10-year median of 6.5%.
- Floating rate loans appeared relatively less attractive on a risk adjusted basis, despite offering a higher 9.0% yield.
- Securitized Collateralized Loan Obligations, or CLOs, including both investment grade and lower quality tranches, would be a safer floating rate option.

Sources: eVestment, JP Morgan, xe.com, Trading Economics, MacroTrends, StatisticsCanada, Bloomberg, Financial Post, bea.gov, U.S. Dept of Labor/Bureau of Labor Statistics, Bank of Canada, Reuters, Morningstar, RBC.

Category	Comments
<b>Growth</b>	<ul style="list-style-type: none"> <li>U.S. economic growth expanded at 2.4% seasonally adjusted annual rate (saar) during Q4, with real economic growth coming in at 2.8% y/y in 2024.</li> <li>Consumer spending was the primary driver of growth, rising 4.0% q/q.</li> <li>Inventories were a significant drag on economic activity, while economic momentum remains solid.</li> </ul>
<b>Profits</b>	<ul style="list-style-type: none"> <li>The 4Q24 earnings season has concluded: <ul style="list-style-type: none"> <li>Pro forma Earnings Per Share (EPS) of \$65.77; representing an increase of 18.4% y/y and 4.7% q/q; 76% of companies beat on earnings.</li> <li>Driven by Sales growth (5.8%), Margins (13.6%) and Shares count (-1.0%)</li> <li>We note a continuing broadening out of earnings, with the S&amp;P 500 ex-Magnificent 7 rising 15% y/y vs. 31% for the Magnificent 7.</li> </ul> </li> </ul>
<b>Jobs</b>	<ul style="list-style-type: none"> <li>The February jobs report showed a resilient labor market: <ul style="list-style-type: none"> <li>Nonfarm payrolls rose by 151,000, below consensus expectations.</li> <li>The services sector remained the key contributor at 106,000.</li> <li>Wage growth eased to 0.3% m/m and 4.0% y/y; unemployment rose to 4.1%.</li> </ul> </li> </ul>
<b>Inflation</b>	<ul style="list-style-type: none"> <li>February Personal Consumption Expenditures Index (PCE): <ul style="list-style-type: none"> <li>Headline (estimate): 2.5% y/y (0.3% increase m/m).</li> <li>Core (estimate): 2.8% y/y increase (0.4% increase m/m).</li> </ul> </li> </ul>
<b>Interest Rates</b>	<ul style="list-style-type: none"> <li>The FOMC policy rate was unchanged in March at a range of 4.25%-4.50%: <ul style="list-style-type: none"> <li>The FOMC 2025 median year-end estimated policy rate is 3.9%.</li> <li>Fed Funds futures are pricing in 3.6%.</li> </ul> </li> </ul>

## CANADA:

- The U.S. dollar index (DXY) **decreased** 3.2% in March and **decreased** 0.1% over the past year (see chart below), while the U.S. dollar **weakened** 0.2% (YTD) against the Canadian dollar to end the month with an exchange rate of **1.43**.
- The Bank of Canada reduced its policy interest rate from 3.00% to 2.75% on March 12<sup>th</sup>.
- The next opportunity for the BoC to adjust its policy rate is April 16<sup>th</sup>.
- Inflation has increased, with total CPI ending February at 2.6% (up 0.7% m/m). Core CPI, referred to as "CPI-trim," was 2.9% at month-end, a 0.2% m/m increase.
- The Canadian economy has been threatened by U.S. imposed tariffs, specifically the proposed 25% tax on autos. The tariff speculation was the key factor in the Bank of Canada's election to further reduce interest rates.



Sources: eVestment, JP Morgan, xe.com, Trading Economics, MacroTrends, StatisticsCanada, Bloomberg, Financial Post, bea.gov, U.S. Dept of Labor/Bureau of Labor Statistics, Bank of Canada, Reuters, Morningstar, RBC.

## OIL:

- **The price of crude oil was \$71.48 per barrel (WTI).**
- Oil prices increased \$1.53 per barrel, or 2.2%, in March.
- The price of oil declined to a low of \$66 per barrel by mid-March, before recovering. The price swing was attributable to tariff uncertainty and potential economic fallout that could reduce energy demand.
- **Oil is forecasted to trade between \$65 and \$75 per barrel over the next 12 months.**

Year	Ave. Price	High	Low	% Change
2025	\$71.57	\$80.04	\$66.03	-1%
2024	\$75.83	\$87.01	\$66.37	1%
2023	\$77.64	\$93.84	\$66.74	-11%
2022	\$94.53	\$123.70	\$71.59	7%
2021	\$68.17	\$84.65	\$47.62	55%
2020	\$39.68	\$63.27	\$11.26	-21%
2019	\$56.99	\$66.24	\$46.31	35%
2018	\$65.23	\$77.41	\$44.48	-25%
2017	\$50.80	\$60.46	\$42.48	12%
2016	\$43.29	\$54.01	\$26.19	45%
2015	\$48.66	\$61.36	\$34.55	-31%
2014	\$93.17	\$107.95	\$53.45	-46%

## COPPER:

- **The price of copper was \$5.05 USD per pound.**
- Copper prices increased \$0.50 per pound, or 11.0%, in March.
- Copper prices moved steadily higher and achieved a new record high. The price appreciation was attributable to tariff speculation, which triggered a surge in U.S. copper imports (500,000 tons vs 70,000 monthly average).
- **Copper is forecasted to trade between \$5.00 and \$5.50 per pound over the next 12 months.**

Year	Ave. Price	High	Low	% Change
2025	\$4.58	\$5.23	\$4.02	26%
2024	\$4.23	\$5.10	\$3.68	3%
2023	\$3.86	\$4.28	\$3.57	2%
2022	\$4.00	\$4.94	\$3.23	-14%
2021	\$4.24	\$4.76	\$3.52	27%
2020	\$2.80	\$3.63	\$2.10	26%
2019	\$2.72	\$2.97	\$2.53	6%
2018	\$2.93	\$3.30	\$2.56	-20%
2017	\$2.81	\$3.30	\$2.49	32%
2016	\$2.20	\$2.69	\$1.94	17%
2015	\$2.49	\$2.94	\$2.02	-25%
2014	\$3.11	\$3.38	\$2.83	-17%

## ALUMINUM:

- **The price of aluminum was \$2,515 USD per tonne.**
- Aluminum prices decreased \$92.80 per tonne, or 3.6%, in March.
- Tarriff speculation and heightened trade tensions threatened global demand for Aluminum. The higher price outlook is attributable to lower supply from major producers in Guinea, Australia and China.
- **Aluminum is forecasted to trade between \$2,500 USD/tonne and \$2,725 over the next 12 months.**

Year	Ave. Price	High	Low	% Change
2025	\$2,624	\$2,729	\$2,490	-1%
2024	\$2,458	\$2,768	\$2,159	7%
2023	\$2,288	\$2,662	\$2,122	0%
2022	\$2,711	\$3,966	\$2,103	-15%
2021	\$2,486	\$3,198	\$1,954	42%
2020	\$1,732	\$2,068	\$1,427	9%
2019	\$1,811	\$1,936	\$1,706	-2%
2018	\$2,115	\$2,556	\$1,817	-19%
2017	\$1,979	\$2,272	\$1,686	34%
2016	\$1,610	\$1,784	\$1,450	12%
2015	\$1,679	\$1,978	\$1,436	-18%
2014	\$1,984	\$2,107	\$1,840	0%

Sources: eVestment, JP Morgan, xe.com, Trading Economics, MacroTrends, StatisticsCanada, Bloomberg, Financial Post, bea.gov, U.S. Dept of Labor/Bureau of Labor Statistics, Bank of Canada, Reuters, Morningstar, RBC.

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