

Weekly Market Recap

March 26, 2025



Our model portfolio returns

Model Portfolio	Last Week			Year-to-Date (YTD)		
	Optimize	Benchmark	Outperformance	Optimize	Benchmark	Outperformance
All Growth Portfolio	0.34%	1.29%	-0.95%	15.75%	13.93%	1.82%
Growth Balanced Portfolio	0.29%	1.19%	-0.90%	15.27%	13.20%	2.07%
Balanced Growth Portfolio	0.23%	1.08%	-0.84%	14.78%	12.45%	2.33%
Income Balanced Portfolio	0.17%	0.80%	-0.63%	13.47%	10.55%	2.92%
Income Portfolio	0.11%	0.58%	-0.47%	12.15%	9.03%	3.11%

As of March 21, 2025

Key drivers to our outperformance

▪ Top Company: Chevron Corp

Chevron was one of the top contributors to performance last week, gaining 4.92% as the Energy sector led markets higher. The stock benefited from renewed US and Global demand, easing geopolitical tensions, and signs of deregulation, all of which supported a broader rally in energy names. Chevron's 2025-2026 guidance underscores significant Free Cash Flow expansion with room for a further increase in 2027. As a large-cap value holding, Chevron continues to stand out with strong financials, expanding free cash flow, and disciplined capital allocation, highlighting the company's ability to deliver consistent returns and long-term value in a shifting global energy landscape.

▪ Top Sector: Energy

Energy was the best-performing sector last week, gaining 3.20% amid renewed momentum. Progress on geopolitical peace efforts, stronger demand signals from Europe, and signs of regulatory easing in the US contributed to the sector's outperformance. Energy companies continue to benefit from strong fundamentals, including solid balance sheets and expanding free cash flow. These dynamics enhance their ability to return capital to shareholders, meeting investments in future growth. With supportive macro drivers in play, Energy remains a key contributor to portfolio resilience and long-term value.

▪ Top Asset Class: U.S Equities

US Equities' uniqueness in terms of earnings and revenue growth leads its global peers, and investors worldwide are taking a hint. The U.S. continues to hold a dominant share of the global equity market, attracting investors worldwide with its depth and stability. This ongoing global interest reinforces the strength of U.S. large-cap equities, where we have a significant allocation to capture attractive growth opportunities. Key sectors such as Consumer Goods, Healthcare, Technology, and Financials are leading performance, further supporting our strategy in a market that remains a global investment hub.

Model Portfolio	Returns (YoY)	Outperformance (YoY)	Upside Capture	Downside Capture
All Growth Portfolio	21.69%	3.79%	108%	32.33%
Growth Balanced Portfolio	21.14%	4.77%	110.06%	40.93%
Balanced Growth Portfolio	20.53%	5.77%	105.59%	49.12%
Income Balanced Portfolio	18.51%	7.64%	152.18%	59.83%
Income Portfolio	16.45%	8.63%	142.70%	43.61%

As of February 28, 2025

Weekly Market Recap

March 26, 2025



Weekly insights

- **Equities Stabilize by Friday's Close to End Last Week on a Steady Note**

Equities stabilized into Friday's close, and posted a positive weekly gain of 0.51%. With no major tariff announcements from President Trump during the week, the session confirmed that equity's recent weakness stemmed more from trade uncertainty than economic weakness. February's inflation data showed prices in check, while strong job growth underscored the U.S. labor market's resilience despite trade policy uncertainty. Earnings growth remains robust, with a projected 10% increase for the year. The S&P 500 closed with momentum recovering from oversold conditions and weekly breadth over 65%, leaving U.S. equity positioning much more stable.

- **Earnings Growth Remains Strong in U.S. Equities**

Earnings growth for U.S. equities remains strong, despite mixed performance in the last two months of the year driven by trade and policy uncertainty. With approximately 97% of S&P 500 companies reported earnings, growth estimates remain robust. S&P 500 earnings are projected to grow 10% in 2025 and 13% in 2026, while the NASDAQ 100, primarily composed of growth stocks, is expected to see earnings growth of 19% in 2025 and 17% in 2026. Strong earnings growth continues to serve as a reliable indicator that reflects the resilience and underlying strength of the companies, suggesting that they are well-positioned to navigate challenges and potentially deliver positive returns.

- **FED Sees Two Rate Cuts in 2025**

The U.S. Federal Reserve's latest dot plot indicates two rate cuts for 2025 and 2026. While the Fed kept its policy rate unchanged at 4.50% in its most recent meeting last week, it projected a reduction to 3.9% by the end of this year, followed by a further dip to 3.4% by the close of 2026. The central bank emphasized that inflation remains on track to meet its target, with any short-term rise in inflation driven by tariffs expected to be transitory. Despite slightly revising its growth forecast downward, the Fed reaffirmed the strength of the labor market, with unemployment holding steady at 4.1%. The market responded positively, with the S&P 500 climbing 1.4% at the close and yields falling.

What to look for next week

- **Economic Growth: GDP Report**

The U.S. GDP report, scheduled for release on Thursday, will provide an updated look at fourth-quarter economic growth. With strong consumer spending and resilient trade data supporting last quarter's expansion, markets will watch for any revisions to growth momentum as we head into 2025.

- **Inflation Trends: Core PCE Price Index**

The Core PCE Price Index, due Friday, will offer key insights into inflation trends and the Federal Reserve's policy outlook. With annual core inflation still above the Fed's 2% target, markets will watch closely for signs of continued easing or renewed price pressure.

- **Key Corporate Earnings: Lululemon, Dollar Tree, and Paychex**

This week, the focus will be on key companies releasing their earnings reports, including Lululemon (after the market opens on March 27, 2025), Dollar Tree (before the market opens on March 26, 2025), and Paychex (before the market opens on March 26, 2025).

Source of All Economic Data: Bloomberg

**“Rule No. 1: Never Lose Money. Rule No. 2:
Never Forget Rule No. 1.”**

- Warren Buffett