SMITH SHELLNUT WILSON
AN AFFILIATE OF 61BANK

Financial Week Newsletter

Summarized by Smith Shellnut Wilson

May 19, 2025

"Great things are done by a series of small things brought together." Vincent Van Gogh

MARKETS

Macro Recap: Markets opened the week on a positive note as trade talks between the U.S. and China—the world's two largest economies—showed signs of progress. Negotiators from both countries agreed to significantly lower many of the recently imposed tariffs for a 90-day period, during which they will continue discussions aimed at reaching a more permanent agreement.

Inflation data released in April indicated a continued slowdown in price increases, even as new tariffs began to take effect. The Consumer Price Index rose 2.3% year-over-year, slightly below March's 2.4% rate and the smallest annual increase since February 2021. Core inflation, which excludes food and energy, remained steady at 2.8% compared to March.

Consumer sentiment in the U.S. declined for the fifth consecutive month, reaching its lowest level in nearly three years. According to preliminary data from the University of Michigan, the Index of Consumer Sentiment dropped to 50.8 in May from 52.2 in April, defying economists' expectations for an improvement.

Gold prices retreated for the third time in four weeks, pausing a strong rally that had driven the metal to record highs in April. By Friday afternoon, gold was trading near $3,200 per ounce—down nearly 5% for the week and well below its recent peak above $3,400.

Retail sales in the U.S. edged up slightly in April, rising 0.1% following a sharp 1.7% increase in March. Analysts attributed the earlier surge to a rush in consumer purchases ahead of anticipated tariff hikes.

Equity Recap: The S&P 500 ended the week with a gain of over 5%, rebounding strongly after modest losses the previous week. This marked the fourth positive week out of the last six, as equities continued to recover from the steep declines experienced between late February and early April.

The NASDAQ has shown greater volatility than other major U.S. indexes in recent months. On Monday, it officially entered a bull market—just six weeks after briefly dipping into bear market territory. A 4% surge that day lifted the index more than 20% above its April 8 low. By Friday, the NASDAQ was trading less than 5% below its all-time high set on December 16, 2024.

Bond/Rate Recap: Yields on U.S. Treasury notes moved higher, with the 2-year note rising 12 basis points to 4.01%, while the 10-year note climbed 6 basis points to 4.44%.

INDICES

	May 16 Close	May 12 Open	Weekly Change	Dec 31 2024	YTD Change
DJIA	42,655	41,249	3.4%	42,544	0.3%
S&P 500	5,958	5,660	5.3%	5,882	1.3%
NASDAQ	19,211	17,929	7.2%	19,311	-0.5%
Russell 2000	2,113	2,023	4.5%	2,230	-5.2%
KBW Bank Indx	131.1	123.0	6.5%	127.5	2.8%
Bitcoin	$102,405	$103,943	-1.5%	$93,714	9.3%
Oil (WTI)	$62.23	$61.02	2.0%	$71.72	-13.2%
Gold	$3,240	$3,325	-2.5%	$2,625	23.5%
Prime	7.50	7.50	0.00	7.50	0.00
Effective Fed Funds	4.33	4.33	0.00	4.33	0.00
3m Tbill	4.35	4.32	0.03	4.31	0.04
2yr UST	4.01	3.89	0.12	4.24	-0.23
10yr UST	4.44	4.38	0.06	4.57	-0.13
2-10yr UST Spread	43	49	-6	33	10
2y AAA Muni/10y UST	72.2%	74.5%	-2.3%	66.5%	5.8%
10y AAA Muni/10y UST	74.5%	75.8%	-1.3%	68.4%	6.1%
5yr Inflation Forecast	2.45	2.40	0.05	2.42	0.03

Week Ahead

- **Monday:** LEI
- **Tuesday:** No major reports
- **Wednesday:** No major reports
- **Thursday:** Exiting home sales
- **Friday:** New home sales

ALL CONTENT IS FOR INFORMATIONAL PURPOSES ONLY AND SHOULD IN NO WAY BE CONSTRUED OR INTERPRETED AS A SOLICITATION TO SELL OR AN OFFER TO SELL ADVISORY SERVICES OR PRODUCTS.

Share
Forward

Chad McKeithen | Research Department
Smith Shellnut Wilson, LLC
661 Sunnybrook Rd., Ste 130
Ridgeland, MS 39157
601.605.1776
www.ssw1776.com
Preferences | Unsubscribe