Aspen Wealth Management, Inc.
9300 W. 110th Street, Suite 680
Overland Park, KS 66210
913.491.0500
www.aspenwealth.com

April 2025

Market Update
(all values as of 03.31.2025)

Stock Indices:

Dow Jones	42,001
S&P 500	5,611
Nasdaq	17,299

Bond Sector Yields:

2 Yr Treasury	3.89%
10 Yr Treasury	4.23%
10 Yr Municipal	3.20%
High Yield	7.53%

YTD Market Returns:

Dow Jones	-1.28%
S&P 500	-4.59%
Nasdaq	-10.42%
MSCI-EAFE	7.00%
MSCI-Europe	10.10%
MSCI-Pacific	0.90%
MSCI-Emg Mkt	4.40%
US Agg Bond	2.78%
US Corp Bond	2.31%
US Gov't Bond	2.70%

Commodity Prices:

Gold	3,169
Silver	34.79
Oil (WTI)	71.64

Currencies:

Dollar / Euro	1.08
Dollar / Pound	1.29
Yen / Dollar	149.77
Canadian /Dollar	0.69

Macro Overview

Turmoil swept through the global markets as the recently announced tariffs proved broader and more significant than anticipated. Concerns over economic contraction have now overtaken inflation fears, as the toll on global trade casts doubt on the pace of continued expansion.

Major equity indices around the world lost trillions in market value amid growing uncertainty and fears of retaliation among international trading partners. Commodity prices and cryptocurrency tumbled as volatility gripped both domestic and international financial markets. Cryptocurrencies in particular plunged, while bonds and cash emerged as safe havens amid spontaneous selling pressure and widespread uncertainty.

Consumers rushed to stores and auto dealerships across the country in anticipation of rising prices on imported goods. A consumer-driven slowdown in economic growth is now expected, with higher prices resulting from the newly imposed tariffs. Economists and analysts warn that the “wealth effect” could take hold, as sharp declines in equity markets reduce the value of investment portfolios for millions of Americans.

What caught many off guard was the inclusion of numerous smaller exporting nations, which will now also face a minimum 10% tariff on all goods exported to the U.S. These costs are often passed along the supply chain, ultimately burdening consumers. As a result, tariffs are frequently referred to as “taxes on consumers.” The broad scope of these tariffs is likely to drive prices higher and contribute to a potential economic slowdown.

The White House announced that 75 countries have reached out to discuss potential trade agreements with the United States. In response to ongoing volatility in global financial markets—particularly within the U.S. bond market—President Trump has implemented a 90-day pause on most reciprocal tariffs. This temporary suspension is intended to create space for negotiating stronger trade deals, with a primary focus on China. Despite the pause, tariffs on Chinese imports were raised to 125%, while the 10% baseline tariff and existing duties on automobiles, steel, and aluminum remain in place.

Sources: Treasury Dept., WhiteHouse.gov., Federal Reserve

THERE WAS OVER $107 BILLION SPENT ON MANUFACTURING CONSTRUCTION IN 2022

Volatility Soars As Tariffs Are Announced – Global Equity Overview

The announcement of broad new tariffs, combined with growing concerns over weakening consumer demand, sent equity markets lower in early April. Consumer sentiment had already begun to deteriorate in March amid persistent inflation worries—conditions that were only exacerbated by the sudden trade policy shifts.

Global equity indices gave back gains accumulated earlier in the quarter, with widespread pullbacks across Europe and Asia. Investors grew increasingly anxious that the tariffs would disrupt delicate supply chains and hamper international trade. In the U.S., the S&P 500 Index showed relative strength in the energy and utilities sectors, which were the most stable performers during the first quarter.

Volatility spiked sharply following the announcements. The CBOE Volatility Index (VIX) surged, reflecting investor uncertainty and heightened risk aversion. Extreme volatility and high-volume trading drove major indices lower, impacting nearly every publicly traded company. However, some traders and long-term investors viewed the selloff as an opportunity to acquire high-quality stocks at more attractive valuations. (Sources: S&P, Dow Jones, Bloomberg)

Bond Yields Fall With Rush To Bonds – Fixed Income Overview

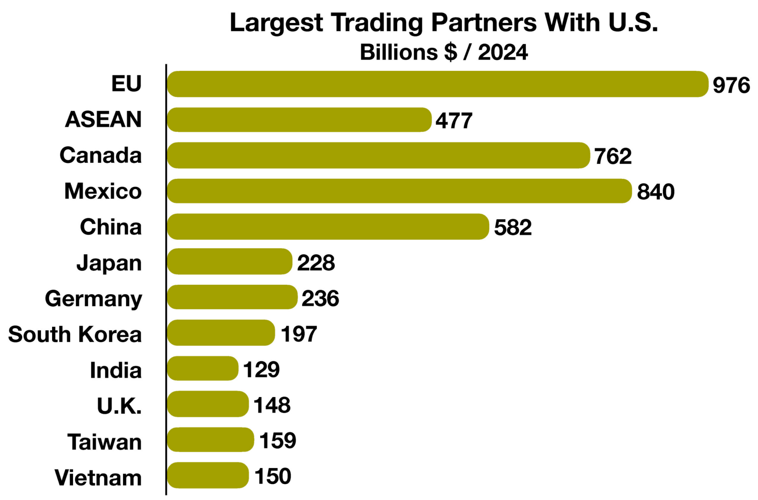
For the first time since the onset of the pandemic in March 2020, bonds rose while stocks fell over a three-month period—a rare divergence that signals growing concerns about slowing economic growth. Investors traditionally shift toward bonds when they anticipate a downturn, expecting the Federal Reserve to respond with more accommodative monetary policy.

As recession fears mount, bond yields are trending lower while prices move higher. Inflation, once the dominant concern, has now taken a backseat in the eyes of many investors.

The yield on the 2-year Treasury fell to its lowest level since 2022, reflecting heightened demand for safe-haven assets amid ongoing market volatility. Meanwhile, the 10-year Treasury yield ended Q1 at **4.23%**, down sharply from **4.79% in January**, as both government and corporate bonds saw renewed interest. (Sources: Treasury Dept, Federal Reserve)

Largest Trading Partners With U.S. – Global Trade Overview

The onslaught of tariffs has been widespread, affecting products from nearly every trading partner of the U.S. According to UN Trade & Development data, global trade hit a record high of nearly $33 trillion in 2024, up $1 trillion from 2023.

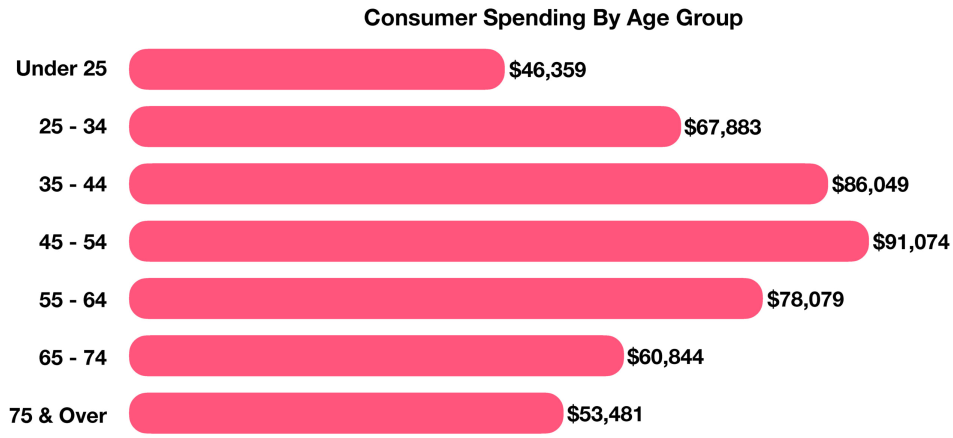


In 2024, the United States' top trade partners, based on combined import and export values, were Mexico, Canada, and China, with nearly $840 billion, $762 billion, and $582 billion in goods and services, respectively.

The largest trading partner regions are the European Union and the Association of Southeast Asian Nations (ASEAN). ASEAN was founded in 1967 with the signing of the Bangkok Declaration by its five founding members: Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Later, Brunei, Vietnam, Laos, Myanmar, and Cambodia joined, forming the current 10-member association. Source: UN Trade & Development

Age Determines How Much Consumers Spend – Consumer Behavior

Consumer spending remains a critical component of U.S. economic growth, accounting for approximately 70% of the nation's Growth Domestic Product (GDP). Demographics play a crucial role in spending habits and where consumer funds are spent. Younger consumers spend more on education and sports equipment, while older consumers spend more on health and travel.



In 2022, the average American household spent nearly $73,000, with a significant portion dedicated to essential living expenses such as food, housing and energy. Consumers between the ages of 45 and 54 represent the peak spending years, with an average of $91,074 in annual expenditures. Consumers age 75 and older tend to spend an annual average of $53,481, while those under 25 years of age spend the least annually at $46,359.

Change in Consumer Sentiment & Behavioral Spending Patterns Is Inevitable

Since consumer expenditures represent nearly 70% of Gross Domestic Product (GDP), any behavioral change in consumer expenditures may result in a retraction of economic growth. For decades, the valuations of stock and home prices have directly affected how freely consumers spend. Historically, as stock and home values have risen, so has consumer sentiment and the propensity to spend. Since higher income consumers hold more stocks and have larger home valuations than lower income consumers, any changes in stock or home values determines changes in spending behaviors.

Analysts, economists and the Federal Reserve are closely following retail sales and spending patterns of the top 10% earners of consumers, which represent roughly 50% of all consumer expenditures. Historically, any sudden increase or decrease in stock valuations can alter the spending behavior of wealthy consumers. Data from prior market swings has shown that a 10% rise in stock prices equates to a 1% rise in consumer expenditures by the wealthy, while a drop in stock valuations poses the same dynamic but with a contraction in expenditures.

(Source: Federal Reserve)

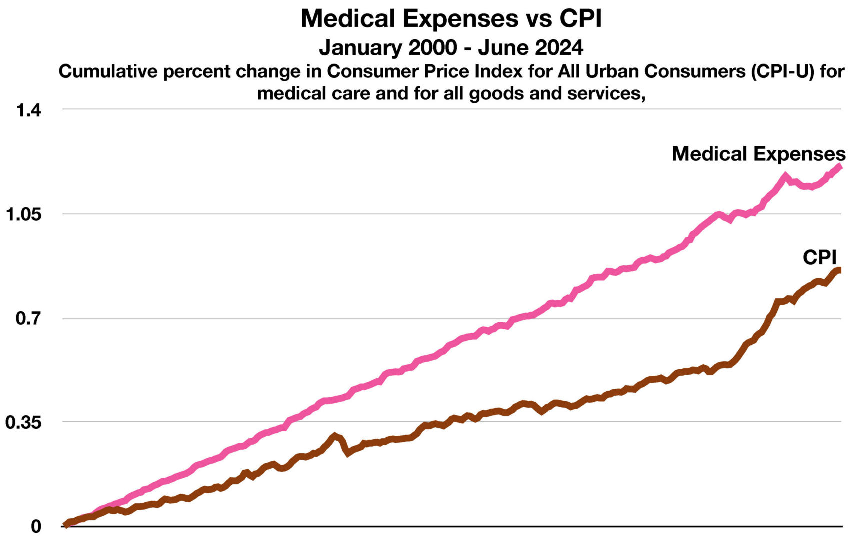
MEDICARE ACCOUNTS FOR ABOUT 40% OF ALL FEDERAL SPENDING

The Financial State of Medicare – Healthcare in Retirement

Healthcare costs in the U.S. have been rising faster than the overall cost of goods and services for over two decades. From **January 2000 to June 2024**, medical-related expenses surged **121%**, compared to an **86% increase** in the cost of all other goods and services. For many Americans, healthcare costs have outpaced wage growth, making medical care an increasingly significant burden on household budgets.

The aging population continues to place upward pressure on medical care demand. As more Americans reach retirement age—and as life expectancy rises—the need for specialized and long-term care has expanded. This demographic shift is a major factor in the persistent rise in healthcare spending.

While Medicare remains a vital safety net for millions, the program is facing substantial financial challenges. Rising costs are driven by: inflation, population growth, demand for advanced treatments, and system inefficiencies.



According to the **2023 Medicare Boards of Trustees Report**, the **Medicare Part A Trust Fund** is projected to be **depleted by 2031**.

Medicare's spending trajectory is also a growing concern:

- In **2024**, spending on Medicare Part A, B, and D totaled **$1,086 billion**, up from **$541 billion** in 2013.
- The **Congressional Budget Office (CBO)** projects net Medicare spending will rise from **3.1% of GDP in 2021** to **4.3% by 2032**, and further to **5.9% by 2052**.

As medical costs and benefit payments increase, Medicare is becoming a significantly larger component of the U.S. economy.

(Sources: BEA, Federal Reserve)