

Equities

U.S. equities closed April strong despite tariff uncertainty and economic data surprises. The S&P 500 ended the week up 2.92%, logging eight consecutive positive days. All major U.S. indexes posted gains, spurred by easing US-China trade tensions, strong tech earnings, and a resilient labor market. Microsoft surged 11% to close the week after Q3 results beat estimates, alongside Meta's 9% rise, which reignited AI-driven optimism. Contracting Q1 GDP briefly spooked investors before jobs data quelled fears on Friday. Overseas, Asian equity markets are largely rising amid China's openness to trade negotiations.

Fixed income

After declining consistently for much of the week, the 10-year Treasury yield rose 7 bps on the back of Friday's jobs report. In further signs of the market's renewed faith in the economy, the implied probability of a Fed rate cut in June fell from 55% to 30% on Friday. Credit spreads were flattish this week after tightening rapidly in the two weeks prior. High yield and leveraged loans now sit 101 bps and 43 bps, respectively, inside their April highs.

Commodities

Commodities markets were mixed this week as trade optimism clashed with broader economic uncertainty. Oil prices slid ahead of the upcoming OPEC+ meeting, falling on demand concerns and potential production changes. Gold has lost some of its luster over the past couple weeks as investors have ventured back into risky assets. Bitcoin stood out with a sharp rally, climbing over 30% to surpass \$97,000, the highest level in over two months.

Economic overview

In a big week of economic data releases, the BEA announced that GDP declined -0.3% annualized q/q in Q1, the first quarterly decline since Q2 2022. A record widening of the trade deficit in Q1 was the leading contributor, detracting 483bps from GDP as consumers and businesses looked to preempt the impact of tariffs. Friday's jobs report defied expectations, with non-farm payrolls increasing 177,000, above the Bloomberg consensus estimate for 133,000. Average hourly earnings increases of 0.2% m/m and 3.8% y/y were both 0.1pp below expectations yet remain at levels supportive of continued consumer resilience.

Equities (price index)	MTD	QTD	YTD	2024	
S&P 500	5,686.67	2.11%	1.33%	-3.31%	23.31%
DJIA	41,317.43	1.59%	-1.63%	-2.88%	12.88%
NASDAQ	17,977.73	3.05%	3.92%	-6.90%	28.64%
Russell 2000	2,020.74	2.88%	0.44%	-9.39%	10.02%
MSCI World	3,724.62	1.89%	2.65%	0.45%	17.00%
MSCI Europe	2,323.40	1.72%	5.59%	16.00%	-0.87%
MSCI EAFE	2,536.37	1.41%	5.65%	12.14%	1.15%
MSCI Asia	189.68	1.54%	4.19%	4.43%	7.23%
MSCI EM	1,133.27	1.84%	2.89%	5.37%	5.05%
VIX	22.68	-2.02	0.40	5.33	4.90

Fixed income (total return index)	MTD	QTD	YTD	2024	
Barclays U.S. Agg	2,241.00	-0.79%	-0.40%	2.37%	1.25%
Inv. grade bonds	3,341.26	-0.68%	-0.72%	1.57%	2.13%
High yield bonds	2,720.10	0.39%	0.37%	1.38%	8.19%
Leveraged Loans	4,086.43	0.17%	0.12%	0.60%	8.95%

Alternatives (total return index)	MTD	QTD	YTD	2024	
FTSE NAREIT	25,619.51	1.34%	-0.67%	2.06%	4.92%
REIT Index					
GS Commodity Index	520.18	0.39%	-8.43%	-5.36%	2.61%
Alerian MLP Index	2,424.94	0.67%	-8.23%	3.32%	24.41%

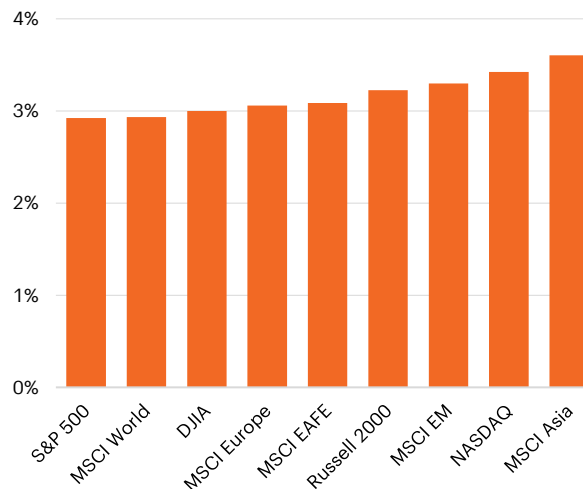
Commodities	MTD	QTD	YTD	2024	
WTI Crude	\$58.29	0.14%	-18.45%	-18.73%	0.10%
Brent Crude	\$61.29	-2.90%	-18.00%	-17.89%	-3.12%
Natural Gas	\$3.63	9.14%	-11.87%	-0.08%	44.51%
Gold	\$3,243	-2.28%	3.86%	22.81%	27.47%

Currency	MTD	QTD	YTD	2024	
Dollar Index (DXY)	100.03	0.57%	-4.01%	-7.80%	7.06%
USDCNY	7.27	0.00%	0.20%	-0.38%	2.81%
Bitcoin	97,064	2.62%	17.77%	3.57%	120.46%

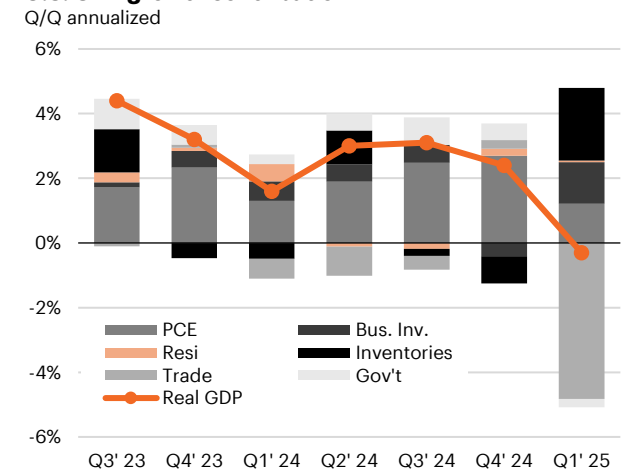
Spreads	MTD	QTD	YTD	2024	
Inv. grade bonds	102 bps	-4 bps	8 bps	22 bps	-19 bps
High yield bonds	352 bps	-32 bps	5 bps	65 bps	-36 bps
Leveraged loans	430 bps	-5 bps	10 bps	32 bps	-61 bps
Emerging markets	244 bps	-11 bps	8 bps	24 bps	-77 bps

Interest rates	MTD	QTD	YTD	2024	
Fed Funds Target	4.375%	4.375%	4.375%	4.375%	5.38%
SOFR	4.39%	-2 bps	-2 bps	-10 bps	-89 bps
2-year Treasury	3.82%	22 bps	-6 bps	-42 bps	-1 bps
10-year Treasury	4.31%	15 bps	10 bps	-26 bps	69 bps
30-year Treasury	4.79%	11 bps	22 bps	1 bps	75 bps
Barclays U.S. Agg	4.67%	16 bps	7 bps	-24 bps	23 bps
Inv. grade bonds	5.28%	14 bps	13 bps	-5 bps	27 bps
High yield bonds	7.76%	-14 bps	3 bps	27 bps	-10 bps

Last week's equity returns



U.S. GDP growth contribution



Source: Macrobond; FS Investments, as of April 30, 2025.

Equities

S&P 500: Leading single benchmark of large-cap U.S. equities, representing approximately 500 of the largest U.S. companies. **Dow Jones Industrial Average:** Price-weighted measure of 30 U.S. blue-chip companies. **NASDAQ:** Stock market index of stocks listed on the NASDAQ. Index is heavily weighted toward technology companies. **Russell 2000:** Index measuring performance of approximately 2,000 small-cap U.S. equities. **MSCI World Index:** Broad global equity benchmark including both developed and emerging markets. **MSCI Europe Index:** Equity benchmark that measures the performance of large and mid-cap equities across 15 developed countries in Europe. **MSCI EAFE Index:** Equity benchmark that represents the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East. **MSCI Asia Index:** Equity benchmark that captures large and mid-cap representation across developed market countries and emerging market countries in Asia. **MSCI Emerging Markets Index:** Equity benchmark representing 24 developing or emerging market countries, representing 10% of world market cap. For more info on these MSCI indices, visit MSCI.com. **CBOE Volatility Index (VIX):** Key measure of market expectations of near-term volatility conveyed by S&P 500 stock option price.

Credit

Bloomberg Barclays U.S. Aggregate Bond Index: Broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. **Bloomberg Barclays U.S. Corporate Index:** Measures the USD-denominated, investment-grade, fixed-rate bond market. **Bloomberg Barclays U.S. Corporate High Yield Index:** Measures the USD-denominated, high yield, fixed-rate bond market. **S&P/LSTA U.S. Leveraged Loan Index:** Market value-weighted index designed to measure the performance of the U.S. leveraged loan market.

Alternatives

FTSE NAREIT All Equity REITs Index: Free-float adjusted market cap-weighted index that includes all tax-qualified REITs listed in the NYSE, AMEX, and NASDAQ. **S&P GSCI:** First major investable commodity index. It is one of the most widely recognized benchmarks that is broad-based and production-weighted to represent the global commodity market beta. **Alerian MLP Index:** Leading gauge of energy MLPs, representing about 85% of total industry market cap. **HFRX Global Hedge Fund Index:** Index designed to be representative of the overall composition of the hedge fund universe, comprised of all eligible hedge fund strategies.

Commodities

Generic 1st Crude Oil (WTI Crude): Front-month West Texas Intermediate Crude Oil futures. **Generic 1st Brent Crude Oil (Brent Crude):** Front-month Brent Crude futures. **Generic 1st Natural Gas:** Front-month natural gas futures. **Generic 1st Gold, 100 oz:** Front-month gold (100 oz) futures.

Currency

Dollar Spot Index: Indicates the general international value of the USD by averaging the exchange rates between the USD and major world currencies. **USDCNY:** price of 1 USD in CNY (the Chinese renminbi, or yuan). **Bitcoin:** price of 1 Bitcoin in USD.

Spreads

Bloomberg Barclays U.S. Corporate Index: Measures the USD-denominated, investment grade, fixed-rate, taxable bond market. **Bloomberg Barclays U.S. Corporate High Yield Index:** Measures the USD-denominated, high yield, fixed-rate bond market. **Bloomberg S&P/LSTA U.S. Leveraged Loan Index:** Market value-weighted index designed to measure the performance of the U.S. leveraged loan market. **Barclays EM USD Aggregate Index:** Flagship hard currency emerging market debt benchmark that includes USD-denominated debt from sovereign, quasi-sovereign and corporate EM issuers.

Interest rates

Fed funds target: Target rate for the federal funds policy rate, set by the Federal Reserve each meeting. This rate is an “overnight rate,” i.e., it is the rate charged by depository institutions (banks) to each other for overnight loans. **SOFR:** Secured Overnight Financing Rate (SOFR) measures the cost of borrowing cash overnight collateralized by Treasuries. **ICE 3-Month London Interbank Offered Rate (LIBOR):** Average interest rate at which leading banks borrow funds of a sizable amount from other banks in the London market. LIBOR is the most widely used “benchmark” or reference rate for short-term interest rates. **Treasury rates:** Market yields for U.S. Treasury securities with maturities of 2, 10 and 30 years. **Bloomberg Barclays U.S. Aggregate Bond Index:** Broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. **Bloomberg Barclays U.S. Corporate Index:** Measures the USD-denominated, investment grade, fixed-rate, taxable bond market. **Bloomberg Barclays U.S. Corporate High Yield Index:** Measures the USD-denominated, high yield, fixed-rate bond market.

Sources: Bureau of Labor Statistics (BLS), Department of Labor, Bureau of Economic Analysis (BEA), International Monetary Fund (IMF), OECD, Federal Reserve, Institute for Supply Management (ISM), Mortgage Bankers Association (MBA), U.S. Census Bureau, Standard & Poor's, Bank of America Merrill Lynch, Bloomberg, Macrobond.

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