

EAGLE FOCUS

weekly

February 18, 2025

MARKET PERFORMANCE RECAP

WEEK ENDING
February 14, 2025

INDEX	LAST FRIDAY'S CLOSE	% CHANGE YTD
S&P 500	6114.63	3.96%
Dow Jones Industrial Average	44546.08	4.71%
Nasdaq Composite	20026.77	3.71%
S&P MidCap 400	3198.61	2.49%
Russell 2000	2284.93	2.23%

S&P 500 earnings growth for Q4 2024 is set to be the strongest since 2021, driven by communication services, financials, and other sectors, per LSEG. With nearly 70% of companies reporting, earnings are up 15.1% year-over-year, surpassing the 9.6% estimate from January. Communication services, led by firms like Meta, saw the highest growth at 32.2%. (Source: Reuters)



Investors are increasingly hedging against volatility spikes, reflecting concerns over Trump's policies despite a strong equity market. Many are turning to derivatives to guard against tail risks, with equity derivatives researchers at UBS, noting "rampant" buying of VIX-linked options. This surge has pushed prices near record highs, even as the VIX remains below its long-term average. (Source: Financial Times)

While executives at major corporations hope to lessen the impact of recent U.S. tariffs, small business owners may struggle more. As of 2021, small and mid-sized companies made up 41.2% of Chinese imports, and those with tight margins find it challenging to shift away from affected suppliers. Without alternative cost-cutting measures, many may have no choice but to raise prices. (Source: LinkedIn News)

The NFIB Small Business Optimism Index fell 2.3 points in January to 102.8, its first decline in five months but still near expansion highs and above the 98.0 historical average. Year-over-year momentum remains the strongest since the early 1980s, supporting above-trend growth. While seven of ten components declined, optimism remains strong. Hiring plans held steady, though easing compensation and price plans may tame inflation. (Source: Ned Davis Research)

The RIA deal market has surged over the past decade, with continued growth expected, driven partly by private equity, per Fidelity's 10th annual RIA M&A report. Fidelity tracked 233 RIA acquisitions in 2023, up from 89 in 2015, with purchased assets rising from \$130 billion to \$670 billion. Key drivers include expanding client services, streamlining HR and compliance, and succession planning. (Source: Wealth Management)

A 2025 Clarify Capital survey of 1,000 Americans found that 1 in 3 adults experience layoff anxiety, rising to 40% among Gen Z. A separate ZipRecruiter survey shows most workers estimate a 25% chance of being laid off in six months, despite actual layoffs being much lower. In December, layoffs totaled 1.8 million, per the latest Job Openings and Labor Turnover Survey. (Source: CNBC)

Initial claims for unemployment insurance dipped 7,000 last week to a lower-than-expected 213,000. Continuing claims fell 36,000 to 1.850 million, while the insured jobless rate was unchanged at 1.2%. Both indicators have changed little in the past year and point to continued low unemployment. (Source: Ned Davis Research)

Social Security's cost-of-living adjustment (COLA) may be lower in 2026 despite ongoing inflation. The Senior Citizens League projects a 2.3% increase, while analyst Mary Johnson estimates 2.1%, both below 2025's 2.5% COLA. The official rate will be announced in October. COLA helps 67 million beneficiaries keep up with inflation, with the average check at \$1,976 per month. (Source: MarketWatch)

The CPI rose 0.5% in January, the highest since August 2023, renewing inflation concerns. Prices for essentials like food, energy, and shelter increased, with egg prices surging 15.2% due to an avian flu-driven shortage. Seasonal factors also played a role. (Source: Ned Davis Research)

December saw a sharp increase in home delistings, signaling issues in the U.S. housing market. Nearly 73,000 homes were pulled from sale, a 64% rise from December 2023, according to CoreLogic. While delistings typically rise in winter, the December spike—nearly 10% of homes on the market—suggests unsold inventory from 2024 had to be removed. Many sellers are waiting to relist in spring, indicating more pent-up selling interest. (Source: Wall Street Journal)

The Producer Price Index (PPI) for final demand increased a bigger-than-expected 0.4% in January, on the back of an upwardly revised 0.5% gain in the prior month. It was driven by a 0.6% rise in goods prices, led by



food and energy. The aggregate evidence reflects faster overall price growth which, combined with still-tight labor markets and trade and economic policy uncertainty, should keep the Fed on hold for now. (Source: Ned Davis Research)

Despite optimism about the U.S. economy and job market, hiring has yet to pick up, says Randstad's CEO.

Executives note a disconnect between positive sentiment and actual recruitment activity. The latest jobs report showed a cooling market, with 143,000 jobs added last month—slower than prior months but still stable. (Source: Wall Street Journal)

Private markets are projected to surpass \$15 trillion in 2025, up from \$10 trillion in 2021, according to S&P Global.

Private equity makes up over half of this total, but private credit and real assets, such as commercial buildings and utilities, are growing quickly. A recent ISS Market Intelligence survey found that 64% of advisors investing in alternatives have used private credit. (Source: Barron's)

In 2024, the U.S. spirits industry held its lead over beer and wine for the third year in a row, despite a 1.1% drop in revenue to \$37.2 billion.

Volume increased by 1.1%, marking the first revenue decline in over 20 years. However, spirits have grown an average of 5.1% annually since 2019, up from 4.4% between 2003 and 2019. (Source: CNBC)

The idiom "beating around the bush" comes from medieval England's hunting traditions.

Hunters would gently beat bushes to flush out game without startling them. Over time, this careful avoidance evolved into a metaphor for dodging direct answers. (Source: Word Smarts)

On February 17, 1972, Volkswagen set a new car production record as the 15,007,034th Beetle left the assembly line. This surpassed the record that was held by the trailblazing Ford Model T's for over four decades. After more than six decades and over 21 million Beetles produced, the final original model was manufactured in Puebla, Mexico, in 2003.

(Source: History.com)

Did you know that the average NFL player's career is about 3.3 years?

Specialists like kickers and punters tend to last the longest at 4.87 years, while running backs have the shortest average at 2.57 years. Known for its intense physicality, the league subjects players to frequent hard hits and collisions, leading to short careers. (Source: Statista)



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