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The Harbor Park Group At Morgan Stanley

Quarterly Market Mosaic – Second Quarter 2025

An indepth insight and comprehensive analysis of market insights on significant developments and trends that unfolded in the second quarter.

	Apr	May	June	2Q 2025	1Q 2025	YTD 2025
DJIA	(3.1)%	4.2%	4.5%	5.5%	(0.9)%	4.6%
S&P 500	(0.7)%	6.3%	5.1%	10.9%	(4.3)%	6.2%
NASDAQ Composite	0.8%	9.6%	6.6%	17.8%	(10.4)%	5.5%
Source:						
www.ajovista.com						

Being an investor who watches and reads about the day-to-day fluctuations in the stock market has not been for the faint of heart so far this year.

Below are just a few comments that were written in April,ⁱ after the markets sold off following “Liberation Day” on April 2nd, when President Trump announced sweeping tariffs:

“Trump’s stock market is throwing off some jaw-dropping statistics. How extraordinary? We’re now making comparisons to the Great Depression.”

“The Dow Jones Industrial Average has tumbled 9.1% in the first three weeks of April, the 129-year-old index’s worst performance for any April since 1932. The only other April that was worse: April 1931.”

“The broader S&P 500 has plunged 14% over the course of Trump’s first term – the worst performance through April 21 for any president since records began in 1928, according to Bespoke Investments.”

“Even with a modest rebound on Tuesday – major indexes rose over 2% each – Trump has a long way to bounce back to avoid history. The next-worst start to a term for the US stock market in the first 63 days of trading was under former President Franklin Roosevelt in 1941, with a decline of just over 9%.”

However, by the end of June the major stock market indices listed above had recovered all their 2025 losses with the S&P 500 and NASDAQ hitting record highs!ⁱⁱ

The volatility and performance of the stock market in the first six months of this year is yet another reminder that it’s extremely difficult to try to time the market.

The tariff ping-pong game continues and only time will tell how it plays out. It’s hard to determine how much tariff concerns have impacted current economic data, and some economists believe that May and June data was skewed due to front loading purchases to get ahead of the tariffs.

The overall Consumer Confidence Index fell to 93 in May, with the Consumer Expectations component falling to 69, substantially below the 80 threshold that typically signals a recession ahead.ⁱⁱⁱ Part of the decline could be due to the restarting of student loan debt payments that were paused during the pandemic and resumed several months ago. The recently released household debt balances show that 8% of student loans are now in serious delinquency, defined as 90+ days past due.

Toward the end of June, it was announced that “Buy Now Pay Later” loans will start to be included in credit scores beginning this fall.^{iv} With the consumer accounting for about two-thirds of US economic activity, the Federal Reserve might be cutting rates sooner rather than later, regardless of the tariff implications.

We will be posting a quarterly market update to our website on an ongoing basis, after the end of each calendar quarter. Please contact us with any comments and/or questions. We welcome your feedback.

For more information [Click Here to Visit Our Team Website](#)

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Nancy is a Certified Financial Analyst for the Harbor Park Group. She started her career at Legg Mason (LM) in July 1982 as a secretary in the Accounting Department, shortly after graduating Cum Laude from Towson State University with a BS in Finance. Within six weeks she was promoted to a Staff Accountant and was involved in preparing the financial statements for Legg Mason's IPO in 1983. In 1985 she transitioned to the Funds Management division of LM, being hired by Ernie Kiehne to be a Securities Analyst for the group of mutual funds that he and Bill Miller were managing. In the 1990s she became the co-manager, then the sole manager of the Total Return Trust, a growth and income fund, and in 2000 became the assistant manager of the Value Trust, LM's flagship fund.

Nancy received her CFA in 1988 and her MBA from Loyola College at night, graduating as a member of the Beta Gamma Sigma honor society in 1989. She also received The Baltimore Association of Financial Planners Award upon her graduation from Towson State. She was the President of the Baltimore Security Analysts Society in 1996-1997. She currently volunteers as an InvestWrite Judge, grading student essays for the SIFMA Foundation and previously volunteered for the Maryland Special Olympics during and after college. In the early 2000s she served as a member of the Board of Directors for Chesapeake Academy, the elementary school her children attended.

Nancy and Mike were married in 1991 and had five sons within 3 ½ years – one born in 1994, one in 1996 and triplets in 1998! Nancy's desire to spend the majority of her time raising her children led her to transition to Mike's investment team, where she has worked part time since 2005.

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Indices are unmanaged. An investor cannot invest directly in an index.

For index, indicator and survey definitions referenced in this report please visit the following:

<https://www.morganstanley.com/wealth-investmentsolutions/wmir-definitions>

Bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which is the risk that the issuer will redeem the debt at its option, fully or partially, before the scheduled maturity date. The market value of debt instruments may fluctuate, and proceeds from sales prior to maturity may be more or less than the amount originally invested or the maturity value due to changes in market conditions or changes in the credit quality of the issuer. Bonds are subject to the credit risk of the issuer. This is the risk that the issuer might be unable to make interest and/or principal payments on a timely basis. Bonds are also subject to reinvestment risk, which is the risk that principal and/or interest payments from a given investment may be reinvested at a lower interest rate.

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ⁱ www.CNNBusiness, April 22, 2025

ⁱⁱ www.WSJ.com, June 27, 2025

ⁱⁱⁱ The Conference Board, June 24, 2025

^{iv} www.wsj.com Choosing Buy Now, Pay Later at Checkout will Now Factor into Your Credit Score, June 23, 2025