



# **Navigating Uncertainty: Key Tariff & Market Updates**

May 14, 2025

# Presenters



**Ryan Bouchey, CFP®, CPA**  
Chief Investment Officer



**Paolo LaPietra, CFP®**  
Wealth Advisor & Portfolio Strategist

# Tariff & Market Updates

Today we will discuss:

- Q1 / Q2 Market recap
- Economic Overview
- Fed Policy Dilemma
- Tariff Impact & Expectations

# YTD Market Performance Recap



# BFG Portfolio Tactical Allocation

| Overweight            |
|-----------------------|
| U.S. Equities         |
| Growth                |
| Quality               |
| Longer-Duration Bonds |

| Underweight            |
|------------------------|
| International Equities |
| Sector Specific        |
| Small Caps             |
| Short-Duration Bonds   |

HEALTH.

WEALTH.

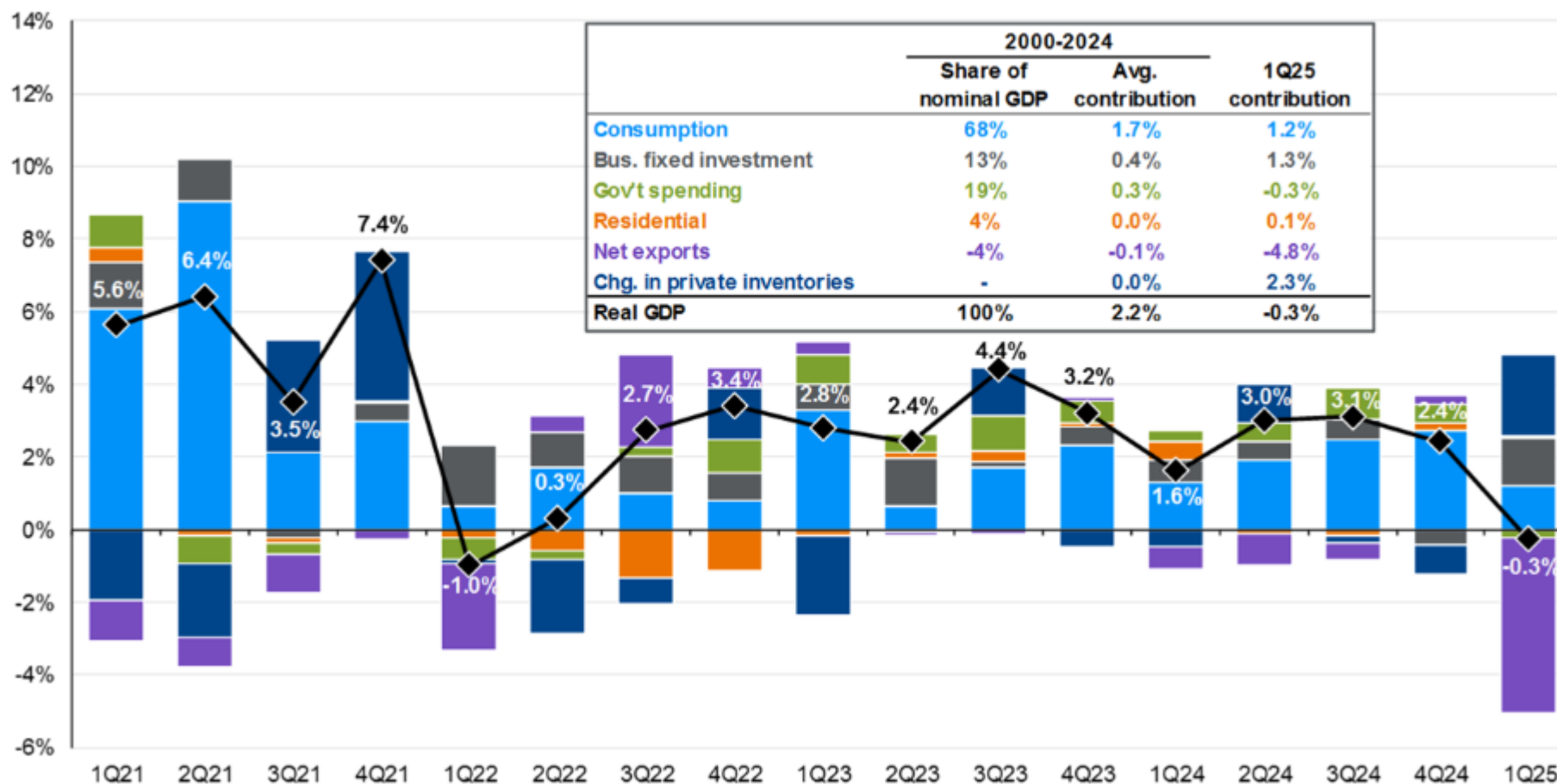
FOR LIFE.

# Economic Overview

# US Economic Growth

## Contributors to real GDP growth

Quarter-over-quarter, seasonally adjusted annualized rate



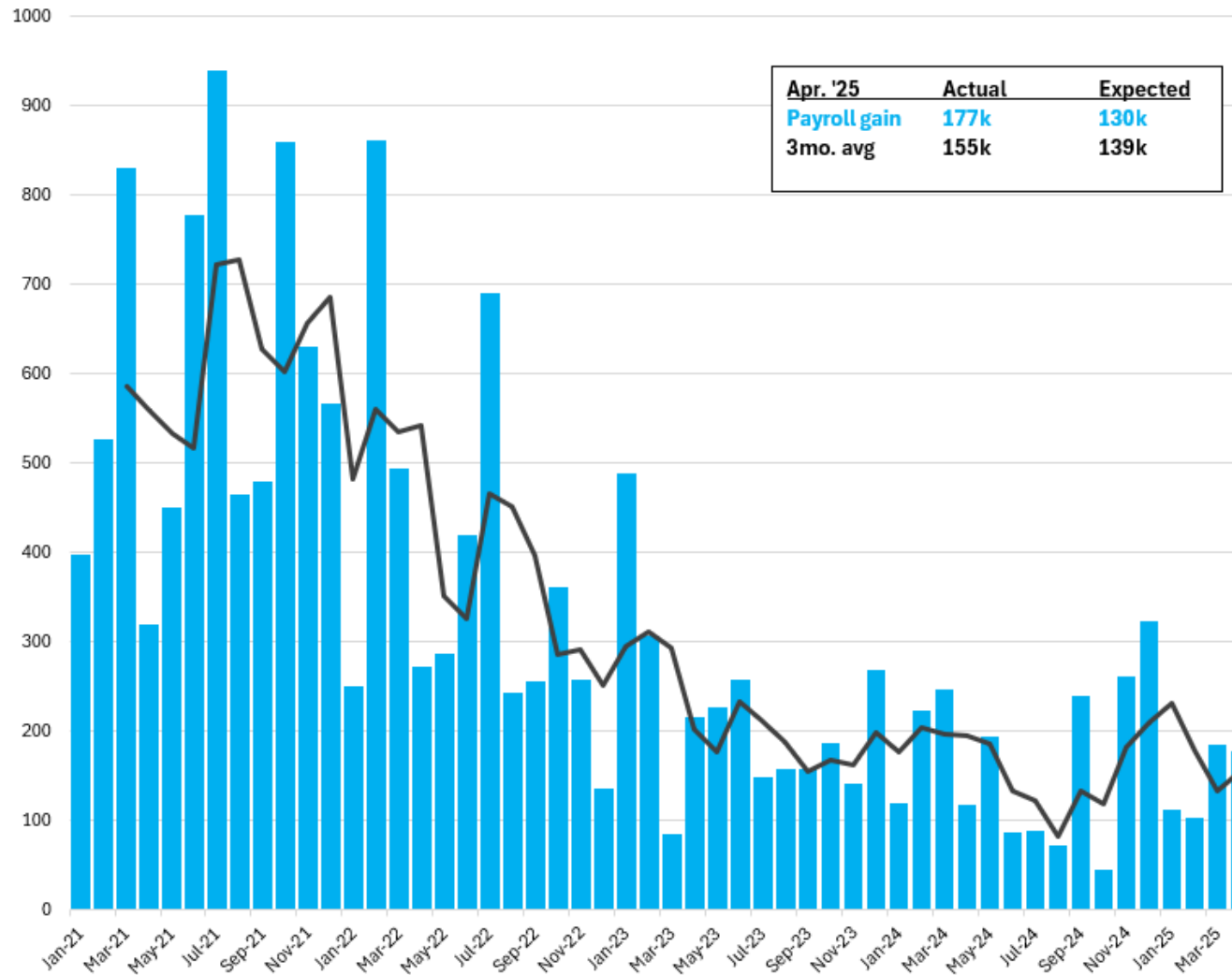
HEALTH.

WEALTH.

FOR LIFE.

# Labor Market

US Nonfarm Payrolls MoM



HEALTH.

WEALTH.

FOR LIFE.



# Credit Card Delinquency Rates

Percentage of People with Credit Card Debt 90 Days Delinquent



# Consumer Sentiment

Consumer Sentiment Index and subsequent 12-month S&P 500 returns

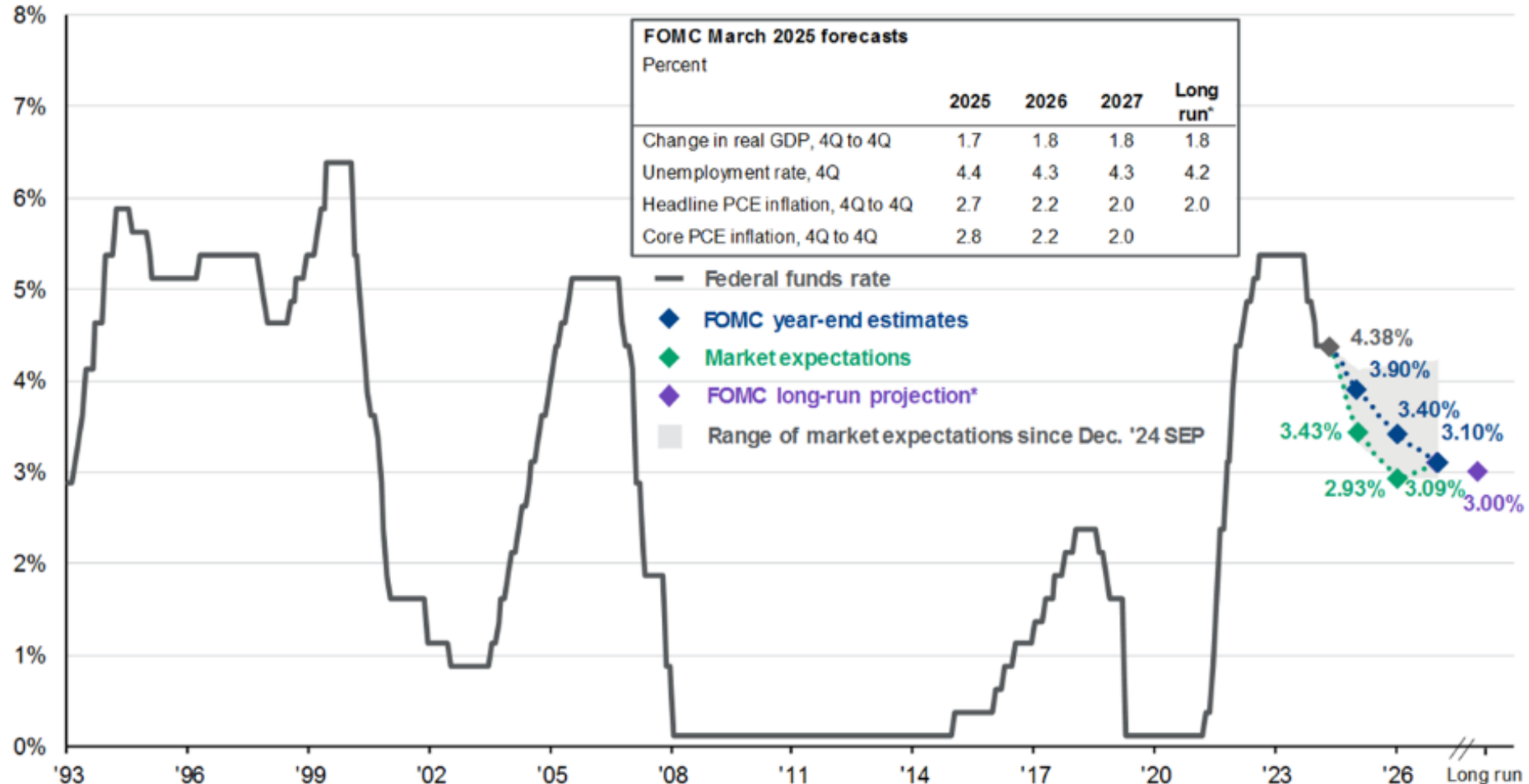


# The Fed's Dilemma

# Fed Funds Rate

## Federal funds rate expectations

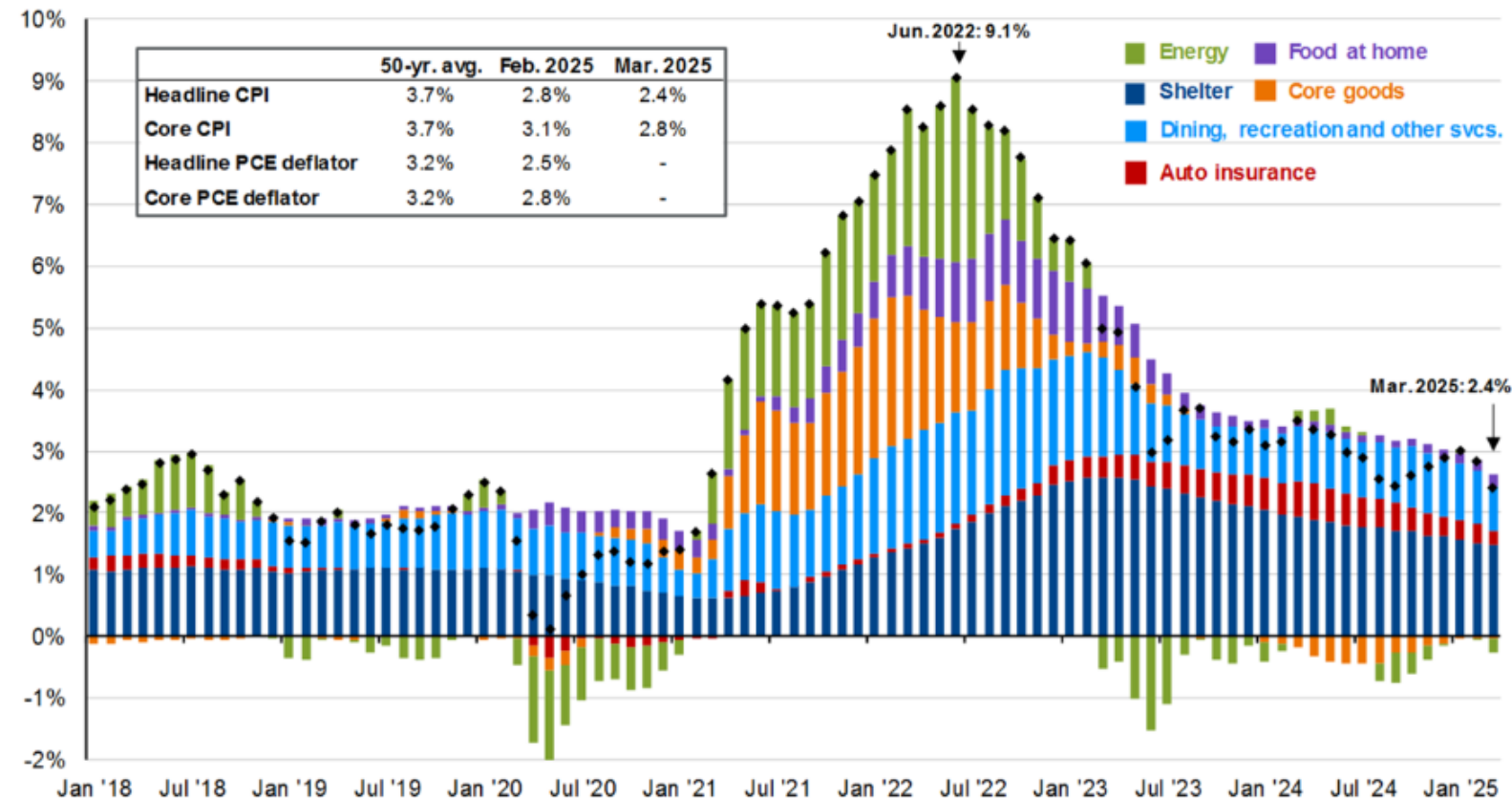
FOMC and market expectations for the federal funds rate



# The Fed & Interest Rates

## Contributors to headline CPI inflation

Contribution to y/y % change in CPI, non-seasonally adjusted



| April Inflation Data | Actual | Consensus | Diff  |
|----------------------|--------|-----------|-------|
| Headline CPI         | 2.3%   | 2.4%      | -0.1% |
| Core CPI             | 2.8%   | 2.8%      | 0.0%  |

HEALTH.

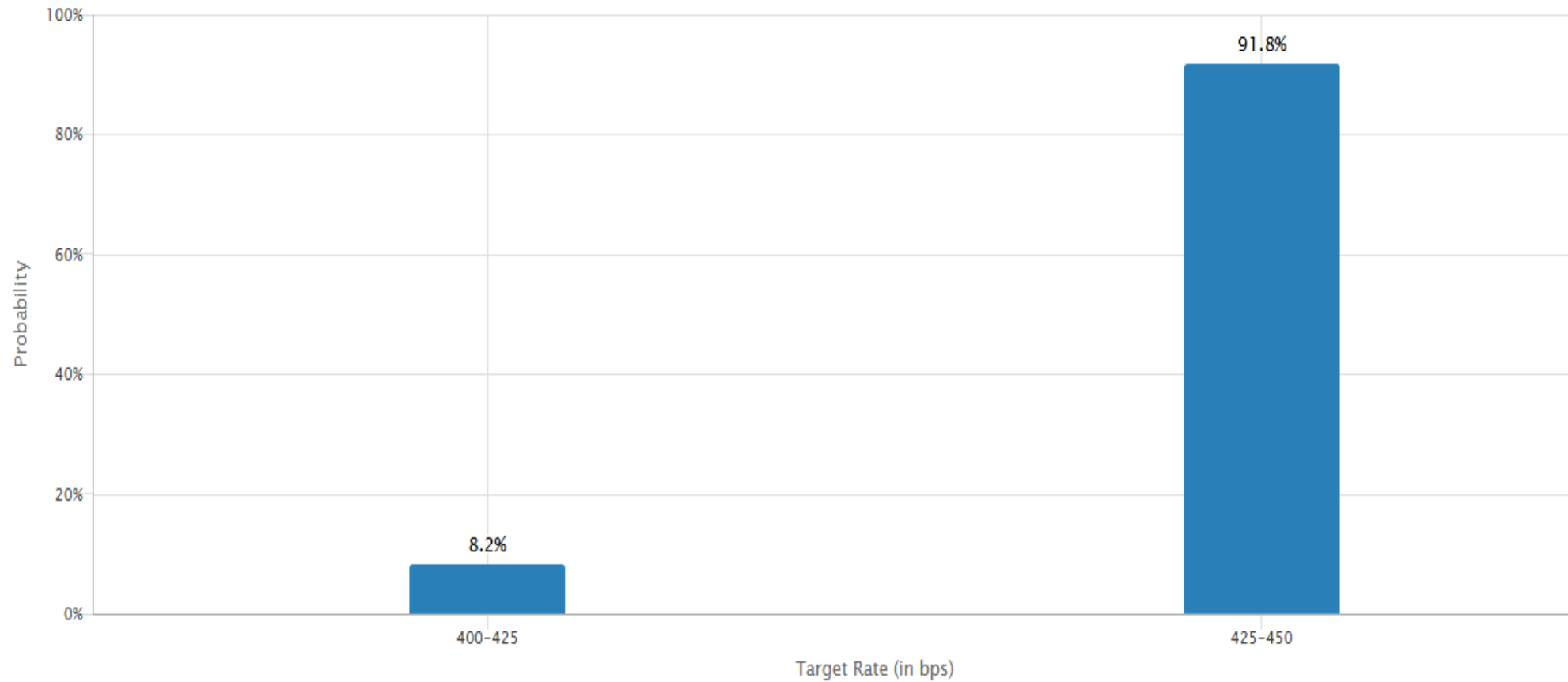
WEALTH.

FOR LIFE.

# Rate Cut Expectations

TARGET RATE PROBABILITIES FOR 18 JUN 2025 FED MEETING

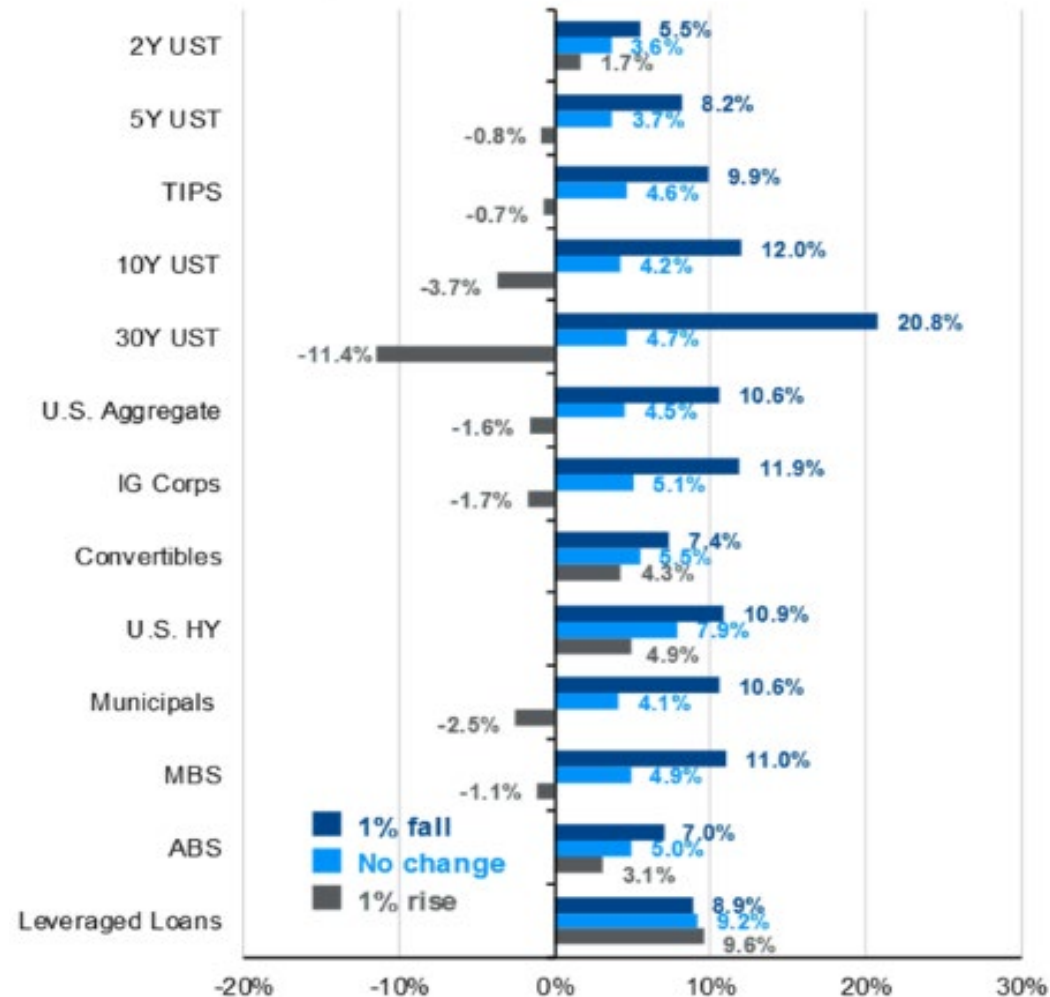
Current target rate is 425-450



# Fixed Income Outlook

## Fixed income returns in different interest rate scenarios

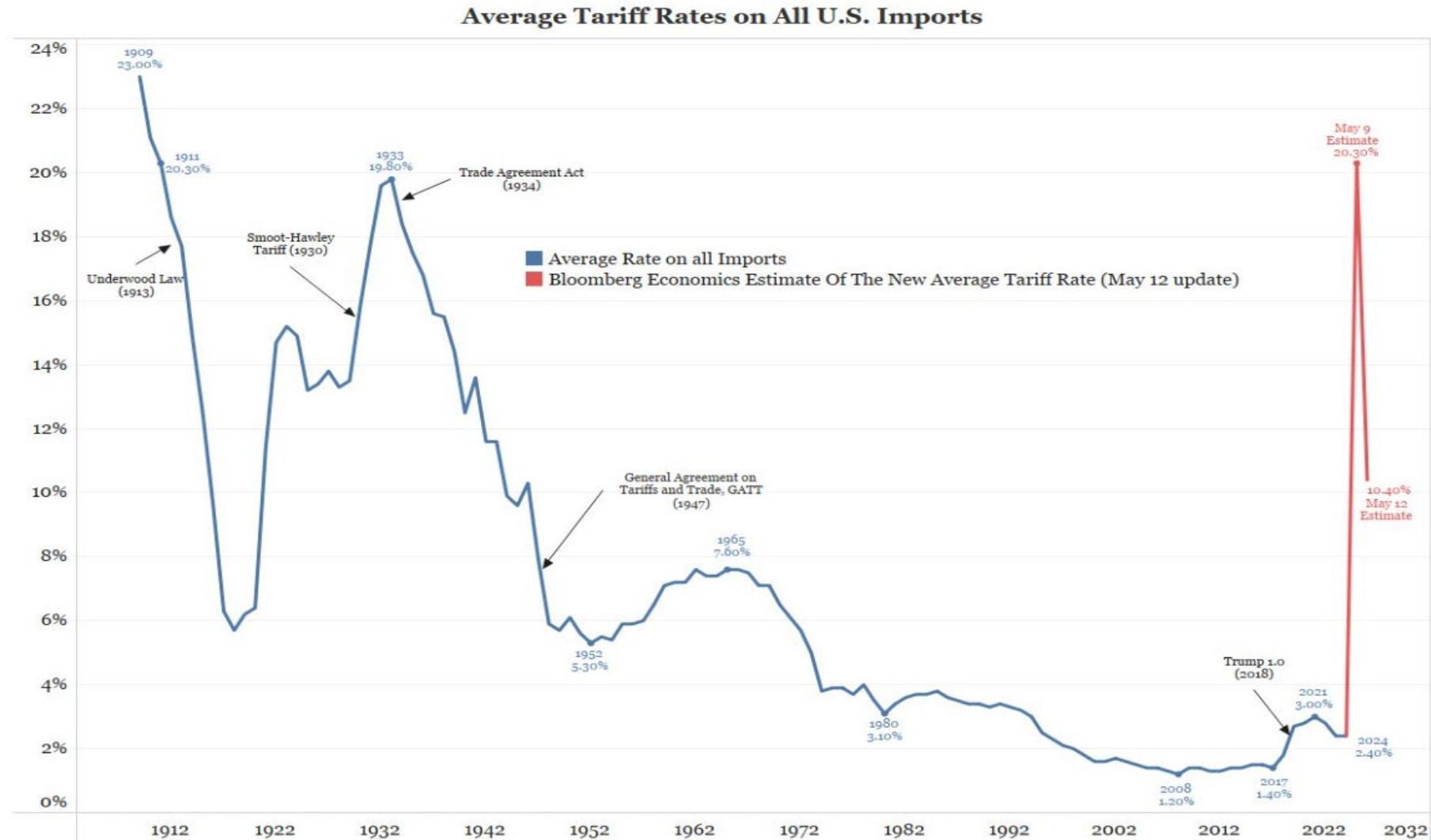
Total return, assumes a parallel shift in the yield curve



# Tariff Impacts & A Look Ahead



# Tariff Volatility – Highest Since WW2



Source: US Census Bureau, *Historical Statistics of the United States: Colonial Times to 1970*, Part II; US International Trade Commission, "U.S. imports for consumption, duties collected, and ratio of duties to values, 1891-2023, (Table 1)"; Tax Foundation calculations. Bloomberg Economics Estimates  
<https://taxfoundation.org/research/all/federal/trump-tariffs-trade-war/>

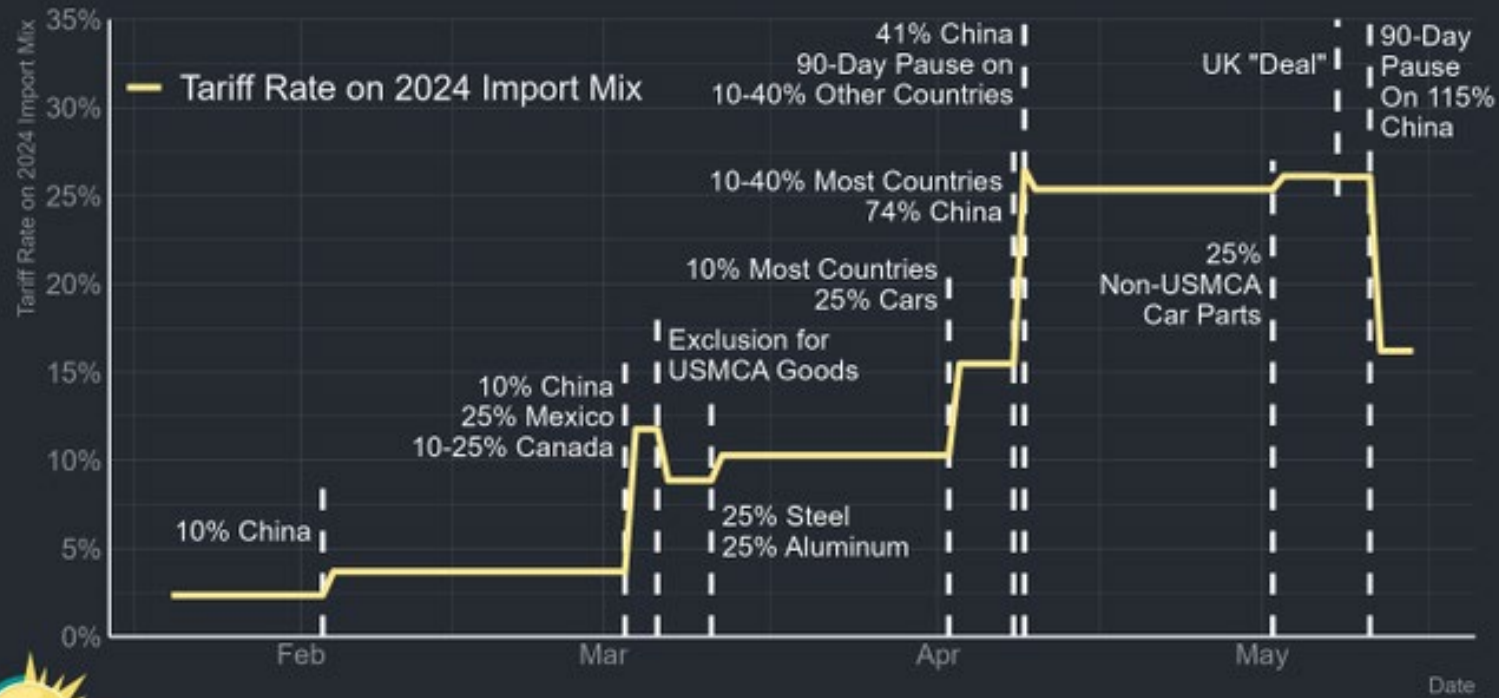
© 2025 Bianco Research, L.L.C. All Rights Reserved  
<https://www.biancoresearch.com/>

HEALTH.  
WEALTH.  
FOR LIFE.

# Markets Hate Uncertainty

## A Timeline of Trump's 2nd-Term Tariffs

In His 2nd Term, Trump Has Imposed Tariffs On Trillions of Dollars in US Trade



Graph created by @JosephPolitano using US Census data.

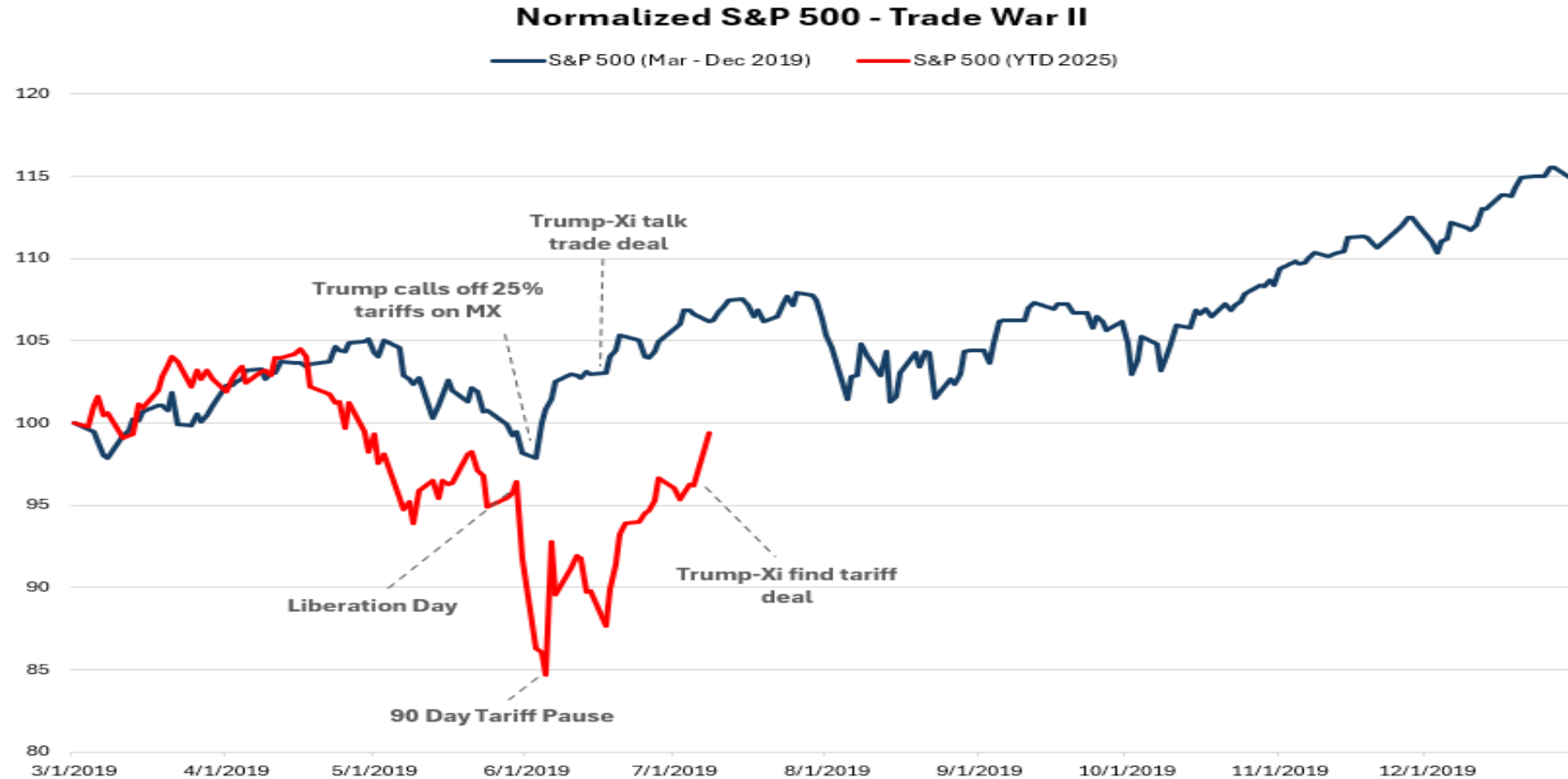


HEALTH.

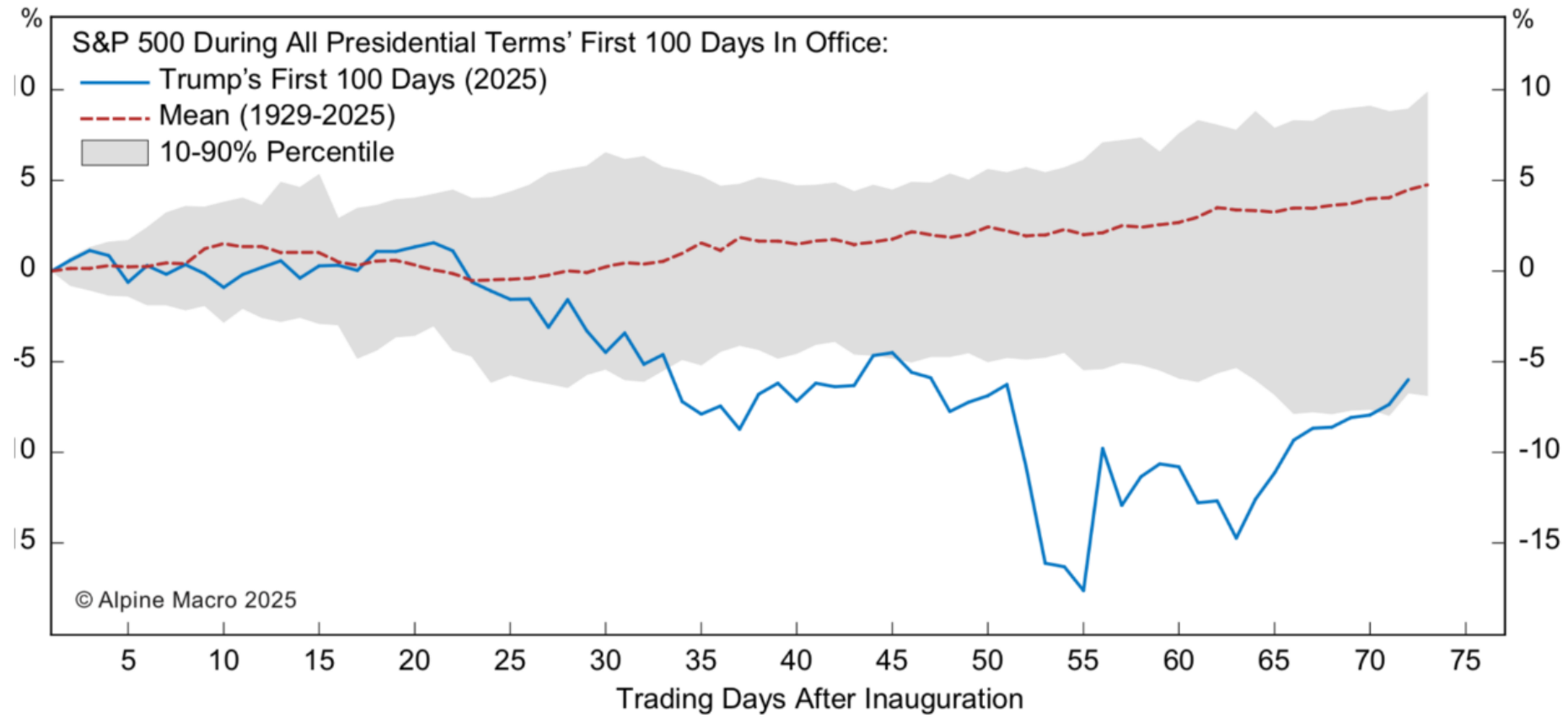
WEALTH.

FOR LIFE.

# Trade War #1 vs. Trade War #2



# Markets Help Dictate Policy

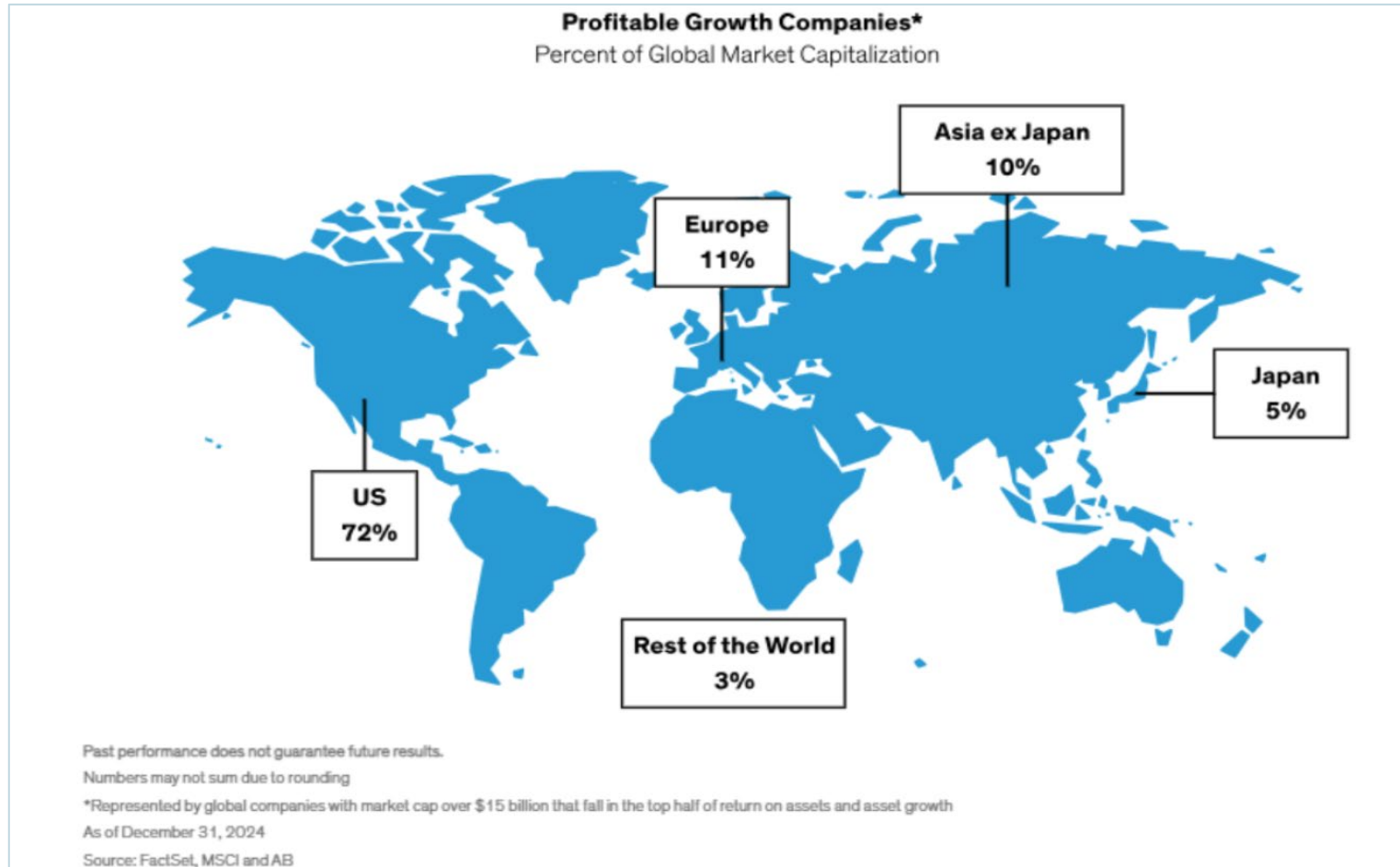


# U.S. vs. Rest of World

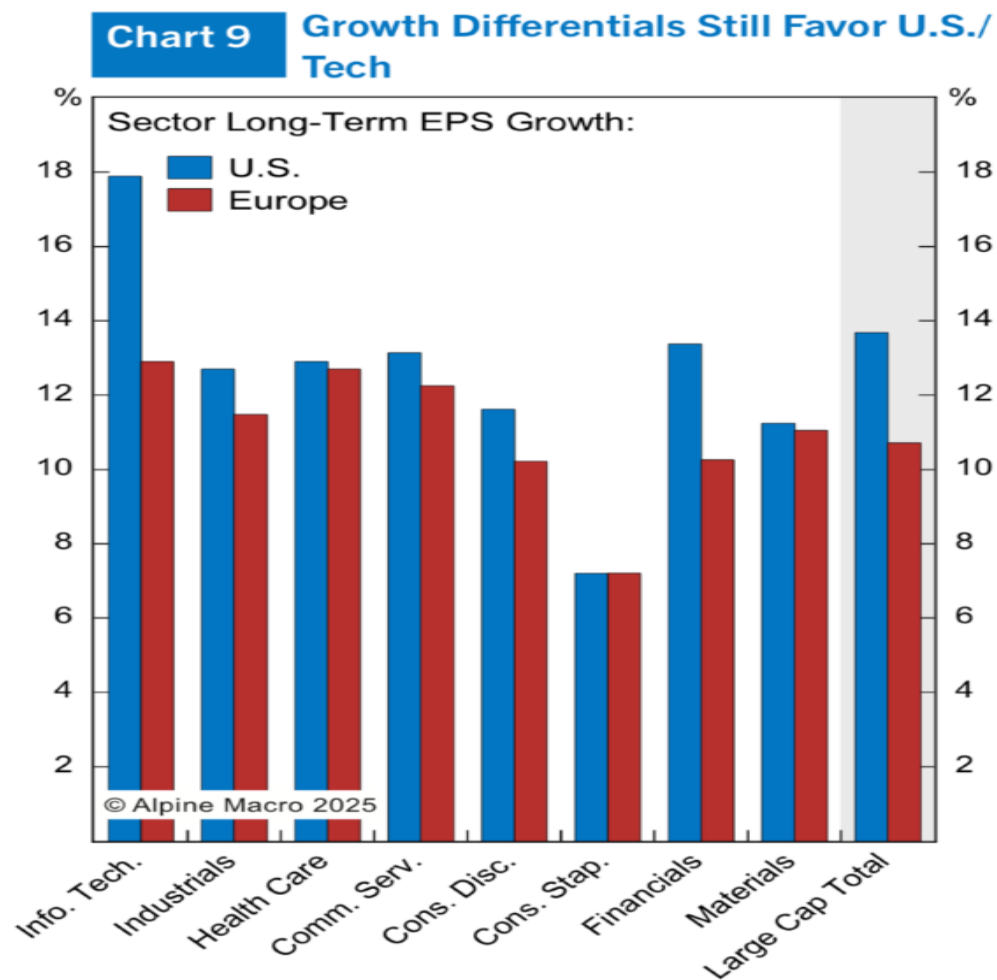


HEALTH.  
WEALTH.  
FOR LIFE.

# Why We Still Like the U.S.



# Future Growth Favors the U.S.



Note: Long-term growth is estimated for complete business cycle  
Source: Bloomberg Finance L.P.

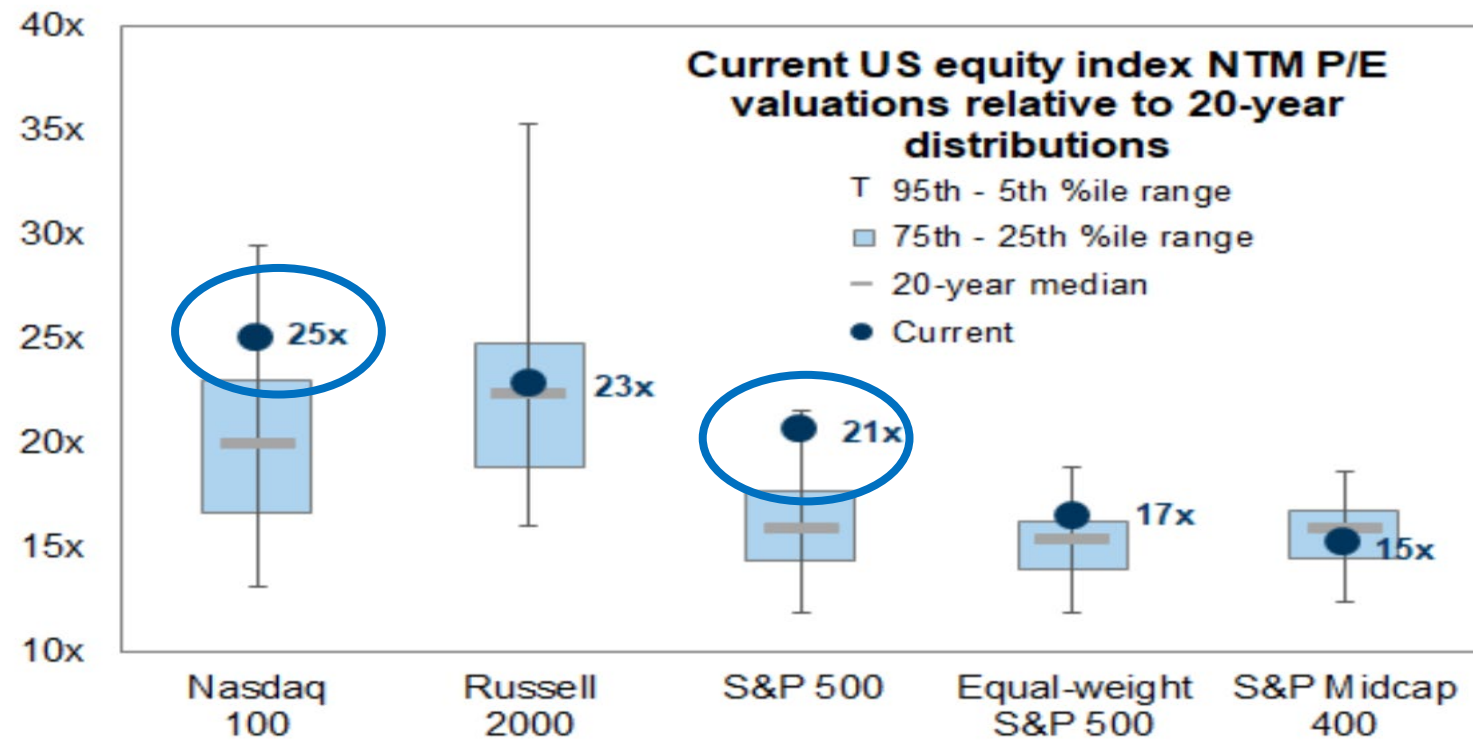
HEALTH.

WEALTH.

FOR LIFE.

# Market Valuations

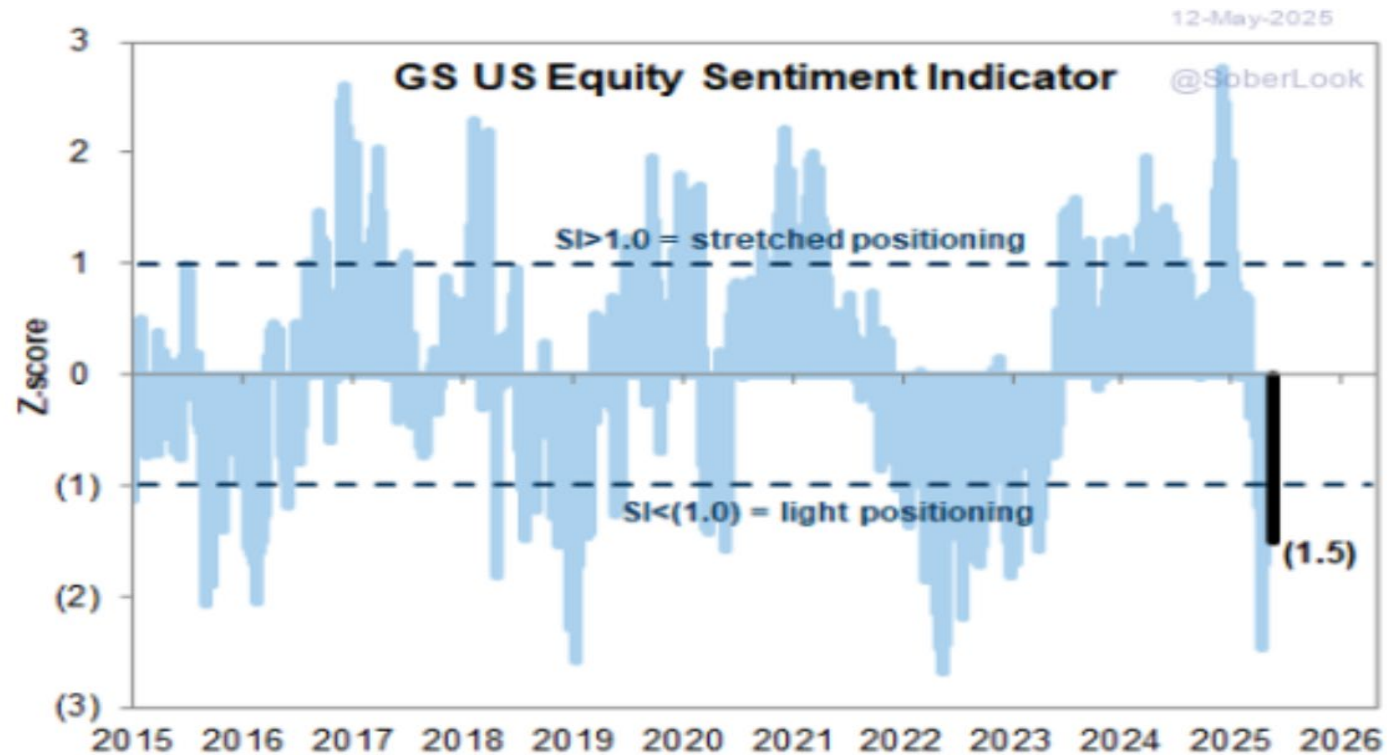
**Exhibit 37: US equity index P/E valuations vs. history**



Source: Compustat, FactSet, IBES, Goldman Sachs Global Investment Research



# Still Room to Grow



The Sentiment Indicator combines 9 measures of positioning across institutional, retail, and foreign investors and has historically been a statistically significant signal for near-term S&P 500 returns.

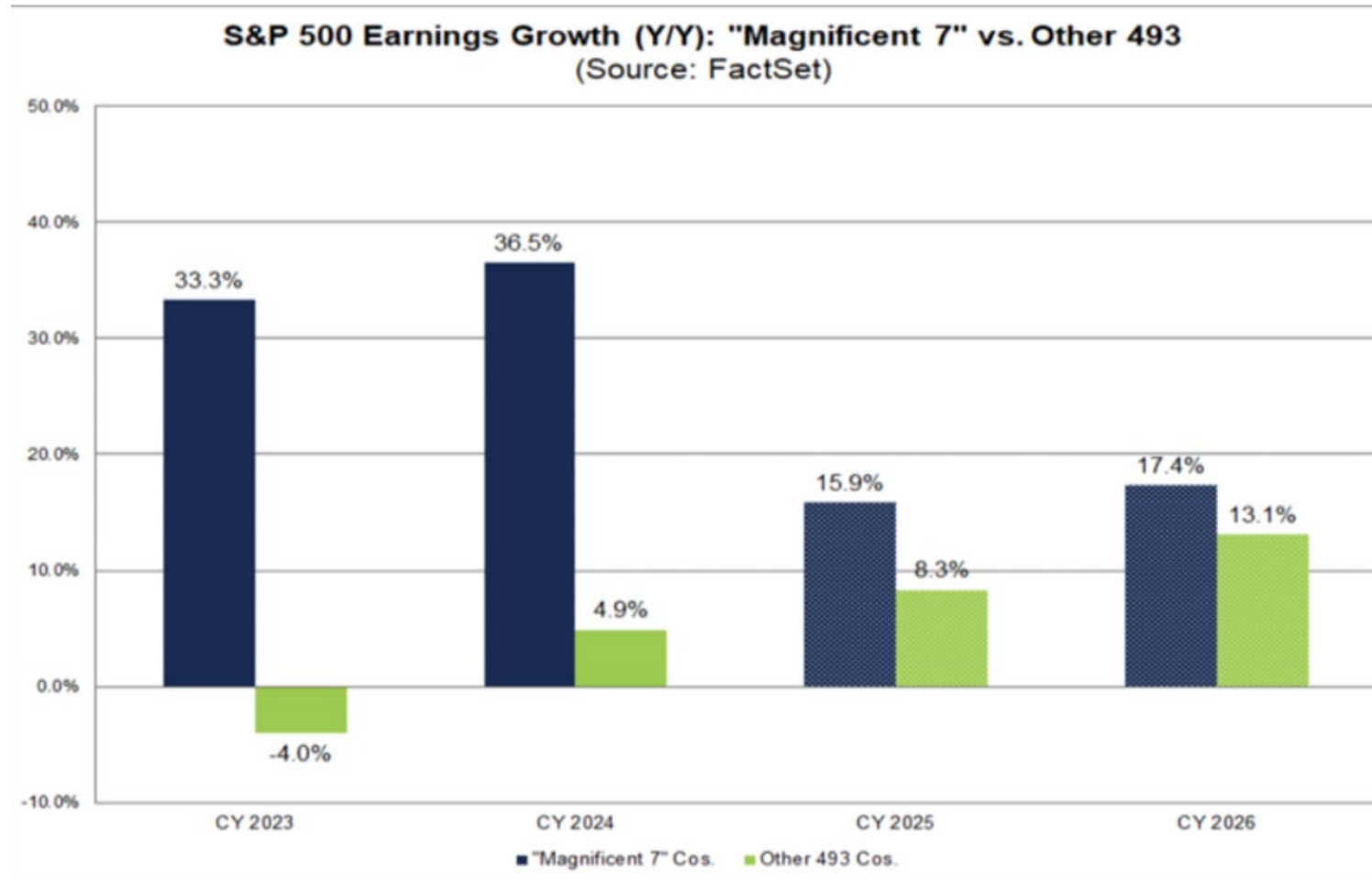
Source: Goldman Sachs Global Investment Research

HEALTH.

WEALTH.

FOR LIFE.

# Diversification Will Help



# Closing Thoughts

- **Hard Data will lead the way moving forward**
  - Earnings
  - Economic data
  - Less dependent on “Sentiment” & Political Uncertainty
- **Valuations are high – need to see earnings growth**
  - Tariffs may still have an impact as data accumulates
  - Still favor quality factors & diversification in this environment
- **Recession odds have dropped significantly**
  - Seeing it from economists
  - Also seeing it in the market (bonds)
- **Planning & staying the course wins out**

**Thank you for joining us!**

**bouchey**  
FINANCIAL GROUP

# Disclosure

Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Bouchey Financial Group, Ltd.), or any non-investment related content, made reference to directly or indirectly in this newsletter will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this newsletter serves as the receipt of, or as a substitute for, personalized investment advice from Bouchey Financial Group, Ltd.. Please remember to contact Bouchey Financial Group, Ltd., **in writing**, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services. Bouchey Financial Group, Ltd. is neither a law firm nor a certified public accounting firm and no portion of the newsletter content should be construed as legal or accounting advice. A copy of the Bouchey Financial Group, Ltd.'s current written disclosure statement discussing our advisory services and fees is available for review upon request.

HEALTH.

WEALTH.

FOR LIFE.