

# FINANCIAL FOCUS



A Pegasus Newsletter<sup>©</sup>

April 2025

**D**ear friends,

We are pleased to announce that we have relocated to our new office at 44 Whippany Road, Suite 101, Morristown, NJ 07960. We look forward to working with you from our new location.

By, Jaysen Bohrod, CFA

## Market Commentary

The early months of 2025 have presented a complex economic landscape, marked by significant policy shifts, market volatility, and evolving economic indicators. US GDP growth was estimated to be around 1.9% for the first quarter based on expectations of tax cuts, regulatory easing and increased business confidence. However, the potential impact of new tariffs recently announced has introduced downside risk to this outlook. The US labor market has continued to show strength with new job additions significantly beating the expectations despite policy uncertainty. Inflation expectations have risen following the tariff announcements as well.

On April 2, a series of sweeping tariffs were announced, marking a significant shift in U.S. trade policy. A universal 10% tariff was imposed on all imported goods, with additional “reciprocal tariffs” targeting specific countries that the administration felt had unfair trade practices. For instance, China faced a combined rate of 54%, which included a new 34% rate on top of the already existing 20%. The European Union and Japan were subjected to new tariffs of 20% and 24% respectively. Southeast Asian nations, including Vietnam and Cambodia faced tariffs nearing 50%. The administration emphasized that these tariffs are aimed to revitalize the manufacturing sectors within the United States, reduce trade deficits, and generate additional revenue for the federal government. This announcement provoked strong reactions from global leaders. Canada’s Prime Minister announced retaliatory tariffs, along with China, Japan and the European Union. These

responses indicated that there is potential for escalating trade tensions and the risk of a global trade war.

The financial markets have had extreme reactions as well. The S&P 500 reached an all time high on February 19th of 6,147 but has since fallen close to 19% to just under 5,000. The Dow Jones Industrial Average has decreased 15.7% from its level in February and the technology heavy Nasdaq Composite has fallen over 24% from its high of the year. The VIX, which is the ticker symbol for the Chicago Board Option’s Exchange volatility index, has increased 204% this year, indicating investors are anticipating some turbulence.

Interest rates have been steadily falling in the first three months of the year as demand for less risky assets rises. The yield on the U.S. 2 Year Treasury fell .56% from the beginning of the year to 3.68% and the yield on the U.S. 10 Year Treasury fell below 4% but quickly rebounded to 4.241% on April 8th.

Gold, an asset that has historically been purchased as a hedge against volatility, had risen to an all time high of \$3,167 per ounce before falling to \$2,977. Oil, on the other hand, has fallen to \$58 a barrel, its lowest level since February of 2021. This can be attributed to the economic implications of the escalating trade conflicts, contributing to a bearish outlook on demand and recession fears.

As time goes on, we will see how the tariff situation plays out. Until then, uncertainty and volatility will remain within financial markets as different countries react to new announcements.



## Retirement Account Contributions

### IRA and ROTH IRA

2024 = Regular Contribution \$7,000; Catch-Up Contribution (50+) \$1,000

2025 = Regular Contribution \$7,000; Catch-Up Contribution (50+) \$1,000

\*Must have earned income and make the 2024 contribution by April 15, 2025.

### EMPLOYEE SALARY DEFERRALS FOR 401(k) and 403(b)

2024 = Regular Contribution \$23,000; Catch-Up Contribution (50+) \$7,500

2025 = Regular Contribution \$23,500; Catch-Up Contribution (50+) \$7,500

\*Certain individuals age 60-63 may have catch-up contribution of \$11,250 instead of \$7,500 for 2025

## How To Protect Yourself From Tech or Fraud Support Scams

From Charles Schwab's "Scam definitions and prevention client guide"

- Don't give remote access to your computer or payment information to someone who calls you unsolicited.
- Don't rely on caller ID to determine whether a caller is legitimate. Scammers use "spoofing" techniques to make it look like they're calling from a legitimate number or company. Hang up and call the company at a number you know to be correct.
- Don't call a number in a pop-up virus alert. Legitimate warnings from your operating system or antivirus program do not ask you to call anyone for support.
- Don't click links in a pop-up, even to close the window. This could redirect you to a scam site or launch a "dialogue loop," continually serving pop-up messages.
- Don't buy security software from a company you don't know. If the name is unfamiliar, do an internet search to see whether it has been linked to adware or scams.
- When you restart your browser after getting a scam pop-up, don't open previously closed sites if prompted to do so.
- Don't give financial information to someone who calls a few days, weeks, or months after you've made a purchase and asks if you are satisfied. If they ask for your financial information, it's probably a refund scam.

If you're ever a victim of tech scams or financial fraud, call Pegasus Asset Mgt. at 845-369-9422 or Charles Schwab at 1-800-515-2157.

## We Moved To A New Location!

**Pegasus Asset Management, Inc.**

**44 Whippany Road, Suite 101**

**Morristown, NJ 07960**

All phone numbers & email addresses remain the same.

## Stock Market Holidays

Good Friday - April 18<sup>th</sup>

Memorial Day - May 26<sup>th</sup>

Juneteenth - June 19<sup>th</sup>

Independence Day - July 4<sup>th</sup>



*Financial Focus: A Pegasus Newsletter*

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Exclusive of charts

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Historical performance results for investment indices, benchmarks, and/or categories have been provided for general informational/comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your Pegasus account holdings correspond directly to any comparative indices or categories. **Please Also Note:** (1) performance results do not reflect the impact of taxes; (2) comparative benchmarks/indices may be more or less volatile than your Pegasus accounts; and (3) a description of each comparative benchmark/index is available upon request.