Yardeni Research

April 22, 2025

# Morning Briefing

## On Edge For 90 Days, More Or Less

*Check out the accompanying chart collection.*

**Executive Summary:** Trump's Tariff Turmoil has put the world on edge. A new world order may be the ultimate result, but for now we've got the New World Disorder, leaving everyone scrambling to adjust to Trump's unpredictable policy pivots. The economic fallout is uncertain. The uncertainty is keeping Wall Street on edge. It's keeping US trading partner nations on edge. It's keeping YRI on edge. Today, Dr Ed reviews the timeline of Trump's tariff proclamations; Trump's frustrations with a Fed chair who won't be cowed and can't be fired; the mid-turmoil expectations for GDP, inflation, corporate earnings, and stock valuations; and the economic impacts of Trump's tariffs on China and Europe. ... Also: Dr Ed pans "The White Lotus," Season 3 (-).

**Weekly Webcast.** If you missed Monday's live webcast, you can view a replay *here*.

**On Edge I: Trump's Tariffs.** Everyone is on edge. That's because President Donald Trump seems to be upending the Old World Order. So far, the result has been the New World Disorder, with a less clear distinction between America's friends and foes. Under Trump's America First policies, the US seems to have become a less dependable ally.

Henry Kissinger once said that "America has no permanent friends or enemies, only interests." Yet Kissinger undoubtedly would have agreed that it is in America's interests to have as many allies as possible. Trump doesn't seem to share that world view. His is that America's allies must accept that America's interests come first before their own because the US is the world's military and economic superpower.

Currently, global trade relations are being stressed by Trump's tariffs. The resulting uncertainty has depressed global stock markets, especially since April 2 ("Liberation Day") (*Fig. 1*). No one can be certain whether Trump is using higher tariffs mostly as a negotiating tool to bring tariff and nontariff trade barriers down. Stock prices soared on April 9 after Trump postponed his reciprocal tariffs for 90 days on all countries except China (which is facing a 145% tariff).

The US is currently negotiating tariff agreements with 15 major economies; among them are Japan, the European Union, South Korea, and India. Additionally, 75 countries have reached out to the US expressing interest in trade negotiations. It is conceivable that Trump will announce trade deals by the July 1 deadline set by the 90-day pause, just a few days before US Independence Day. They are more likely to be in the form of letters of understandings or intentions rather than specific treaties, which would take much longer to negotiate. That should be good enough for Trump to declare victory. Or else, he might extend the pause for another 90 days. Anything is possible in the art of making deals.

Meanwhile, here is where things stand on the tariff front:

(1) *Steel.* A 25% tariff applies to all steel imports from all countries, with no exemptions or exclusions. This was reinstated and expanded to cover derivative products like nuts, bolts, and other downstream steel items.

(2) *Aluminum*. A 25% tariff is imposed on all aluminum imports globally, also without exemptions, covering derivative products such as automotive components and metal furniture.

(3) *Automobiles & auto parts.* A 25% tariff is in place on all imported cars, trucks, and certain auto parts from all countries, effective since April 3, 2025. Goods from Canada and Mexico that are compliant with Trump 1.0's 2020 US–Mexico–Canada Agreement (USMCA) are exempt, but non-compliant goods from these countries face the tariff.

On April 14, Trump suggested that he might temporarily exempt the auto industry from tariffs that he previously had imposed, to give carmakers time to adjust their supply chains. The idea of a pause seems to stem from Trump's comments about being "flexible" and not wanting to "hurt anybody," but it's unclear if this is just rhetoric or a signal of policy shift. Trump said car companies "need a little bit of time because they're going to make 'em here."

(4) *Non-USMCA goods from Canada & Mexico.* A 25% tariff applies to approximately 60% of Canadian goods and 50% of Mexican goods that do not comply with the USMCA trade agreement. This includes a wide range of products not specifically detailed but excludes energy from Canada (which faces a 10% tariff).

(5) *Other commodities.* Tariffs on copper, lumber, pharmaceuticals, and semiconductors have been proposed or are under investigation; but as of now, no 25% tariff has been

confirmed for these. The 25% tariff on selected commodities and products deemed as vital to national security appears to be permanent and non-negotiable.

The tech sector was thrown for a loop late on Friday, April 11, when Customs and Border Protection stated that about 20 products—including smartphones, computers, routers, and semiconductor chips—are exempt from the reciprocal tariffs. But two days later, Commerce Secretary Howard Lutnick clarified that the exemptions are temporary and hinted that forthcoming tariffs on semiconductors will apply to other electronics too.

(6) *Nvidia*. On April 16, the Commerce Department confirmed that it introduced new export licensing requirements for AI chipmaker Nvidia, which is expected to take a $5.5 billion hit as a result. Also impacted is rival chipmaker Advanced Micro Devices.

(7) *Baseline tariff*. As of April 19, 2025, a 10% baseline tariff is in effect on all imported goods entering the United States from countries that maintain normal trade relations, except for goods specifically exempted or subject to higher tariffs (like the 25% tariffs on steel, aluminum, autos, and non-USMCA goods from Canada and Mexico).

(8) *Port docking fee*. On April 17, 2025, CNBC reported that the Trump administration announced fees on Chinese ships docking at US ports. Later that same day, Reuters reported that the United States eased port fees on China-built ships after industry backlash.

**On Edge II: Trump Vs Powell.** President Trump has been frustrated by Fed Chair Jerome Powell since Trump's first term in the White House. Trump nominated Powell to serve as Fed chair in 2017, replacing Janet Yellen. However, he soon soured on his pick, repeatedly attacking Powell on Twitter for raising interest rates too quickly.

In 2018, Trump was so frustrated with Powell that he asked Commerce Secretary Wilbur Ross to tell Powell "that I will repudiate his nomination, even though it has already been confirmed." Ross claimed that after some pushback, he eventually did call Powell with the message. Powell shortly after did reverse his policy stance, but ostensibly in response to a weakening economy rather than political pressure. Trump went so far as to consider firing Powell in late 2018, an unprecedented move that could have risked roiling financial markets and compromising the Fed's independence.

Trump's Twitter tirades against Powell continued throughout 2018 and 2019, accusing the Fed chair of raising interest rates too fast and not doing enough to "juice the economy" to accommodate Trump's trade war with China. However, Trump's tone softened when the

Fed did eventually ease monetary policy. Trump even expressed satisfaction with Powell's performance in mid-2020.

Here we go again. Consider the following chronology of events in the relations between Trump and Powell this year:

(1) *February 5, 2025*. During an interview with Fox Business, Treasury Secretary Scott Bessent claimed that he and President Donald Trump were focused on the 10-year Treasury yield. He stated, "He and I are focused on the 10-year Treasury," emphasizing that the administration's priority was to lower these yields rather than pressuring the Fed to cut short-term interest rates.

(2) *April 4, 2025.* In a *speech* two days after Liberation Day, Powell warned that as a result of Trump's tariffs, inflation is likely to be more troublesome: "While uncertainty remains elevated, it is now becoming clear that the tariff increases will be significantly larger than expected. The same is likely to be true of the economic effects, which will include higher inflation and slower growth. The size and duration of these effects remain uncertain. While tariffs are highly likely to generate at least a temporary rise in inflation, it is also possible that the effects could be more persistent. Avoiding that outcome would depend on keeping longer-term inflation expectations well anchored, on the size of the effects, and on how long it takes for them to pass through fully to prices. Our obligation is to keep longer-term inflation expectations well anchored and to make certain that a one-time increase in the price level does not become an ongoing inflation problem."

(3) *April 15, 2025*. Trump posted on Truth Social, criticizing Powell and urging the Fed to cut interest rates, stating, "The ECB [European Central Bank] is expected to cut interest rates for the 7th time, and yet, 'Too Late' Jerome Powell of the Fed, who is always TOO LATE AND WRONG, yesterday issued a report which was another, and typical, complete 'mess'!"

(4) *April 16, 2025*. The next day, in a *speech* at the Economic Club of Chicago, Powell reiterated, "Tariffs are highly likely to generate at least a temporary rise in inflation. The inflationary effects could also be more persistent. Avoiding that outcome will depend on the size of the effects, on how long it takes for them to pass through fully to prices, and, ultimately, on keeping longer-term inflation expectations well anchored. … We may find ourselves in the challenging scenario in which our dual-mandate goals are in tension. If that were to occur, we would consider how far the economy is from each goal, and the potentially different time horizons over which those respective gaps would be anticipated to close."

(5) *April 17, 2025*. The next day, Trump responded to Powell's speech. He intensified his attacks, explicitly calling for the Fed to cut interest rates and again demanding Powell's termination, saying, "Powell's termination cannot come fast enough" and claiming that Powell was "always too late and wrong" on rate policy. He argued that lower rates were needed because "oil prices are down, groceries (even eggs!) are down, and the USA is getting RICH ON TARIFFS."

(6) *April 18, 2025*. On Friday, Trump criticized Powell again, stating that the Fed chair should lower interest rates. During a question-and-answer session with reporters, Trump said, "If we had a Fed chairman that understood what he was doing, interest rates would be coming down too," and added, "He should bring them down."

Trump would like Powell to resign before his term expires on May 2026. Powell won't resign, and Trump doesn't have the legal authority to fire him. Besides, there are 18 other participants on the FOMC with 11 other voting members on the committee who might dissent from any move to lower interest rates pushed by the next Fed chair Trump appoints after Powell's term expires in May 2026.

In his April 16 speech, Powell concluded, "As that great Chicagoan Ferris Bueller once noted, 'Life moves pretty fast.'"

**On Edge III: US Economy.** The US and global economies are also on edge over Trump's reciprocal tariffs, which were announced on April 2 and postponed for 90 days on April 9. So Liberation Day II is now scheduled for July 1 and might or might not happen. The latest US economic "hard" data show that the economy remains resilient. The "soft" data are mostly in recession territory already. Our subjective probability of a recession remains at 45%, but we are on edge about it. Consider the following:

(1) *Recession & inflation consensuses.* On Friday, April 18, Polymarket.com showed that the risk of a recession in 2025 was 56% (*Fig. 2*).

The latest quarterly *survey* of economists by *The Wall Street Journal* was conducted from April 4 through April 8. The economists raised the consensus odds of a recession to 45% over the next 12 months, up from 22% in January. On average, they are expecting real GDP growth to be only 0.8% this year on a Q4/Q4 basis. That's down from 2.5% last year (*Fig. 3*).

The survey shows that economists are also expecting inflation to increase, with the core

PCED climbing throughout the year to 3.6% y/y in December 2025, up from the 2.8% projected back in February. They see it moderating to 2.6% next year. For now, both our outlook for real GDP growth and inflation are close to the survey's consensus, though we are more upbeat on growth (*Fig. 4* and *Fig. 5*).

(2) *Consumers.* We've often observed that when Americans are happy, they go shopping, and when they are depressed, they shop even more unless they lose their jobs. American consumers are extremely depressed currently; yet they continue to shop briskly, as the labor market remains remarkably strong. During the first half of April, the Consumer Sentiment Index fell to 50.8, exceeding previous cyclical lows during 1980, 1990, 2008, and 2022 (*Fig. 6*)!

Most economists attributed the strong 1.4% m/m increase in retail sales during March to buying in advance of tariff-related increases. That could be quickly followed by a sharp retrenchment once consumer prices jump because of Trump's tariffs.

We attribute some of the strength in March retail sales to a rebound from tougher-than-usual winter weather during January and February. Our view is supported by the record output of utilities during January and February that was following by a big drop in March (*Fig. 7*). The categories of retail sales that rebounded the most during March do support our thesis (*Fig. 8*).

The Redbook retail sales index rose 6.6% y/y through the April 11 week (*Fig. 9*). That strength probably does reflect some buying in advance of higher prices. But it also confirms the resilience of the labor market, as evidenced by the very low readings in initial unemployment claims so far this year (*Fig. 10*).

(3) *Business activity.* Industrial production fell 0.3% m/m during March; manufacturing and mining outputs rose 0.3% and 0.6% m/m. Utilities fell 5.8% y/y, as temperatures were warmer than typical for the month.

The average of the April regional business surveys conducted by the Federal Reserve Banks of New York and Philadelphia dropped sharply, suggesting that the national M-PMI fell further below 50.0 in April (*Fig. 11*). The prices-paid and prices-received in both regional business surveys remain elevated (*Fig. 12*). Together, the two surveys suggest a stagflationary outlook in coming months, resulting from Trump's tariffs.

**On Edge IV: Earnings & Valuation.** Industry analysts are also on edge. They've gotten the tariffs-may-cause-recession memo and are scrambling to lower their 2025 and 2026 estimates for S&P 500 companies' aggregate earnings per share (*Fig. 13*). They've lowered their 2025 consensus estimate to $266.02, down from $273.79 at the start of the year. Their current 2026 estimate of $304.11 is down from $309.97 at the start of this year. As a result, S&P 500 forward earnings peaked at a record high of $279.13 during the April 3 week and fell to $277.74 during the April 17 week. ("Forward" earnings is the time-weighted average of the analysts' consensus estimates for the current and coming years.)

We are still targeting EPS of $260 and $300 this year and next year. But we expect to be on the edge of lowering those numbers unless Trump's Tariff Turmoil subsides significantly by July 1.

Not everyone is on edge. The one exception is the exceptional Warren Buffett, who has been a net seller of equities for the past nine quarters, resulting in Berkshire Hathaway's ending 2024 with a record $334 billion in cash and equivalents. Buffett stayed true to his favorite valuation metric, i.e., the so-called "Buffett Ratio," which is the total market value of US corporate equities divided by nominal GDP (*Fig. 14*). It is a quarterly series. The comparable weekly series is the price-to-sales ratio of the S&P 500, which soared from 2.0 at the start of the latest bull market to 3.0 when the S&P 500 peaked on February 19. It is back down to 2.6, which is still a high valuation reading, especially if a recession becomes more likely.

**On Edge V: China.** The Chinese government is also on edge. It is trying to provide more domestic economic stimulus to offset the depressing impact of Trump's trade war. So far, the Chinese government's 10-year bond yield has dropped back down to recent record lows following a very brief rebound (*Fig. 15*). We agree with the Chinese bond market's assessment that the government's stimulus measures won't offset the deflationary effects of a trade war with the US combined with the ongoing weakness in China's property market.

**On Edge VI: Europe.** Europeans are on edge, too. The immediate impact of Trump's trade war has been to weaken the dollar, mostly because of a flight to the euro (*Fig. 16*). A strong euro is bad news for the sales and earnings of European companies. A strong euro will put downward pressure on Eurozone inflation, but it will also raise the risk of deflation as China's manufacturers dump more of their excess capacity in Europe now that the US market is effectively closed to them.

**Movie.** "The White Lotus," Season 3 (-) has a 90% rating on Rotten Tomatoes, which describes it as "a sharp social satire following the exploits of various guests and employees of the fictional White Lotus resort chain, whose stay becomes affected by their various dysfunctions." This latest season of HBO's hit series is set in Thailand, which is very beautiful. However, the season is overrated; it's pretentious and purports to uncover important philosophical insights from the whacky behavior of a bunch of whacky characters. It's actually a bit of a bore. (See our movie reviews *archive*.)

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## Calendars

**US: Tues:** Richmond Fed Manufacturing Index -6; IMF Meeting; Harker; Jefferson Kashkari; Kugler. **Wed:** C-PMI, M-PMI & NM-PMI Flash Estimates 51.0, 49.5 & 52.0; New Home Sales 680,00 units; MBA Mortgage Applications; Fed Beige Book; Waller; Goolsbee, Beth. (FXStreet estimates)

**Global: Tues:** Eurozone Consumer Confidence Flash -15.0; ECB Survey of Professional Forecasters; Knot; Guindos; Breeden. **Wed:** Eurozone & Germany C-PMI Flash Estimates 50.3 & 50.5; Eurozone, Germany & France M-PMI Flash Estimates 47.9, 47.6 & 47.9; Eurozone, Germany & France NM-PMI Flash Estimates 50.5, 50.5 & 47.5; UK C-PMI, M-PMI & NM-PMI Flash Estimates 50.0, 44.1 & 51.0; Lane; Cipollone; Bailey; Breeden. (FXStreet estimates)

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## Strategy Indicators

**Global Stock Markets (US$ Performance)** (*link*): The US MSCI index fell 1.4% last week to 14.3% below its January 23 record high, well below the 3.6% gain for the AC World ex-US index to 6.2% below its June 15, 2021 record high. The US MSCI has outperformed the AC World ex-US in just two of the past 13 weeks. EAFE was the best performing region last week, with a gain of 4.3%, ahead of Europe (4.1%), EMU (3.7), and the AC World ex-US. EM Asia was the worst regional performer, albeit with a gain of 2.1%, followed by EM (2.2), EMEA (2.6), and EM Latin America (3.5). The Mexico MSCI index performed the best among country indexes last week, with a gain of 6.3%, followed by Sweden (6.1), South Africa (6.0), and Spain (5.5). The Taiwan and US MSCI indexes were the week's worst country performers, falling 1.4%, followed by China (1.5) and Brazil (2.0). In terms of ytd performance rankings, the US MSCI index remains the second-worst country, with a decline of 10.3%, and trails the 3.6% gain for the AC World ex-US. Among the regional indexes, all but two are outperforming the AC World ex-US ytd. EMU is now ahead of the pack ytd, leading with a gain of 12.1%, followed by EM Latin America (10.5), Europe (9.3), EAFE (5.9), EMEA (5.2), and the AC World ex-US. EM Asia is the worst ytd performer, with a decline of 2.4%, followed by EM (-0.6). Looking at the major selected country markets that we follow, Spain is the best ytd performer, with a gain of 26.0%, followed by Germany (16.7), Mexico (13.4), South Africa (12.8), and Switzerland (10.4). The worst performing countries ytd: Taiwan (-16.4), the US (-10.3), Australia (-1.9), Hong Kong (-1.7), and India (-1.5).

**US Stock Indexes** (*link*): Of the 48 major US stock indexes that we follow, 26 rose for the week ending April 18, down from 46 rising a week earlier. The Dow Jones 15 Utilities index was the best performer with a gain of 2.4%, ahead of Russell 2000 Value (1.9%), S&P MidCap 400 Value (1.3), and Russell 2000 (1.1). The Dow Jones Industrials index, with a decline of 2.7%, was the worst performer, followed by Nasdaq Composite (-2.6), Russell 1000 Growth (-2.6), Russell 3000 Growth (-2.4), and Nasdaq 100 (-2.3). Just one of the 48 indexes is higher so far in 2025, down from 47 of 48 rising ytd in mid-February and 46 rising for all of 2024. With a gain of 3.8%, the Dow Jones 15 Utilities is in the top spot as the best performer so far in 2025, ahead of S&P 500 LargeCap Pure Value (-4.5), Russell 1000 Value (-4.6), Russell 3000 Value (-5.1), and S&P 100 Equal Weighted (-5.6). The worst performing major US stock indexes ytd: S&P 600 SmallCap Pure Value (-21.3), S&P 600 SmallCap Value (-18.9), S&P 600 SmallCap Equal Weighted (-17.2), S&P 600 SmallCap (-16.6), and Russell 2000 Growth (-16.5).

**S&P 500 Sectors Performance** (*link*): Five of the 11 S&P 500 sectors rose during the week ending April 18, and eight were ahead of the S&P 500's 1.5% decline. That compares to nine of the 11 S&P 500 sectors rising a week earlier when just three sectors were ahead of the S&P 500's 5.7% gain. The outperformers last week: Real Estate (3.9%), Energy (3.2), Consumer Staples (2.0), Utilities (1.9), Materials (0.3), Financials (0.0), Industrials (-0.3), and Health Care (1.2). The underperformers last week: Information Technology (-3.7), Consumer Discretionary (-3.2), and Communication Services (-2.9). The S&P 500 is now down 10.2% ytd with nine of the 11 sectors also in the red, but only three sectors are underperforming the index. Consumer Staples still wears the crown as the best ytd performer, with a gain of 5.8%, ahead of Utilities (2.7), Real Estate (-0.9), Health Care (-1.6), Materials (-3.5), Financials (-3.5), Energy (-4.5), and Industrials (-4.9). These three sectors are lagging the S&P 500 so far in 2025: Consumer Discretionary (-19.7), Information Technology (-18.4), and Communication Services (-11.7).

**S&P 500/400/600 Forward Earnings** (*link*): During the April 18 week, forward earnings fell for all of these three indexes simultaneously for a second week. LargeCap's forward earnings fell 0.3% w/w to 0.5% below its record high during the April 4 week. MidCap's dropped 0.4% to 1.0% below its record high, also during the April 4 week. SmallCap's fell 0.4% w/w to 12.9% below its June 2022 record. LargeCap's forward earnings remains 22.9% above its 54-week low during the week of February 1, 2023; MidCap's is 8.1% above its 55-week low during the week of March 10, 2023; and SmallCap's is only 0.7% above its 72-week low during the March 17, 2023 week. These three indexes' forward earnings downtrend from mid-2022 to early 2023 was relatively modest compared to their deep double-digit percentage declines during the Great Virus Crisis and the Great Financial Crisis. Here are the latest consensus earnings growth rates for 2024, 2025, and 2026: LargeCap (9.7%, 9.6%, 14.3%), MidCap (0.4, 7.4, 16.2), and SmallCap (-10.2, 6.2, 20.0).

**S&P 500/400/600 Valuation** (*link*): Valuations rose slightly last week for the SMidCap indexes and fell for LargeCap's. LargeCap's forward P/E fell 0.2pts w/w to 19.1. It's now 3.2pts below its 43-month high of 22.3 during the December 6 week and 2.1pts above the seven-month low of 17.0 during the October 27, 2023 week. That compares to a 30-month low of 15.1 at the end of September 2022 and an 11-year low of 11.1 during March 2020. MidCap's forward P/E rose 0.1pt w/w to 13.8. It's now 3.3pts below its 40-month high of 17.1 during the November 29 week and just 1.6pts above the 12-month low of 12.2 in October 2023. That compares to a record high of 22.9 in June 2020 when forward earnings was depressed, and an 11-year low of 10.7 in March 2020. SmallCap's forward P/E rose 0.2pt w/w to 13.2 and is just 0.3pt above its 17-month low of 12.9 during the April 4 week. It's now 3.9pts below its 41-month high of 17.1 during the November 29 week and just 2.6pts above its 14-year low of 10.6 in September 2022. That compares to a record high of 26.7 in early June 2020 when forward earnings was depressed, and a record low of 10.2 in November 2009 during the Great Financial Crisis. The forward P/Es for the SMidCaps have been mostly below LargeCap's since August 2018. MidCap's P/E is at a 27% discount to LargeCap's P/E, not much above its 25-year-low 29% discount during the July 5, 2024 week. That compares to a 19% discount during the March 2, 2023 week, which matched its best reading since October 14, 2021. SmallCap's P/E is now at a nine-month-low 31% discount to LargeCap's P/E, which compares to a 23% discount during the November 29 week, its best reading since the March 2, 2023 week. It's 3ppts above its 24-year-low 34% discount during the July 5, 2024 week. SmallCap's P/E improved to a 4% discount to MidCap's, but that remains among the smallest since July 2021. Prior to that, from 2003 to 2018, SmallCap's P/E had been mostly above MidCap's, and both were above LargeCap's.

## US Economic Indicators

**Leading Indicators** (*link*): “The US LEI for March pointed to slowing economic activity ahead,” noted Justyna Zabinska-La Monica, senior manager of business cycle indicators at the Conference Board. She went on to say, “The data does not suggest that a recession has begun or is about to start ... The slower projected growth rate reflects the impact of deepening trade wars, which may result in higher inflation, supply chain disruptions, less investing and spending, and a weaker labor market.” *Leading economic indicators (LEI)* fell for the fourth successive month in March, by 0.7% m/m and 1.2% over the period, to its lowest level since December 2016. The *LEI* has plunged 16.4% since December 2021's record high. The LEI dropped 1.2% during the six-month period ended March 2025, smaller than the 2.3% decrease over the prior six-month period, though remained well above the recession threshold. During March, five of the 10 components of the LEI contributed negatively, while five contributed positively. The *biggest drags on the LEI* were consumer expectations for business conditions (-0.26pts), stock prices (-0.25), and ISM new orders index (-0.22), followed by leading credit index (-0.02) and interest-rate spread (-0.01). *Partially offsetting these declines* were gains in manufacturing hours worked (+0.06), building permits (+0.05), and initial claims (+0.02), with both manufacturers’ new orders for consumer goods & materials and manufacturers’ new orders for nondefense capital goods ex aircraft each subtracting 0.01ppt.

**Coincident Indicators** (***link***): The Coincident Economic Indicators (CEI) index rose for the fourth time in five months to yet another new record high, climbing 0.1% in March and 0.9% over the period. The CEI expanded 0.8% during the six-month period ended March 2025, up slightly from the 0.7% growth over the prior six-month period. Three of the four components of March’s CEI—payroll employment, personal income less transfer payments, and manufacturing & trade sales—once again were positive contributors, while industrial production, declining for the first time since November 2024, was the sole negative contributor.

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