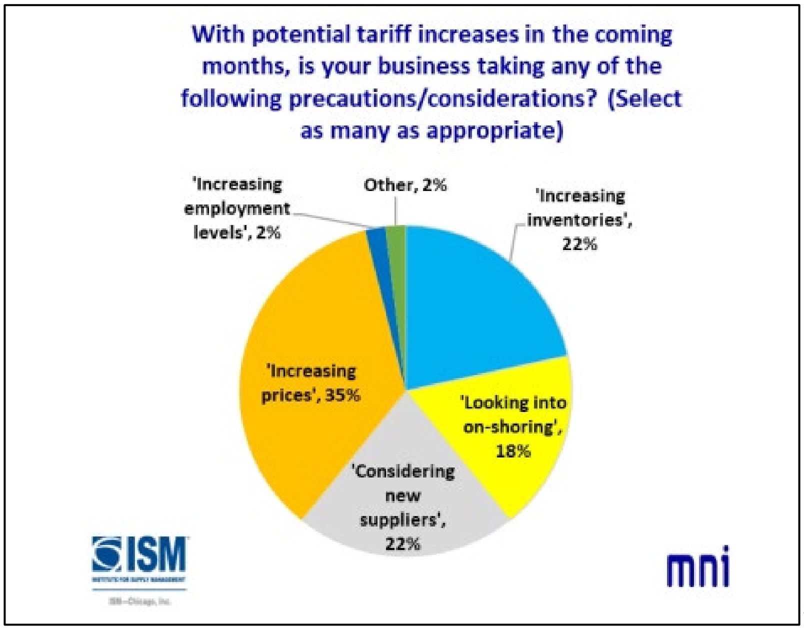
Market Commentary: Uncertainty - A Canadian Lumber Case Study

March 2025

> *Prior to the distribution of this month's market commentary, the Trump administration announced aggressive global tariffs that resulted in a decline of financial markets. We published a brief note addressing that event. This is a timely commentary as it provides further context to the uncertainty that the tariff policies are creating in the economy and its potential implications.*

The US construction industry primarily relies on softwood lumber for building construction. Roughly 70% of this lumber is grown and manufactured domestically, with the rest imported primarily from Canada[1]. The Trump administration has threatened to impose 25% tariffs on Canadian lumber due to wood products being "essential to national security, economic strength and industrial resilience of the United States."[2] As a result, the Trump administration concludes, an examination of potentially "unfair subsidies and foreign government support" is necessitated.

While markets are not a fan of tariffs for a variety of reasons, the lack of a clearly articulated vision and expected end game is creating material uncertainty. Uncertainty leads to economic paralysis and fuels bearish sentiment within financial markets.



[3]

[1] Will the US Lumber Market Thrive or Break Under Trump?
[2] Addressing the Threat to National Security from Imports of Timber, Lumber – The White House
[3] 20250331.MNI_Chicago_Bus_Barometer_Press_2025_03 (1).pdf - Google Drive

For example, business owners must plan for future capital spending and project management. Focusing on building construction, a business leader now needs to reevaluate current projects and decide on future ones amid highly variable softwood lumber prices. The possibility of no tariffs versus a potential trade war where tariffs can exceed 50% may necessitate research into substitutes and hedging strategies. In summary, it becomes very hard to plan for the future, potentially leading to layoffs, a reduction in capital spending and general consumption – all of which can contribute to a recession.

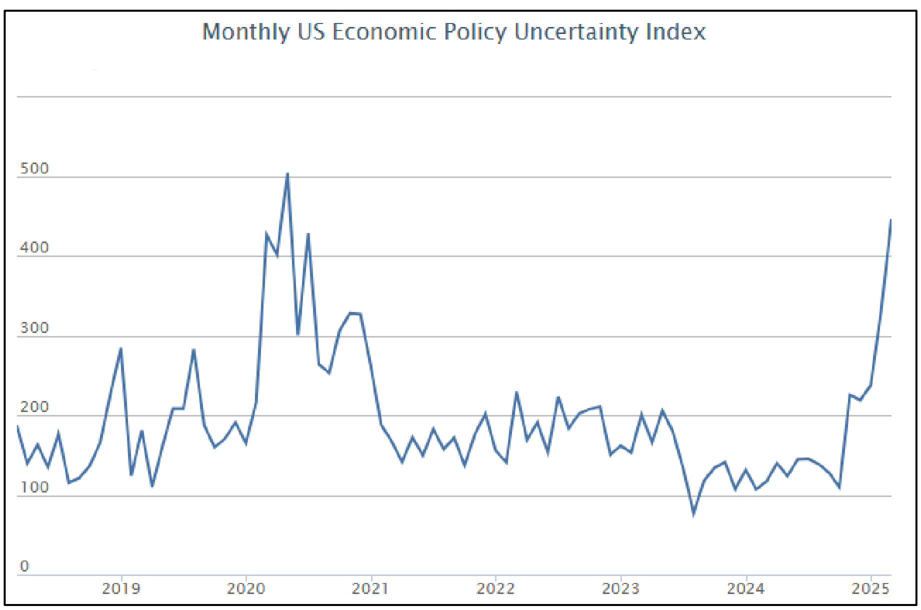
Ultimately, uncertainty affects:

- Costs
- Pricing
- Profits
- Employee Count
- Capital Investment
- Consumption
- The Economy

ETFs have revolutionized investing. Yet, while providing the tools to access a desired exposure in a seemingly simple, straightforward, and cost-effective manner, there is an underlying and perhaps hidden complexity: How does one really pick the “appropriate” or “right” ETF? For example, there are at least 24 artificial intelligence-themed ETFs currently in the market – how does one pick? What is going on under the hood?

Find out in my conversation with Adam Patti, an ETF pioneer and Co-Founder of VistaShares.

In last month’s commentary,[4] our Talking Points section highlighted the Economic Policy Uncertainty Index, which measures policy-related economic uncertainty by assessing news articles, tax code adjustments and dispersion of economic forecasters. We are quickly approaching the all-time highs measured in May 2020 during the early Covid days.



[4] Market-Commentary-2025.2.pdf

Deep Thought: Will We Run Out of Eggs? Food?!


[5]

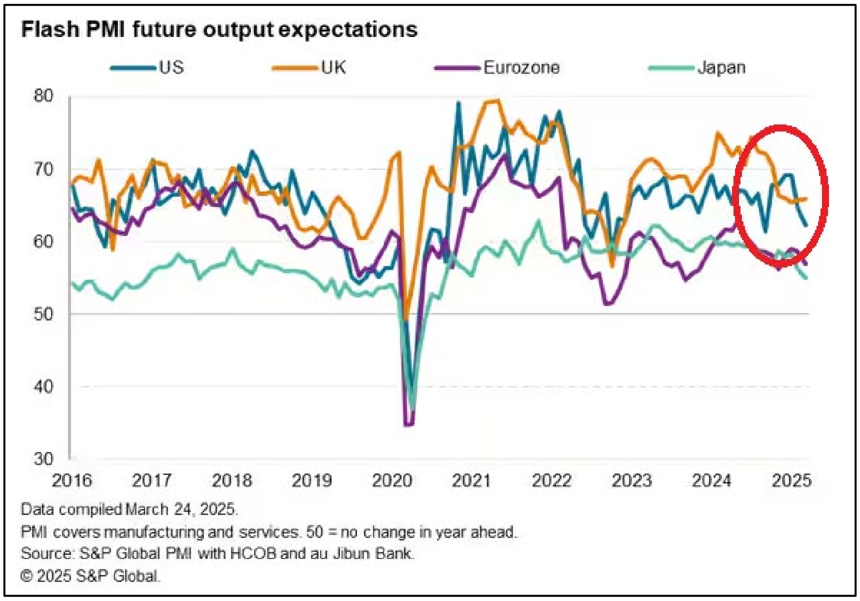
The Population Bomb by Paul Erlich influenced fears through the 1970s of looming global famine due to unchecked population growth. Thankfully, this did not materialize largely because of material innovations in agriculture and general food science. We have been able to grow an abundance of food at surprisingly low cost. For example, egg prices in 2020 were a third of their cost in 1920.[6]

However, prices are now increasing. In "Why We Are Running Out of Eggs" by James Rebanks on Unherd,[7] Mr. Rebanks outlines his belief that the industrialization of the food industry had ill effects, such as a degrading of soil and significant risk to disease, like avian flu. Coupling these negative trends with poor government policy and a decline of land used for agriculture, spells the end of cheap food.

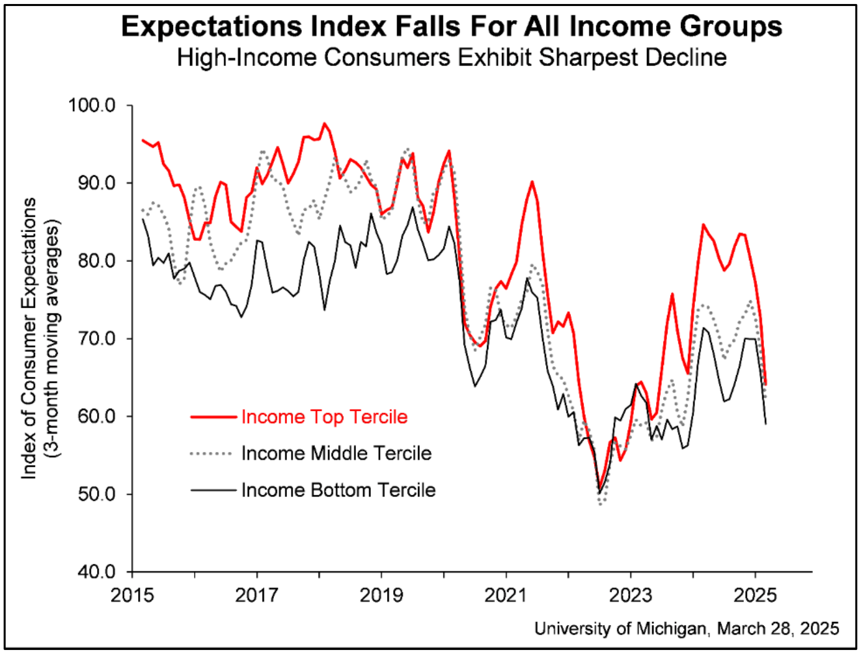
This is indeed scary as I love eggs. Less selfishly (and perhaps more seriously), articles and concerns around food production and safety are important. While The Population Bomb thesis thankfully did not play out, it may have motivated a generation of innovators and government to ensure we were able to feed the global population. Avian flu has increased in frequency in recent years – articles like this coupled with the increase in pricing will hopefully drive the necessary innovations to solve for food security and abundance over the following generations.

[5] From Vecteezy.com: Eggs Stock photos by Vecteezy
[6] Assumes comparison in constant dollars and cited in: [We're running out of eggs - UnHerd]
[7] [We're running out of eggs - UnHerd]

Sentiment indexes are considered leading indicators. They provide a sense of the mood of the country which provides an indication of future economic performance. For example, S&P Global measures business confidence by asking companies about their outlook for factory production and service activity one year from now. In the most recent survey, business expectations fell to the lowest readings since late 2022. The blue line to the right, representing the US, tracks concern going into US elections, followed by early exuberance given a Republican sweep and a presumed expectation of pro-business policies, and finally a rather sharp drop as businesses wrestle with the uncertainty of the current tariff wars.



Consumer sentiment indexes tell a comparable story. The University of Michigan Index of Consumer Expectations has dropped 32% year-over-year and ~18% in the last month. This month's decline was broad based, reflecting a clear consensus across all demographic and political affiliations. Consumers are increasingly pessimistic in regard to personal finances, business conditions, unemployment and inflation.



It is important to note that sentiment indexes are quite volatile. For instance, if the Trump administration were to better define their tariff strategy, objectives and aimed outcomes and perhaps relax its approach to our allies, sentiment would most likely improve quickly.

There has been tension over lumber imports from Canada dating back to at least the early 1980s. The US lumber industry regularly complains about unfair Canadian subsidies and the US government, in turn, applies tariffs on Canadian lumber. Canada has dragged the US before the World Trade Organization over

America's claims and calculations concerning Canadian subsidies. Since 2008, the US Department of Commerce has produced and delivered a mandated semi-annual report on softwood lumber subsidies in other countries to a congressional committee. The most recent report devotes 40 pages to potential subsidies in Canada and half a page, total, discussing Austria, Brazil, Germany, and Sweden. [8]

Lumber Prices 2005 - 2025[9]

Imposing a 25% tariff on Canadian lumber is expected to drive up demand and therefore prices for domestic lumber, according to basic economic principles. [10] Lumber is traditionally used in framing a house and the cost is estimated at 12% of the sales value of a house. [11] If overall lumber prices increase 15% due to tariffs, then building costs increase 1.8% (15% * 12%). While this might seem modest in isolation, that is prior to taking into account general inflation. When combined with general inflation near 3%, and other tariff-induced pressures, the overall cost impact could be significant.

Builders now face a dilemma: should they lock in current lumber prices via derivative markets, purchase and store lumber in inventory, or seek alternative materials? With policy uncertainty looming, these

[8] Semiannual-Softwood-Lumber-Subsidies-Report.pdf, We cannot profess to having reviewed all of it but, interestingly enough, most of the lumber originating in Canada comes from land owned by the "Crown".
[9] Lumber Prices - 50 Year Historical Chart | MacroTrends
[10] Supply – Demand curve
[11] 60% of a Home's Sales Price Goes to Construction Costs | NAHB, Lumber-field-guide

decisions become exceedingly difficult. Will the administration eventually negotiate a deal with Canada, bringing tariffs down to current levels, or does it intend to dramatically ramp up domestic lumber production? Without clearer guidance, market volatility is likely to persist, potentially slowing economic growth. Further, how much of this plays out depends purely on the direction and goals of the administration. For example, if tariffs are relaxed after obtaining concessions or agreements the administration thinks are important, one would expect lumber markets to price similar to recent levels absent other external factors (e.g., tree infestation pushing up prices). In contrast, if significant tariffs are imposed with the goal of driving domestic production to 95%, that would likely result in a material long-term increase in lumber prices.

In summary, until there is greater certainty regarding administrative policy affecting imports and prices of goods, there will be heightened market volatility and an increased risk of an economic slowdown.

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Talking Points: March 2025

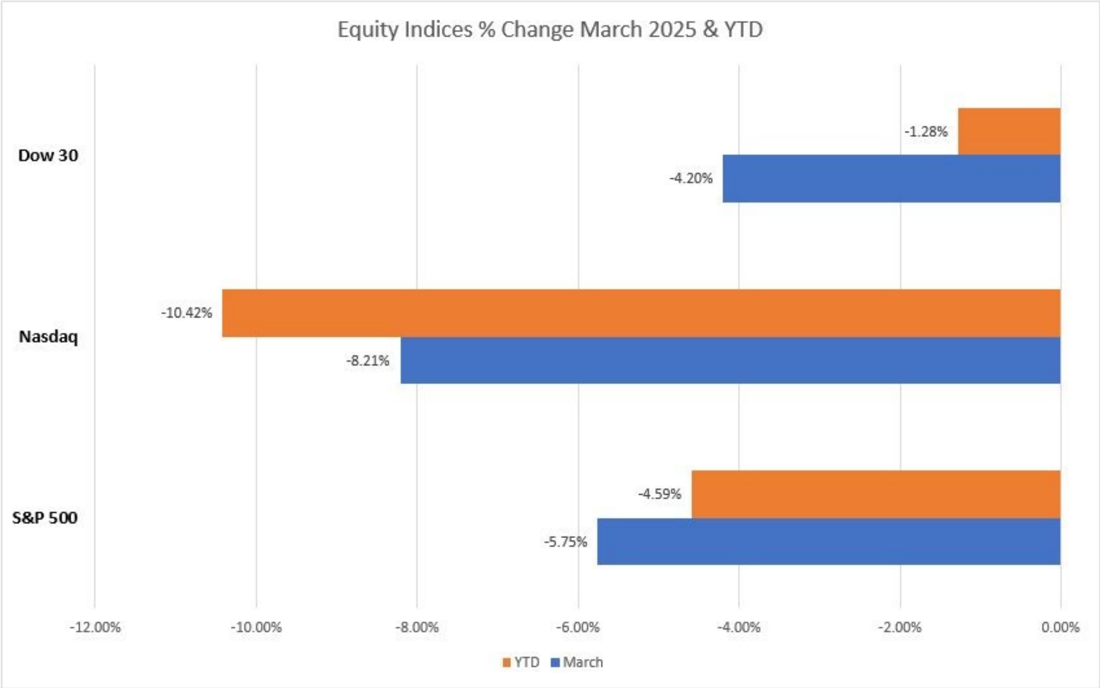
Monthly Market Recap

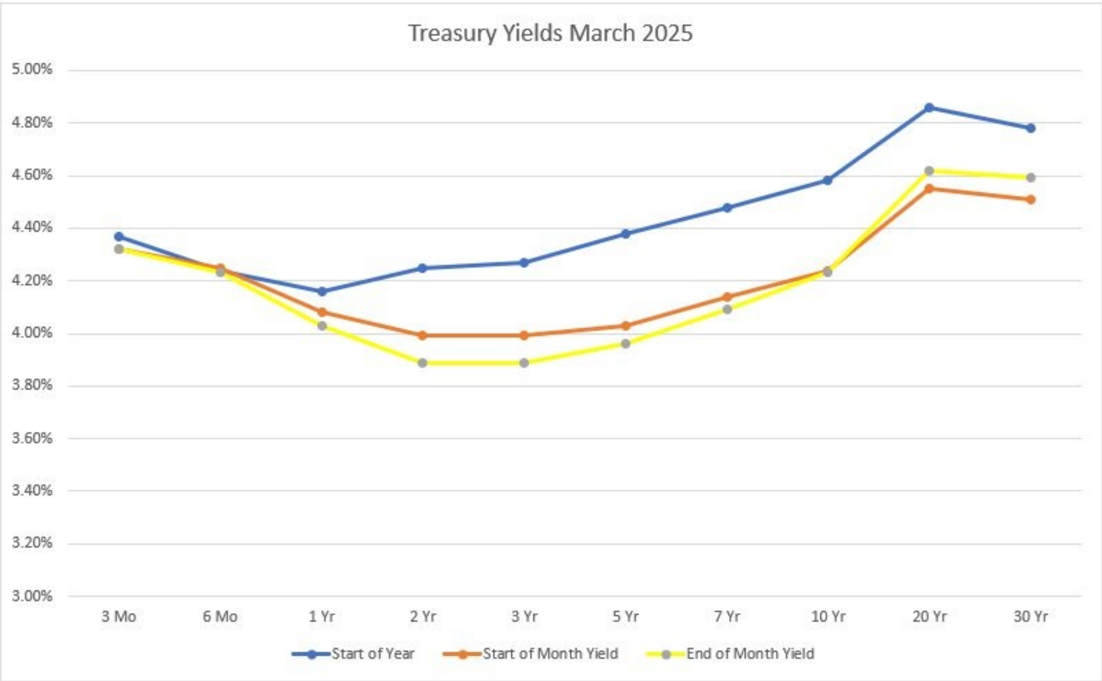
Note on April 2nd

With markets on edge given uncertainty and generally negative sentiment, the Trump administration doubled down on "Liberation Day," April 2nd, by unveiling additional "industry specific" tariffs and "reciprocal" tariffs (i.e., targeting nations running persistent trade imbalances with the US). Markets plummeted on the news. There is still much uncertainty regarding how these tariffs will roll out, how other nations will react and how the administration may react to the swift and uniform negative sentiment from business and constituents in moderating its approach.

Monthly Market Recap

After a rough February, things only got worse for markets in March. All three major US indices sold off materially with Nasdaq finishing down over 8%. Uncertainty and concerns surrounding tariffs, economic growth, consumer demand, and inflation drove the negative performance.



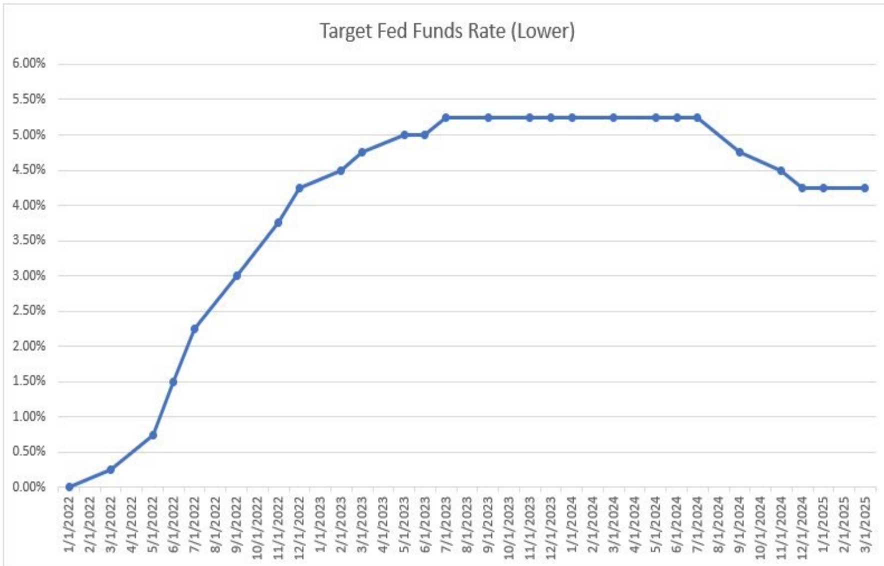


Last month, we highlighted uncertainty as one of the main drivers of recent poor performance. Markets strongly dislike not knowing what to expect as it makes it nearly impossible for companies to effectively plan. March was another great example of this dynamic as the plan for tariffs (for the US and for the nations promising to retaliate) seemed to get adjusted almost hourly.

As was the case in February, consumer sentiment related to the current and future state of the economy was bearish, further fueling concerns that consumer demand in 2025 could weaken materially. Consumer's concerns were not helped at all by the comments made by President Trump in the very beginning of March where he refused to rule out the possibility of the US economy going into a recession. This was the first time the administration has come out and said that their stated objectives could cause some level of "short term pain."

Meanwhile, the Fed opted to hold benchmark rates at current levels this month, which came as no surprise to markets (as this had been priced in essentially since their last meeting). Powell's comments post decision was consistent with his recent commentary (i.e. "wait and see mode"). While markets appreciated the fact that its updated dot plot still showed a consensus of two forecasted cuts for 2025 (unchanged from start of year), the lowering of economic growth expectations is cause for some concern, especially after Core PCE for the month of February came in higher than expected (and higher than the month prior). The base case as of month's end is that the Fed will once again hold rates steady at their next meeting in May.

Fed March 2025 Meeting Summary	
Growth	
GDP Forecast 2025 (Dec.)	2.1%
GDP Forecast 2025 (Mar.)	1.7%
Rates	
Current Benchmark Rate	4.25 - 4.50%
Fed Expected Cuts 2025 (Dec.)	2
Fed Expected Cuts 2025 (Mar.)	2
Market Expected Cuts 2025 (Dec.)	2
Market Expected Cuts 2025 (Mar.)	3
Market Cut Probabilities 2025	
No Cuts	1.4%
1 Cut	10.1%
2 Cuts	26.7%
3 Cuts	33.7%
4 Cuts	21.2%



Graphs/Visuals

Probability of Upcoming Fed Interest Rate Decisions							
3/21/2025	Hike	Hold	Cut	Hike 25bps	Cut 25bps	Cut 50bps	Cut 75bps
May	0.00%	85.70%	14.30%	0.00%	14.30%	0.00%	0.00%
3/28/2025	Hike	Hold	Cut	Hike 25bps	Cut 25bps	Cut 50bps	Cut 75bps
May	0.00%	82.10%	17.90%	0.00%	17.90%	0.00%	0.00%

February CPI and Core CPI (yoy)	Feb.	vs. Expected	vs. Jan.
CPI	2.8%	2.9%	3.0%
Core CPI	3.1%	3.2%	3.3%

February PCE and Core PCE (yoy)	Feb.	vs. Expected	vs. Jan.
PCE	2.5%	2.5%	2.5%
Core PCE	2.8%	2.7%	2.7%

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Highlights/Notes

Highlight: This month markets cared much more about the "bad news" than any positive news. Concerns and uncertainty surrounding tariffs, economic growth, consumer demand, and inflation put material selling pressure on equity markets throughout the month.

FAM Sentiment Summary 2024

2024	January	February	March	April	May	June	July	August	September	October	November	December
Fed	MILDLY BEARISH	MILDLY BEARISH	MILDLY BULLISH	BEARISH	MILDLY BEARISH	NEUTRAL	MILDLY BULLISH	MILDLY BULLISH	BULLISH	MILDLY BULLISH	BULLISH	MILDLY BEARISH
Interest Rate Decisions	NEUTRAL	n/a	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	BULLISH	NEUTRAL	BULLISH	NEUTRAL
Commentary	BEARISH	MILDLY BEARISH	BULLISH	BEARISH	MILDLY BEARISH	MILDLY BEARISH	MILDLY BULLISH	BULLISH	BULLISH	MILDLY BULLISH	MILDLY BULLISH	BEARISH
Economic Data	NEUTRAL	MILDLY BEARISH	MILDLY BEARISH	MILDLY BEARISH	NEUTRAL	MILDLY BULLISH	MILDLY BULLISH	NEUTRAL	MILDLY BEARISH	MILDLY BULLISH	NEUTRAL	NEUTRAL
Inflation	NEUTRAL	MILDLY BEARISH	BEARISH	BEARISH	NEUTRAL	BULLISH	BULLISH	BULLISH	MILDLY BULLISH	NEUTRAL	NEUTRAL	MILDLY BULLISH
Employment/Labor Market	MILDLY BEARISH	MILDLY BEARISH	MILDLY BEARISH	MILDLY BEARISH	BULLISH	NEUTRAL	MILDLY BULLISH	BEARISH	BEARISH	BULLISH	NEUTRAL	NEUTRAL
Housing/Real Estate	NEUTRAL	NEUTRAL	MILDLY BEARISH	MILDLY BULLISH	MILDLY BEARISH	MILDLY BEARISH	MILDLY BEARISH	NEUTRAL	NEUTRAL	NEUTRAL	MILDLY BULLISH	MILDLY BULLISH
GDP	BULLISH	n/a	NEUTRAL	BEARISH	MILDLY BEARISH	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	MILDLY BULLISH
Consumer Spending	MILDLY BEARISH	NEUTRAL	NEUTRAL	MILDLY BEARISH	MILDLY BULLISH	MILDLY BULLISH	NEUTRAL	MILDLY BULLISH	NEUTRAL	NEUTRAL	MILDLY BEARISH	MILDLY BEARISH
Consumer Sentiment	MILDLY BULLISH	NEUTRAL	MILDLY BEARISH	MILDLY BEARISH	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	MILDLY BEARISH
Global Events/News	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	MILDLY BEARISH	MILDLY BEARISH	MILDLY BEARISH	MILDLY BEARISH	MILDLY BEARISH	MILDLY BEARISH	MILDLY BEARISH	MILDLY BEARISH
China	MILDLY BEARISH	NEUTRAL	NEUTRAL	NEUTRAL	MILDLY BULLISH	NEUTRAL	MILDLY BEARISH	NEUTRAL	BULLISH	MILDLY BEARISH	MILDLY BEARISH	MILDLY BULLISH
Europe	NEUTRAL	NEUTRAL	MILDLY BULLISH	MILDLY BULLISH	MILDLY BEARISH	MILDLY BEARISH	MILDLY BEARISH	MILDLY BULLISH	NEUTRAL	MILDLY BULLISH	MILDLY BEARISH	NEUTRAL
Russia Ukraine War	NEUTRAL	NEUTRAL	MILDLY BEARISH	MILDLY BEARISH	MILDLY BEARISH	MILDLY BEARISH	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	MILDLY BEARISH	NEUTRAL
Israel Hamas War	NEUTRAL	NEUTRAL	NEUTRAL	MILDLY BEARISH	MILDLY BEARISH	MILDLY BEARISH	BEARISH	BEARISH	BEARISH	BEARISH	MILDLY BEARISH	NEUTRAL
US Politics	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	MILDLY BEARISH	MILDLY BEARISH	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	BULLISH	MILDLY BULLISH
2024 Election	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	MILDLY BEARISH	MILDLY BEARISH	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	BULLISH	MILDLY BULLISH
Budget Negotiations	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL
Earnings	NEUTRAL	MILDLY BULLISH	MILDLY BEARISH	NEUTRAL	BULLISH	MILDLY BULLISH	MILDLY BULLISH	NEUTRAL	NEUTRAL	MILDLY BULLISH	NEUTRAL	NEUTRAL
Banking Turmoil	MILDLY BEARISH	MILDLY BEARISH	MILDLY BEARISH	MILDLY BEARISH	NEUTRAL	MILDLY BEARISH	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL
Crypto	BULLISH	BULLISH	BULLISH	NEUTRAL	MILDLY BULLISH	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL	BULLISH	BULLISH

FAM Sentiment Summary 2025

2025	January	February	March
Fed	**Mildly Bearish**	**Mildly Bearish**	**Mildly Bullish**
Interest Rate Decisions	Neutral	Neutral	Mildly Bullish
Commentary	Mildly Bearish	Mildly Bearish	Mildly Bullish
Economic Data	**Mildly Bearish**	**Mildly Bearish**	**Mildly Bearish**
Inflation	Mildly Bearish	Mildly Bearish	Mildly Bearish
Employment/Labor Market	Bearish	Mildly Bearish	Mildly Bullish
GDP	Mildly Bullish	Neutral	Mildly Bearish
Consumer Spending	Neutral	Mildly Bearish	Bearish
Consumer Sentiment	Neutral	Bearish	Bearish
Housing/Real Estate	Mildly Bearish	Mildly Bearish	Mildly Bullish
Global Events/News	**Mildly Bearish**	**Neutral**	**Mildly Bearish**
China	Bearish	Neutral	Neutral
Europe	Mildly Bearish	Neutral	Mildly Bearish
Japan	Neutral	Mildly Bearish	Neutral
Middle East	Neutral	Neutral	Mildly Bearish
Russia/Ukraine	Neutral	Neutral	Neutral
US Politics/Government	**Neutral**	**Bearish**	**Bearish**
Tariffs	Bearish	Bearish	Bearish
Economic Policy	Bullish	Neutral	Neutral
Market Trends	**Mildly Bullish**	**Neutral**	**Mildly Bearish**
Earnings	Bullish	Mildly Bullish	Bearish
AI/Chips	Mildly Bullish	Mildly Bullish	Neutral
Crypto	Mildly Bullish	Bearish	Mildly Bearish

Noteworthy Details

- Fed – Mildly Bearish to Midly Bullish
    - Even though the decision to hold rates steady was expected, Powell and the Fed provided a calming influence for markets in this period of heightened uncertainty. Markets welcomed the fact that they did not change their consensus forecast and that Powell has been consistent in his commentary.

- Economic Data – Mildly Bearish (unchanged all year)
    - As has been the case, economic data has been a concern but has not yet turned fully bearish. Part of this is because the effects of tariffs have yet to fully show up in the data itself. The expectation is still that it will be negative but for now the impact has been muted.
- Tariffs – Bearish (unchanged)
    - Tariffs continue to cause concerns for markets given all the uncertainty surrounding the details. The Trump administration seems to be very intent on achieved their stated goals at any cost.

Key Topics/Items from Below

- ***BEARISH***
    - Trump stating that there was "no room left" to negotiate tariffs on Mexico and Canada and then officially putting tariffs on China (10%), Mexico (25%), and Canada (25%) into effect (beginning of month)
    - China, Mexico, and Canada announcing that they would retaliate with tariffs on goods from US
    - President Trump refusing to rule out the possibility that the US economy could be headed towards a recession stating that it would take "some pain" to ultimately accomplish the administration's economic goals - "period of transition, because what we're doing is very big" (first time administration has come out and said that their stated objectives might cause some level of short-term pain)
    - Representatives from the EU stating that the US has so far avoided any efforts to engage on tariff discussions - claiming that they are willing to negotiate with the Trump administration in an effort to delay the implementation of tariffs on steel and aluminum
    - Canada announcing that it would be implementing tariffs targeting an additional $20 billion in goods from the US - a retaliation for the steel and aluminum tariffs that the US would be implementing
    - Trump administration threatening Europe with tariffs of 200% on all alcohol imports from the EU in response to their proposed measures against the US
    - The release of The University of Michigan's consumer sentiment survey which showed that sentiment hit the lowest levels since 2022, and inflation expectations hit their highest levels since 2022 (mid-month)
    - Retailer Kohl's warning markets that they expect consumer demand to weaken materially in 2025 in their quarterly earnings report
    - Trump administration announcing that the 25% tariffs on auto's would be going into effect - broad-based applying to any cars/car parts made outside of the US (later in month)
    - Canada and Mexico stating that they would both be implementing their own retaliatory measures in response to the US implementing the 25% tariff on autos

- Trump threatening to raise tariffs on nations that "do not cooperate" (post announcement of auto tariff)
- The release of February PCE and Core PCE data showed that Core PCE came in higher than expected and higher than the month prior - putting Fed in difficult spot when it comes to future rate cuts
- Retailer Lululemon warning markets that they were already seeing consumer demand weakening (and that they expect it to continue to weaken throughout the rest of the year)

- ***MILDLY BEARISH***
  - Manufacturing data released (beginning of month) which showed ISM Manufacturing PMI pointing to a material uptick in buying in anticipation of tariffs as well as sellers rapidly increasing prices
  - House Press Secretary Karoline Leavitt signaling that Trump does not plan to pivot off of his stated tariff related objectives and that he is determined to do whatever is necessary to bring manufacturing back to the US
  - Israel breaching its cease-fire agreement with Hamas over the groups handling of the release of hostages - launching a series of attacks in Gaza (tensions had been building in the past few weeks with President Trump ultimately giving Israel the greenlight to resume operations)
  - ECB President warning markets that "tit-for-tat" tariffs would weaken growth and fuel inflation across Europe
  - The Bank of England announced that it would be holding rates steady this month after cutting the month prior - vote to cut last month came in at 7-2 while the vote this month was 1-8, marking a material shift in sentiment (cited concerns over global inflation picking up and weak growth prospects due to tariffs)
  - The Conference Board's Consumer Confidence Index is coming lower than expected and lower than the month prior - showing that forward-looking expectations for the economy fell to their lowest levels in over 12 years
- ***NEUTRAL***
  - Trump administration commenting that the less aggressive tariffs were not in any way a response to recent market performance
  - ECB announced that it would be cutting its benchmark rates this month (widely expected)
  - The Bank of Canada announced that it would be cutting its benchmark rate by 25bps in attempt to offset weakening consumer demand and business investment (although mentioning that it would be "cautious" in future interest rate decisions citing the potential for inflation to move higher as a result of tariffs)
  - Trump administration announcing that it would immediately start providing intelligence and military support to Ukraine again if it were to agree to a 30-day cease-fire with Russia
  - Baidu unveiling a new AI model that it claims is ""on par" with DeepSeek from a performance standpoint but half the price (noteworthy that Baidu is a much larger/more established tech player in China relative to DeepSeek)

- ***MILDLY BULLISH***
  - Trump administration announcing a one-month delay on tariffs for automakers for the tariffs imposed on Mexico and Canada (after implementing the 25% tariffs on both countries)
  - Trump administration hinting at the potential for more exemptions/delays (although declining to provide details/specifics)
  - The release of February's job's report showed that the US added slightly less jobs than expected and that overall unemployment rose (attributed mostly to massive layoffs of government employees) - giving markets hope that rate cuts are still in play for 2025
  - Commentary from Powell after the release of February's job's report where he doubled down on Fed being in "wait and see mode" regarding rate cuts and actively trying to "separate the signal from the noise" (markets appreciated his "optimistic" views on the economy)
  - Germany, known for being very "budget conscious," unveiling plans increase spending on defense and infrastructure in a big way (German equity gained but yields did also move higher)
  - Oil prices declining after OPEC+ announced that it would be ramping up production (group has been under pressure from Trump administration to bring down energy prices)
  - Bitcoin and other crypto currencies rallying off recent lows after President Trump announced that the US would be creating a strategic crypto reserve
  - Trump administration announcing that it had reached an agreement with Canada and would no longer be applying an additional 25% tariff on steel and aluminum (which it had tacked on after Canada threatened to implement a 25% surcharge on electricity imports from the US) - the end result, Canada to only face original 25% tariff on steel/aluminum (not 50%) and tariff on US electricity imports being "suspended indefinitely"
  - News that the Democrats were likely going to approve the Republican led bill to fund the government for the rest of the year - avoiding a potential shutdown
  - Fed opting to hold rates steady this month (expected) as well as Powell's commentary post decision (sentiment relatively unchanged, in "wait and see mode" due to "uncertainty" surrounding tariffs, economic growth, employment, and inflation)
  - Retail sales data for the month of February which showed promising results after excluding the impact of autos (sales of cars and auto parts are down materially due to concerns over tariffs)
  - Release of housing data which showed that housing starts came in well above expectations (11% actual vs. 1% expected)
  - Release of housing data which showed that existing home sales for the month of February came in higher than expected
  - Rumors that the administration could be considering a delay in announcing additional "industry specific" tariffs (scheduled for April 2nd) and potentially making the "reciprocal" tariffs more targeted than originally anticipated (focusing mainly on major trading partners rather than every country which runs a persistent trade imbalance with the US)
  - Hyundai announced plans to invest around $20 billion into building out its US manufacturing

- ***BULLISH***
    - The administration further walking back tariffs on Canada and Mexico (after implementing the 25% tariffs on both countries) - stating that tariffs would be paused for goods that comply with the North American free trade pact until April 2nd (covers about 50% of goods from Mexico and around 38% from Canada)
    - February CPI and Core CPI data surprising to the downside (and coming in lower than the month prior)
    - The release of the Fed's dot plot shows that while Fed officials lowered growth forecasts for the year, the consensus for expected cuts remained unchanged at two (although, the number of officials calling for at least two cuts lowered from 15 to 11)