



18. Friday Footnotes

2Q Outlook and Rebalance

We rebalanced portfolios this week so clients may see trade confirmations in the mail or email.

With back to back years of positive returns in equity markets, portfolios can naturally shift out of balance, requiring a rebalance back to the target allocation. We did not make any adjustments to the allocations but did change holdings to improve quality, decrease risk and take advantage of buying opportunities. In fixed income holdings we improved credit quality and yield, while adding more diversification to dampen volatility.

Portfolios have held up well in the face of heightened volatility and optimism continues to be cautious. This rebalance will position portfolios for what's to come, be it another testing of market lows, moving sideways, or back to growth mode. Patience remains key. See below for a comprehensive 2Q outlook.

What to know about markets right now

1
MARKETS
U.S. markets pull back, international stocks outperform

2
ECONOMY
The U.S. economy to slow (plus policy uncertainty)

3
FEDERAL RESERVE
Inflation and a slowing economy allows a Fed rate cut in 2nd half 2025

[Click here](#) for the full Bookends 2Q 2025 Outlook report.

Raymond James Investment Management

Portfolio Strategy Commentary

Michael Gibbs, Managing Director, Lead Portfolio Manager

Equities started the month of May continuing the momentum from the end of April, extending their streak of gains to eight consecutive days. Sector performance was driven by strength in Technology and Communication Services, while Health Care and Staples underperformed. Treasuries were notably weaker, with the 10-year yield increasing to 4.22%. Gold finished down and WTI crude settled up, aided by the White House's announcement of secondary sanctions on Iran.

Big tech earnings and capital expenditure guidance were the major drivers this week, with renewed support for the AI secular growth narrative. There was little new information on trade, although remarks from Mexico's Sheinbaum about positive conversations with Trump and ongoing work provided some de-escalation dynamics.

Weekly initial jobless claims jumped to 241,000, the highest level since October, with continuing claims at 1,916,000, the highest in three and a half years. Looking ahead the FOMC's next meeting is scheduled for next Wednesday. Currently, the odds of a rate cut are low at only 7% for this upcoming meeting, but forward guidance on potential rate cuts will be important as the market implied expectation is for rate cuts to begin as early as the June meeting.

BOOKENDS

FINANCIAL PLANNING

for every chapter of your life



The Bookends Financial Planning Team

- **Sarah Boston**, Financial Planner, Investment Consultant, CEO: Sarah.Boston@bookendsfp.com
- **Heidi Hargis**, Chief Compliance Officer: Heidi.Hargis@bookendsfp.com
- **Mike Wetzel**, Financial Adviser: Mike.Wetzel@bookendsfp.com
- **Erin Guilfoil**, Financial Planner: Erin.Guilfoil@bookendsfp.com
- **Mindy Christian**, SVP Operations: Mindy.Christian@bookendsfp.com
- **Tanner Boston**, Portfolio Management Associate: Tanner.Boston@bookendsfp.com
- **Jack Boston**, Financial Planning Intern: Jack.Boston@bookendsfp.com
- **Katie White**, Sr. Relationship Manager: Katie.White@bookendsfp.com
- **Krista Agee**, Relationship Manager: Krista.Agee@bookendsfp.com

7320 US 31 S - Indianapolis, IN 46227 - 317-859-2502

www.bookendsfinancialplanning.com

If you do not wish to receive emails from us, primarily intended to advertise or promote products or services, please reply to the sender of this email stating that you do not want to receive such emails. If you opt-out of this type of email, we will continue to send to you emails that are not primarily advertisements/promotions, including emails addressing information related to servicing your accounts.

Investment advisory services offered through Bookends Financial Planning. Securities offered through Raymond James & Associates, Inc. and Charles Schwab & Co, Inc., Members New York Stock Exchange/SIPC. Bookends Financial Planning is not a registered broker/dealer. Links to third-party websites are being provided for informational purposes only. Bookends Financial Planning is not affiliated with and does not endorse, authorize, or sponsor any of the listed websites or their respective sponsors. Bookends Financial Planning is not responsible for the content of any third-party website or the collection or use of information regarding any websites users and/or members.

Expressions of opinion are provided as of the date above and subject to change. Any information should not be deemed a recommendation to buy, hold or sell any security. Certain information has been obtained from third-party sources we consider reliable, but we do not guarantee that such information is accurate or complete. This report is not a complete description of the securities, markets, or developments referred to in this material and does not include all available data necessary for making an investment decision. Prior to making an investment decision, please consult with your financial advisor about your individual situation. Investing involves risk and you may incur a profit or loss regardless of strategy selected. There is no guarantee that the statements, opinions or forecasts provided herein will prove to be correct.

Whenever you invest, you are at risk of loss of principal as the market does fluctuate. Past performance is not indicative of future results. Purchases are subject to suitability. This requires a review of an investor's objective, risk tolerance, and time horizons. Investing always involves risk and possible loss of capital.

Any information provided in this e-mail has been prepared from sources believed to be reliable but is not guaranteed by Bookends Financial Planning and is not a complete summary or statement of all available data necessary for making an investment decision. Any information provided is for informational purposes only and does not constitute a recommendation.

Bookends Financial Planning and its employees may own options, rights or warrants to purchase any of the securities mentioned in e-mail. This e-mail is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you received this message in error, please contact the sender immediately and delete the material from your computer.

Bookends Financial Planning does not accept orders and/or instructions regarding your account by e-mail, voice mail, fax or any alternate method. Transactional details do not supersede normal trade confirmations or statements. E-mail sent through the Internet is not secure or confidential. Bookends Financial Planning reserves the right to monitor all e-mail.