



On the Bench

U.S. | 2Q 2025
As of March 31, 2025



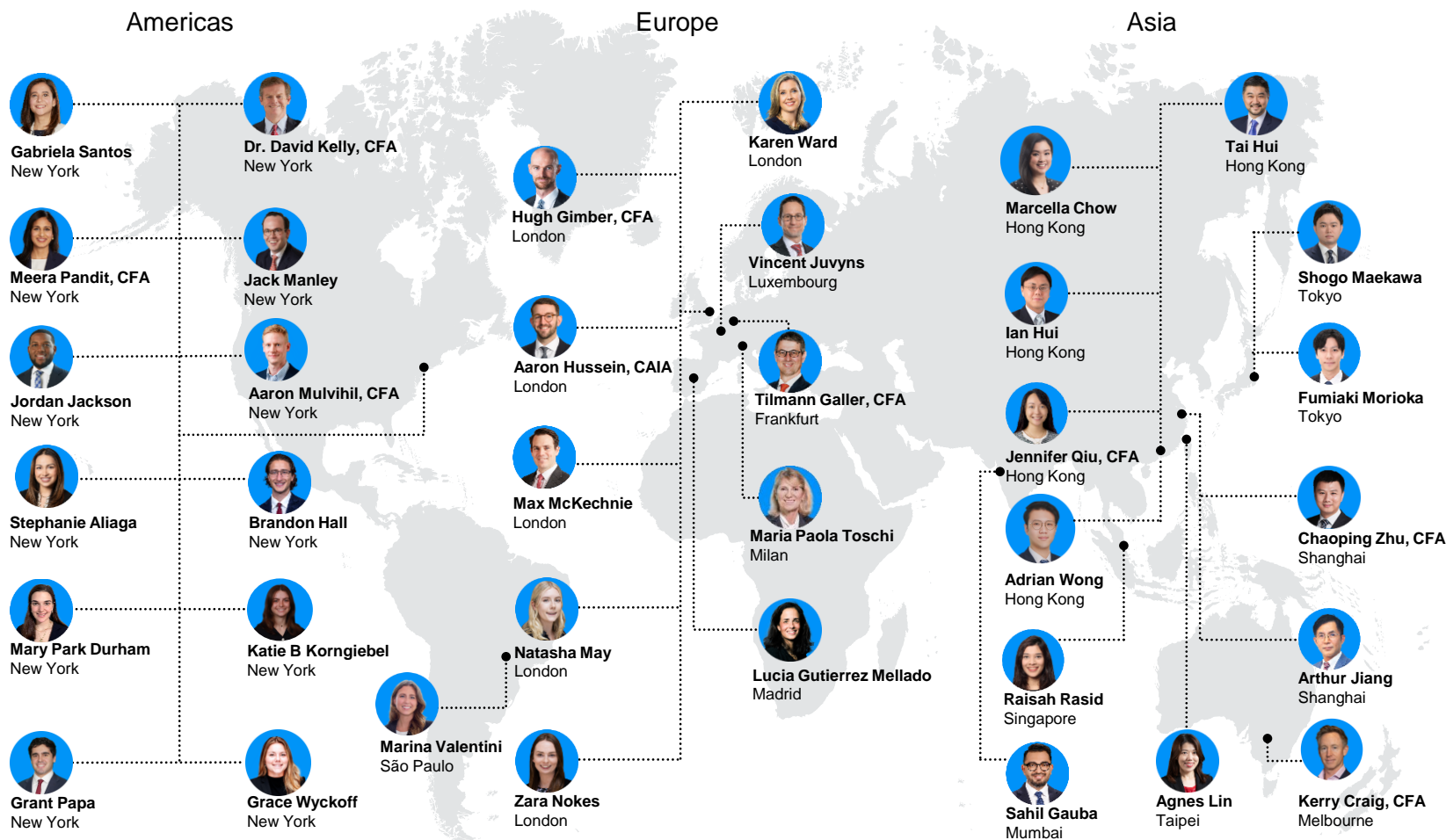


Global Market Insights Strategy team

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Stock market since 1900

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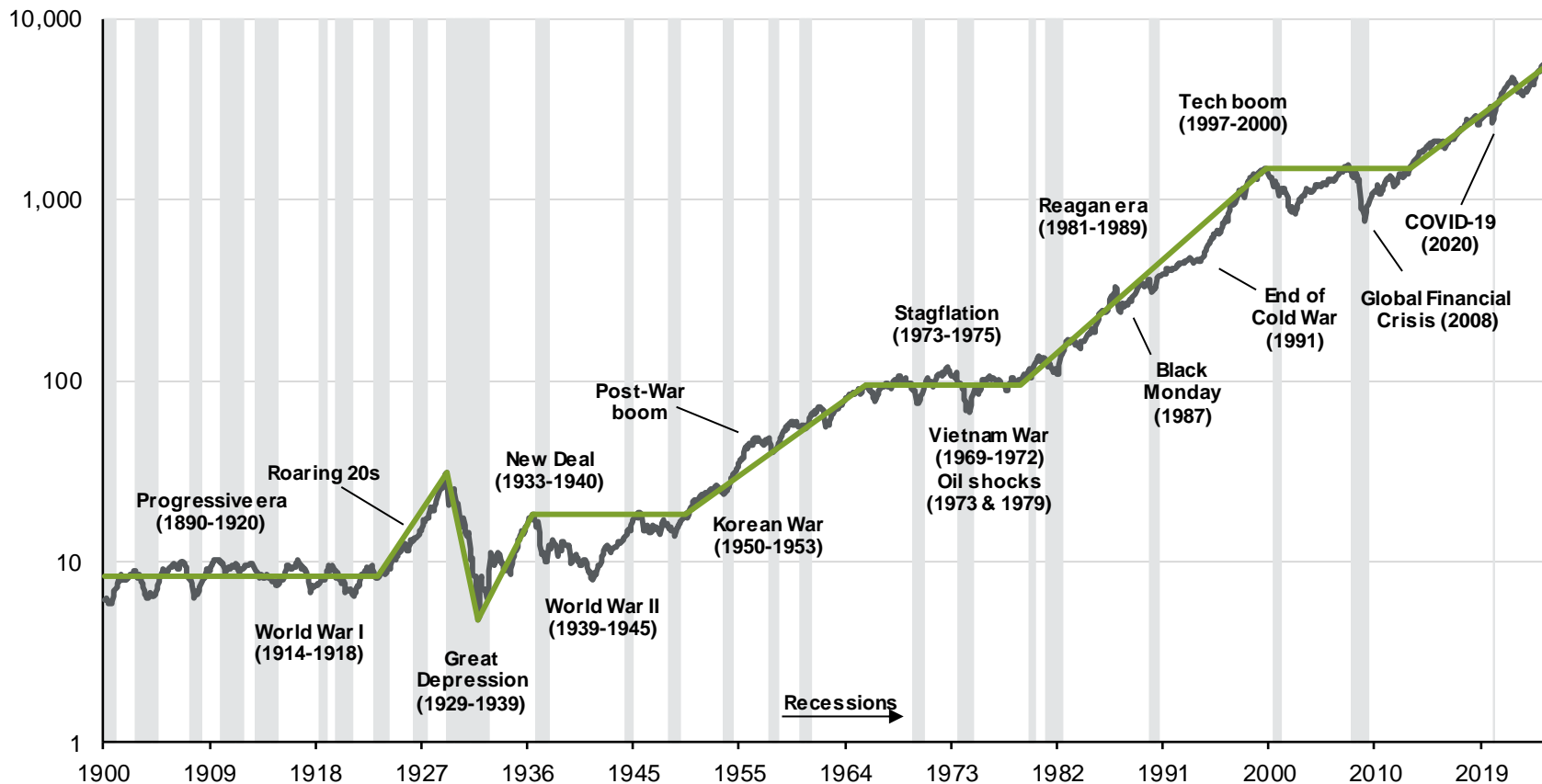
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Equities

S&P Composite Index

Log scale, annual



Source: FactSet, NBER, Robert Shiller, J.P. Morgan Asset Management.

Data shown in log scale to best illustrate long-term index patterns. Past performance is not indicative of future returns. Chart is for illustrative purposes only.

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S&P 500 market cap vs. equal weight performance

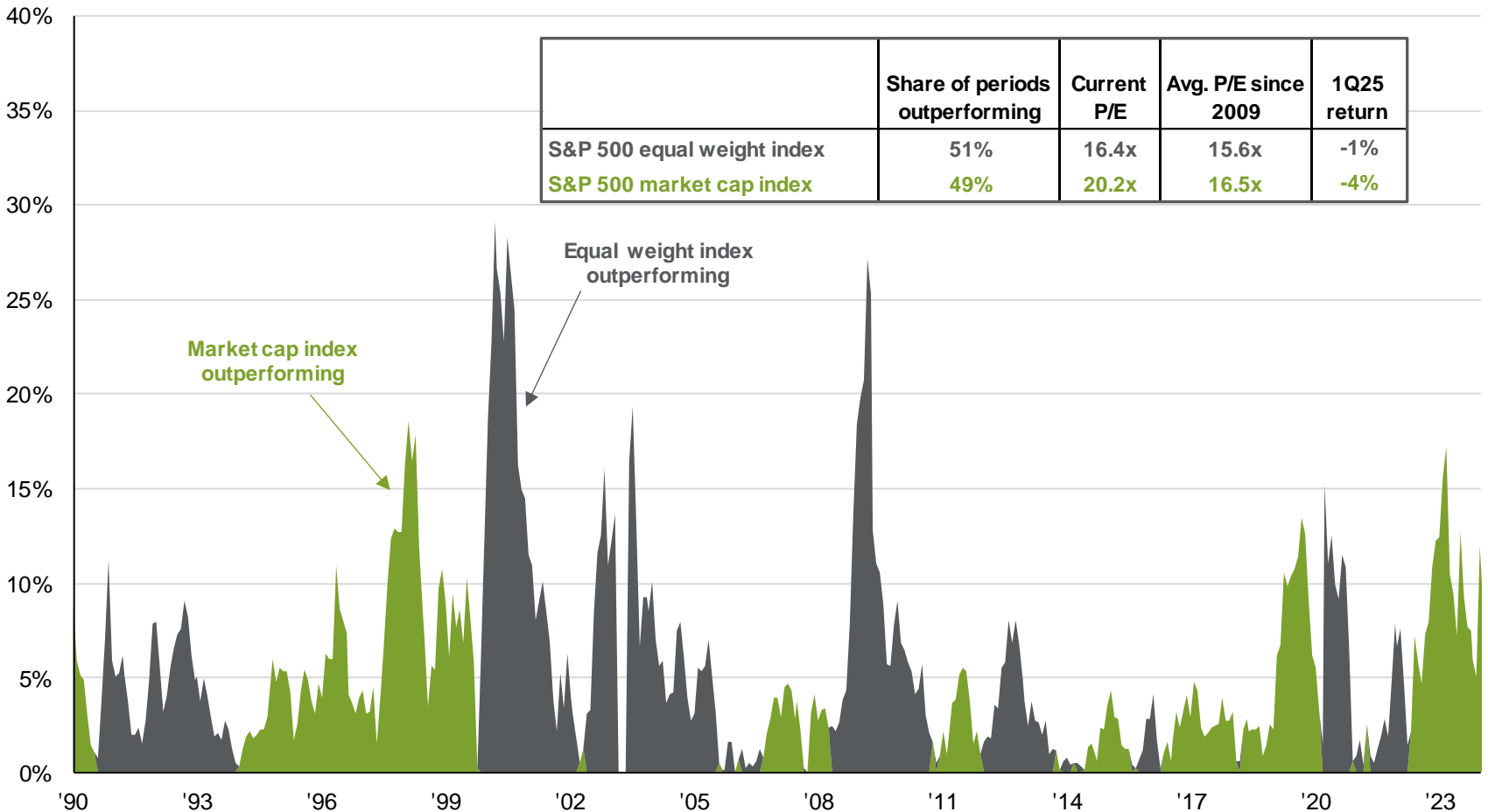
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S&P 500 market cap vs. equal weight performance

Rolling monthly y/y total returns, outperformance = high - low



Source: FactSet, J.P. Morgan Asset Management.
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Russell 2000 annual returns and intra-year declines

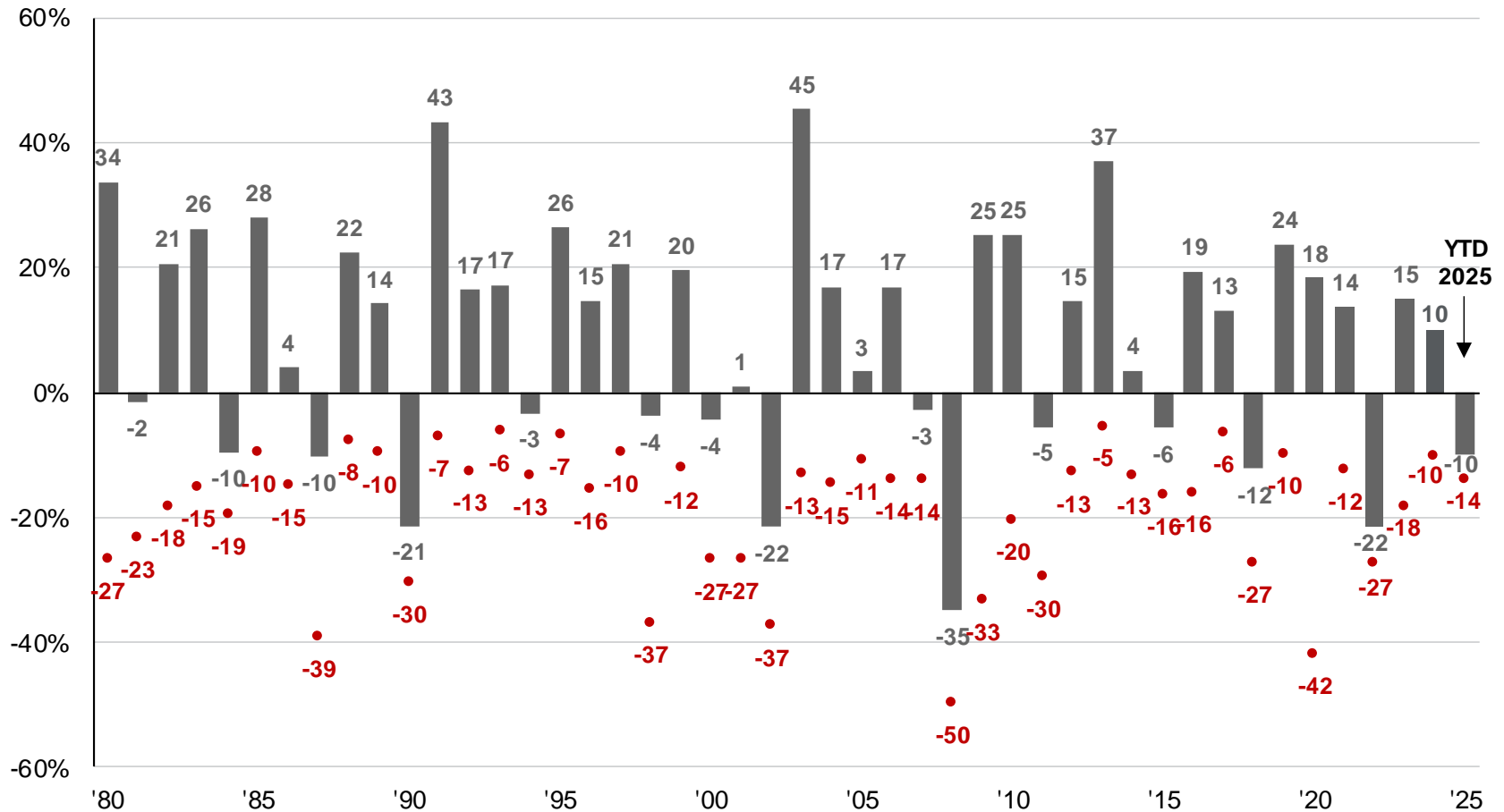
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Russell 2000 intra-year declines vs. calendar year returns

Despite average intra-year drops of 18.7%, annual returns positive in 31 of 45 years



Source: FactSet, Russell Investment Group, J.P. Morgan Asset Management.

Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2024, over which time period the average annual return was 10.1%.

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Interest rates and equities

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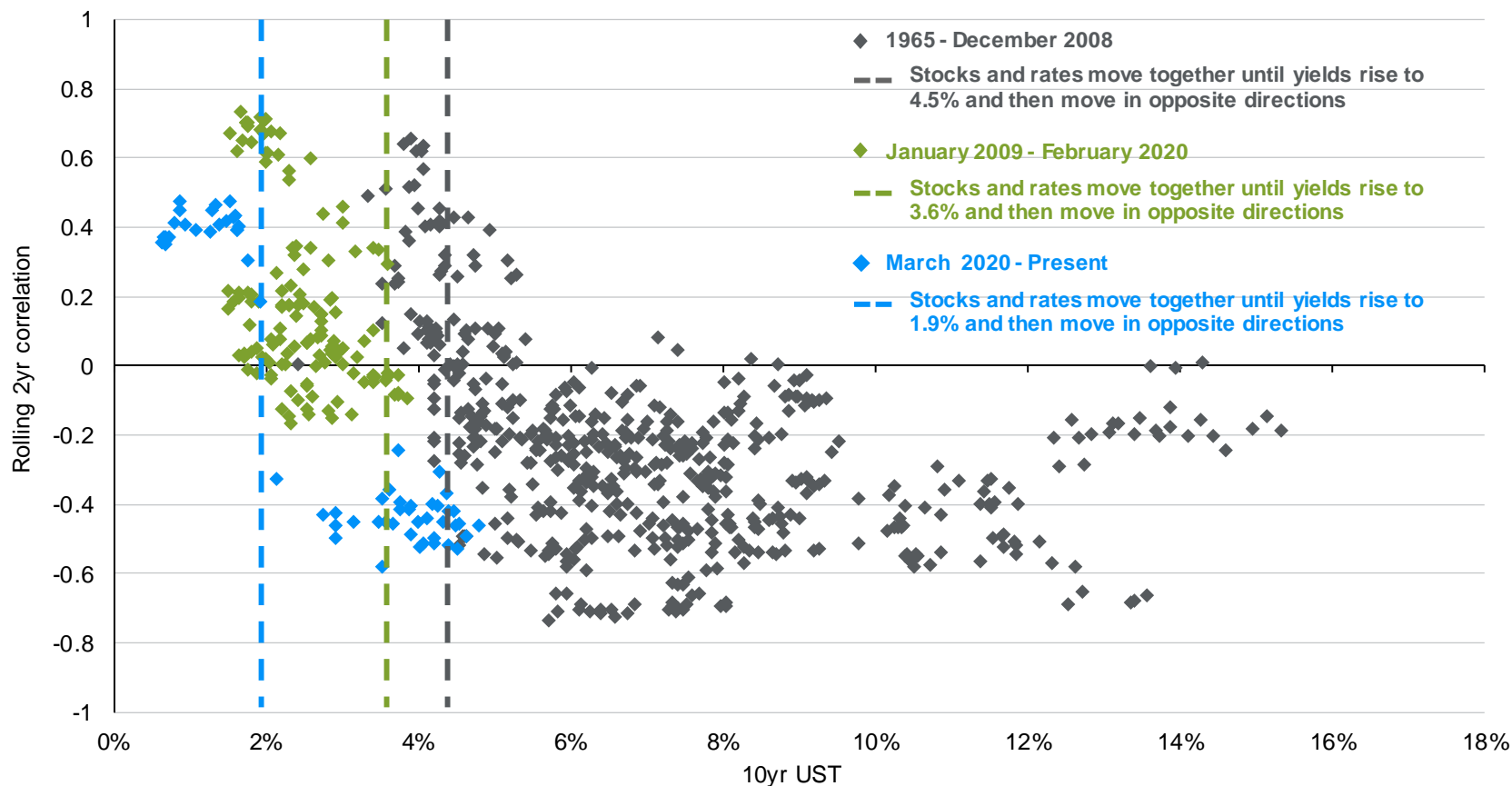
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Stock returns and interest rate movements before and after the Global Financial Crisis

Monthly S&P 500 returns, 10yr UST, rolling 2yr correlation, 1965 - present



Source: FactSet, J.P. Morgan Asset Management. X-intercept for each data set is calculated using a quadratic regression where interest rates are the independent variable, and the rolling 2-year correlation of stock returns and interest rate movements is the dependent variable.
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S&P 500 earnings yield vs. Baa corporate yield

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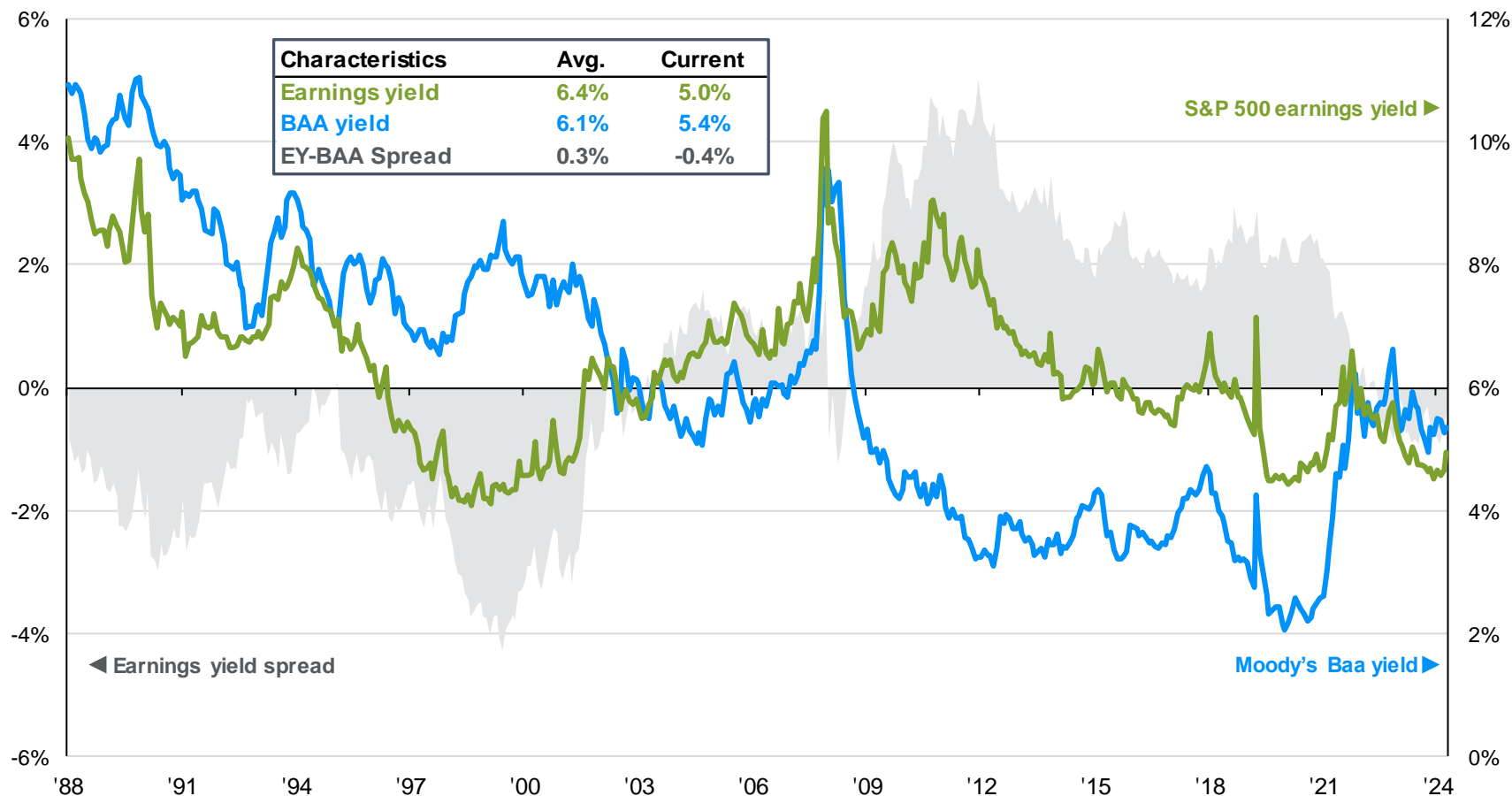
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S&P 500 earnings yield vs. Baa corporate bond yields

NTMA earnings estimates divided by price (inverse of fwd. P/E), Moody's Baa corporate bond yield, monthly



Source: FactSet, FRB, IBES, Standard & Poor's, J.P. Morgan Asset Management. Earnings yield is the forward earnings yield (consensus analyst estimates of EPS over the next 12 months divided by price) as provided by IBES since December 1988 and by FactSet since January 2022. EY minus Baa yield is the forward earnings yield (consensus analyst estimates of EPS over the next 12 months divided by price) minus the Bloomberg US corporate Baa yield since December 2008 and interpolated using the Moody's Baa seasoned corporate bond yield for values beforehand. Percentages may not sum due to rounding.

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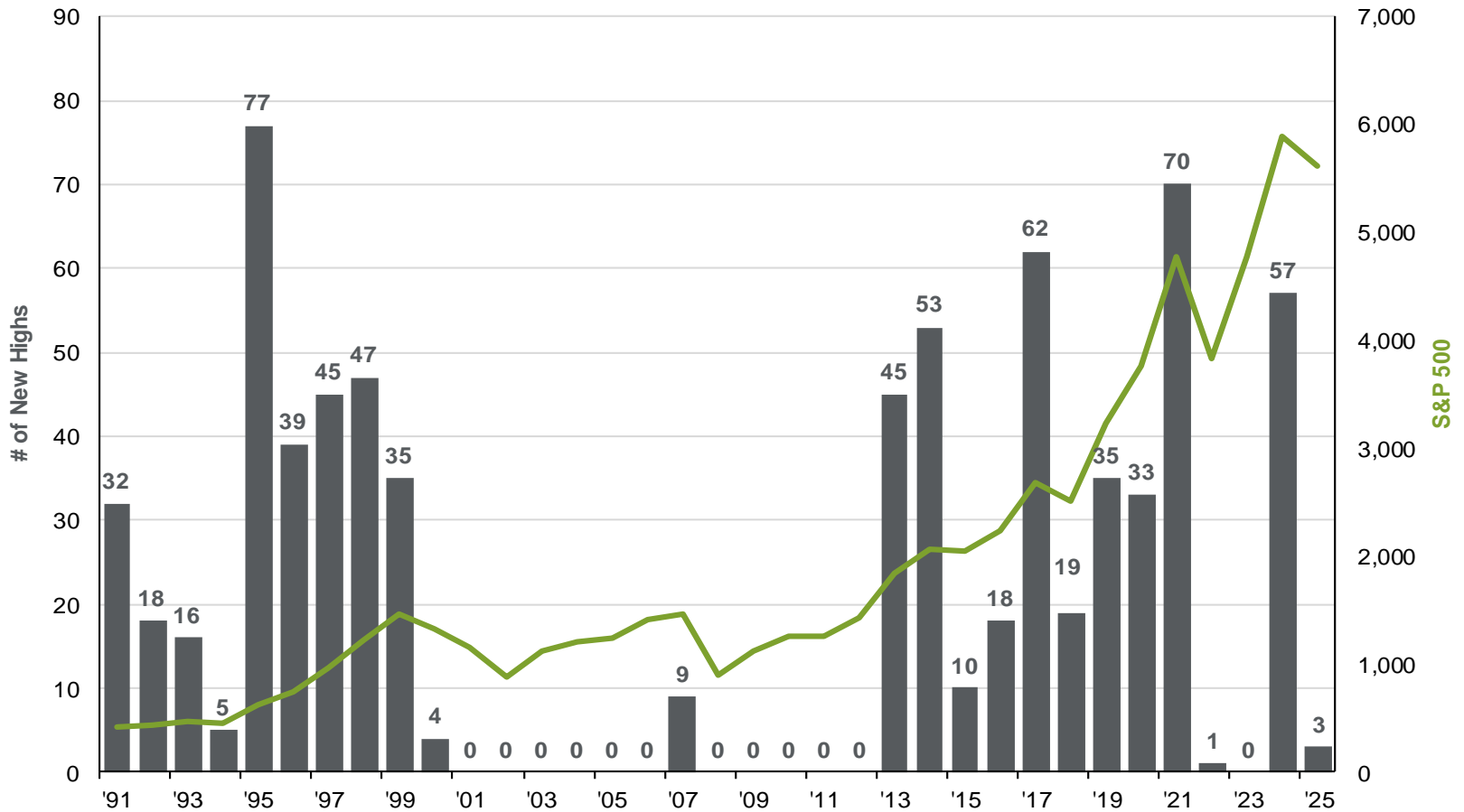
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All-time equity market highs

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New highs in an equity bull market tend to cluster together
S&P 500 price index and the number of new all-time highs ticked each year since 1991



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.
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Bull and bear markets

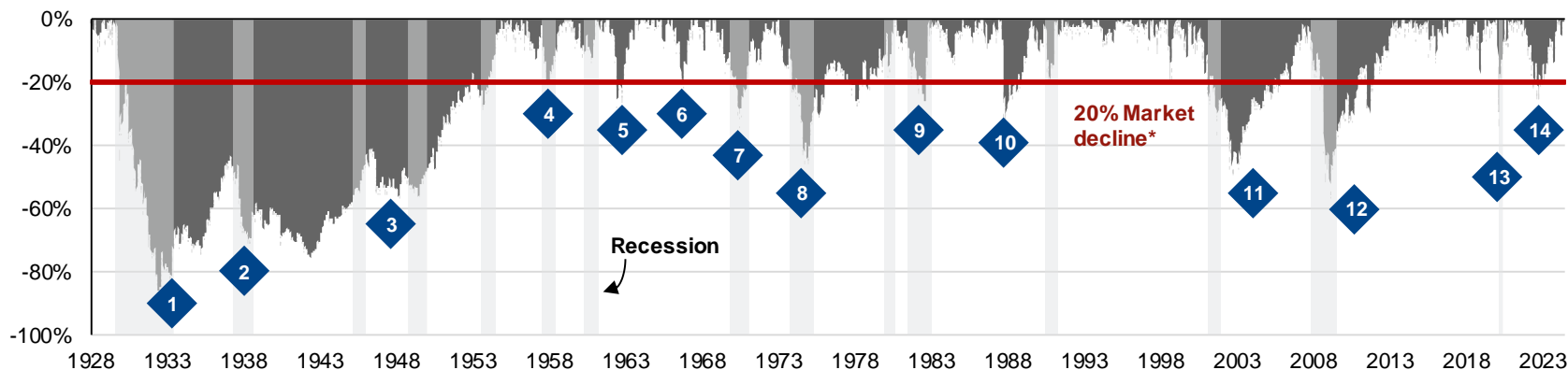
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U.S. recessions and S&P 500 composite declines from all-time highs



Characteristics of bull and bear markets

Market correction	Bull Market			Macro Environment				Bear Market		
	Bull begin	Bull return	Duration (months)	Recession	Commodity Spike	Aggressive Fed	Extreme Valuation	Market peak	Bear return*	Duration (months)*
1 Crash of 1929 - Excessive leverage, irrational exuberance	Jul 1926	152%	37	◆			◆	Sep 1929	-86%	32
2 1937 Fed Tightening - Premature policy tightening	Mar 1935	129%	23	◆		◆		Mar 1937	-60%	61
3 Post WWII Crash - Post-war demobilization, recession fears	Apr 1942	158%	49	◆			◆	May 1946	-30%	36
4 Eisenhower Recession - Worldwide recession	Jun 1949	267%	85	◆		◆	◆	Aug 1956	-22%	14
5 Flash Crash of 1962 - Flash crash, Cuban Missile Crisis	Oct 1960	39%	13				◆	Dec 1961	-28%	6
6 1966 Financial Crisis - Credit crunch	Oct 1962	76%	39			◆	◆	Feb 1966	-22%	7
7 Tech Crash of 1970 - Economic overheating, civil unrest	Oct 1966	48%	25	◆	◆	◆		Nov 1968	-36%	17
8 Stagflation - OPEC oil embargo	May 1970	74%	31	◆	◆			Jan 1973	-48%	20
9 Volcker Tightening - Whip Inflation Now	Mar 1978	62%	32	◆	◆	◆		Nov 1980	-27%	20
10 1987 Crash - Program trading, overheating markets	Aug 1982	229%	60				◆	Aug 1987	-34%	3
11 Tech Bubble - Extreme valuations, .com boom/bust	Oct 1990	417%	113	◆			◆	Mar 2000	-49%	30
12 Global Financial Crisis - Leverage/housing, Lehman collapse	Oct 2002	101%	60	◆	◆	◆		Oct 2007	-57%	17
13 Global Pandemic Recession	Mar 2009	401%	131	◆				Feb 2020	-34%	1
14 Inflation spike - Fed tightening	Mar 2020	114%	21		◆	◆	◆	Jan 2022	-25%	9
Averages	-	162%	51					-	-40%	20

Source: FactSet, NBER, Robert Shiller, Standard & Poor's, J.P. Morgan Asset Management.

*A bear market is defined as a 20% or more decline from the previous market high. The related market return is the peak to trough return over the cycle. Periods of "Recession" are defined using NBER business cycle dates. "Commodity spikes" are defined as movement in oil prices of over 100% over an 18-month period. Periods of "Extreme Valuations" are those where S&P 500 last 12-months P/E levels were approximately two standard deviations above long-run averages, or time periods where equity market valuations appeared expensive given the broader macroeconomic environment. "Aggressive Fed Tightening" is defined as Federal Reserve monetary tightening that was unexpected and/or significant in magnitude. Bear and bull returns are price returns.

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Market volatility

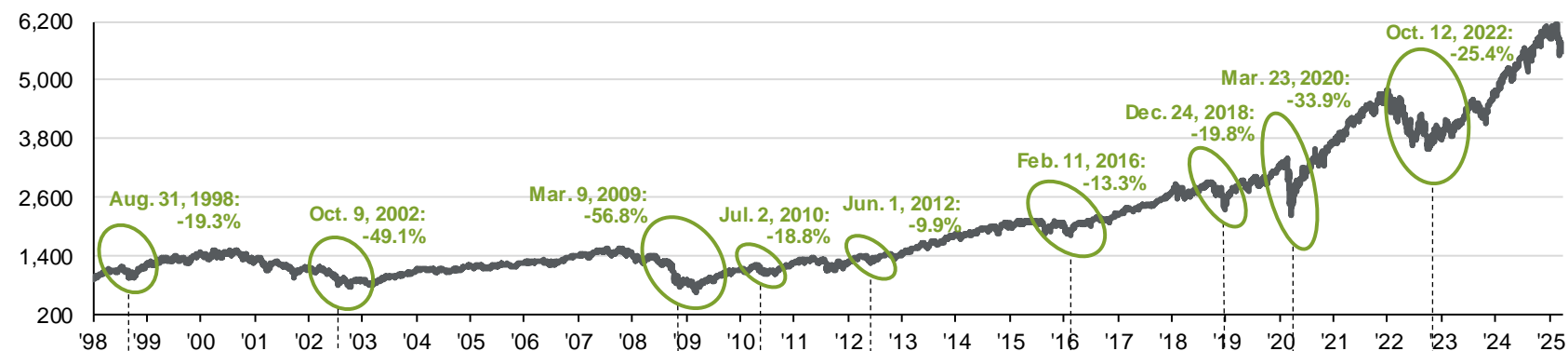
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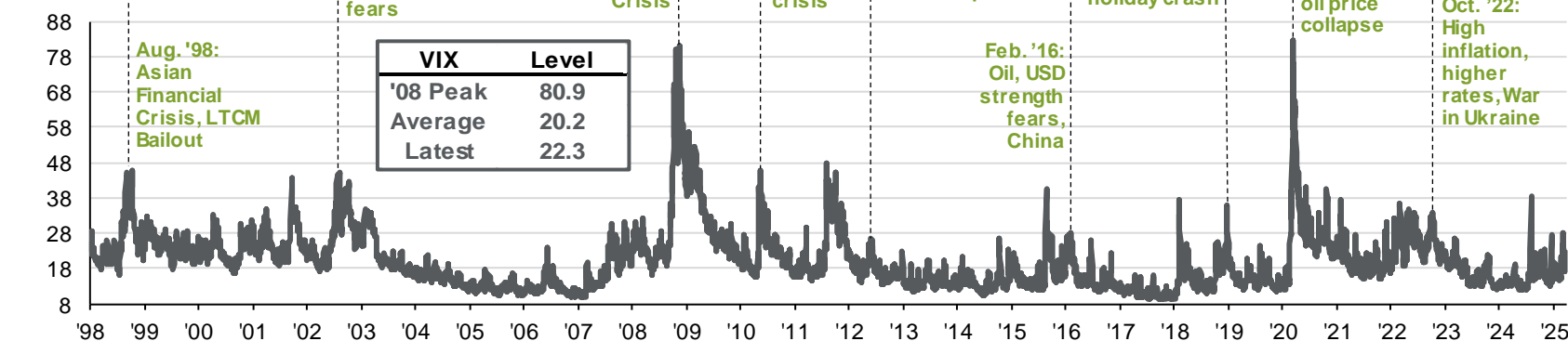
Major market pullbacks

S&P 500 Price index



Volatility

VIX Index



Source: FactSet, CBOE, Standard & Poor's, J.P. Morgan Asset Management.
Drawdowns are calculated as the prior peak to the lowest point.
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Markets around geopolitical events

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S&P 500 selloffs around geopolitical events

Event	Start of sell off	Duration of sell off (trading days)	Size of sell-off (%)	Duration to recover to prior level (trading days)
Israel Arab war / oil embargo	10/29/1973	27	-17.3%	1546
Shah of Iran exiled	1/29/1979	8	-4.6%	33
Iranian hostage crisis	10/8/1979	23	-10.2%	49
Soviet invasion of Afghanistan	12/18/1979	11	-3.8%	5
Libya bombing	4/22/1986	19	-4.9%	6
First Gulf War	8/2/1990	50	-16.9%	81
Kosovo bombing	3/19/1999	3	-4.1%	8
9/11 attacks	9/10/2001	5	-11.6%	14
Iraq war	3/24/2003	6	-5.3%	15
Arab spring (Egypt)	1/28/2011	1	-1.8%	2
Ukraine conflict	3/10/2014	5	-2.0%	12
Intervention in Syria	9/19/2014	19	-7.4%	12
Russia/Ukraine War	2/10/2022	18	-9.1%	15
Israel/Hamas War	10/12/2023	12	-5.9%	7
Median	(1973-2023)	12	-5.6%	13

Source: Standard & Poor's, Deutsche Bank, FactSet, J.P. Morgan Asset Management. Past performance is not a reliable indicator of current and future results.

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Equity returns

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											2015-2024	
2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD	Ann.	Vol.
Large Growth 5.7%	Small Value 31.7%	Large Growth 30.2%	Large Growth -1.5%	Large Growth 36.4%	Large Growth 38.5%	Mid Value 28.3%	Large Value -7.5%	Large Growth 42.7%	Large Growth 33.4%	Large Value 2.1%	Large Growth 16.8%	Small Value 22.3%
Mid Growth -0.2%	Mid Value 20.0%	Mid Growth 25.3%	Mid Growth -4.8%	Mid Growth 35.5%	Mid Growth 35.6%	Small Value 28.3%	Mid Value -12.0%	Mid Growth 25.9%	Mid Growth 22.1%	Mid Value -2.1%	Mid Growth 11.5%	Small Growth 22.2%
Small Growth -1.4%	Large Value 17.3%	Small Growth 22.2%	Large Value -8.3%	Small Growth 28.5%	Small Growth 34.6%	Large Growth 27.6%	Small Value -14.5%	Small Growth 18.7%	Small Growth 15.2%	Mid Growth -7.1%	Large Value 8.5%	Mid Growth 19.7%
Large Value -3.8%	Small Growth 11.3%	Large Value 13.7%	Small Growth -9.3%	Mid Value 27.1%	Mid Value 5.0%	Large Value 25.2%	Small Growth -26.4%	Small Value 14.6%	Large Value 14.4%	Small Value -7.7%	Mid Value 8.1%	Mid Value 18.5%
Mid Value -4.8%	Mid Growth 7.3%	Mid Value 13.3%	Mid Value -12.3%	Large Value 26.5%	Small Value 4.6%	Mid Growth 12.7%	Mid Growth -26.7%	Mid Value 12.7%	Mid Value 13.1%	Large Growth -10.0%	Small Growth 8.1%	Large Growth 18.3%
Small Value -7.5%	Large Growth 7.1%	Small Value 7.8%	Small Value -12.9%	Small Value 22.4%	Large Value 2.8%	Small Growth 2.8%	Large Growth -29.1%	Large Value 11.5%	Small Value 8.1%	Small Growth -11.1%	Small Value 7.1%	Large Value 15.9%

Source: FactSet, Russell Investment Group, J.P. Morgan Asset Management.

All data are based on Russell Indexes and represent total return for stated period. Small company stocks may be subject to a higher degree of market risk than the securities of more established companies because they tend to be more volatile and less liquid. Each style is representative of corresponding Russell style index. Please see disclosure page at end for index definitions. Past performance is not indicative of future returns. Large Value = Russell 1000 Value Index; Large Growth = Russell 1000 Growth Index; Mid Value = Russell Mid Cap Value Index; Mid Growth = Russell Mid Cap Growth Index; Small Value = Russell 2000 Value Index; Small Growth = Russell 2000 Growth Index.
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Sector returns

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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD	2015-2024	
												Ann.	Vol.
Cons. Disc.	10.1%	Energy	Info. Tech	Health Care	Info. Tech	Info. Tech	Energy	Energy	Info. Tech	Comm. Services	Energy	Info. Tech	Energy
		27.4%	38.8%	6.5%	50.3%	37.6%	54.6%	65.7%	57.8%	40.2%	10.2%	22.3%	31.8%
Health Care	6.9%	Telecom	Materials	Utilities	Comm. Services	Cons. Disc.	Real Estate	Utilities	Comm. Services	Info. Tech	Health Care	Cons. Disc.	Info. Tech
		23.5%	23.8%	4.1%	32.7%	30.6%	46.2%	1.6%	55.8%	36.6%	6.5%	13.6%	20.8%
Cons. Staples	6.6%	Financials	Cons. Disc.	Cons. Disc.	Financials	Comm. Services	Financials	Cons. Staples	Cons. Disc.	Financials	Cons. Staples	S&P 500	Cons. Disc.
		22.8%	23.0%	0.8%	32.1%	23.0%	35.0%	-0.6%	42.4%	30.6%	5.2%	13.1%	20.7%
Info. Tech	5.9%	Industrials	Financials	Info. Tech	S&P 500	Materials	Info. Tech	Health Care	S&P 500	Cons. Disc.	Utilities	Financials	Financials
		18.9%	22.2%	-0.3%	31.5%	16.6%	34.5%	-2.0%	26.3%	30.1%	4.9%	11.4%	20.0%
Real Estate	4.7%	Materials	Health Care	Real Estate	Industrials	S&P 500	S&P 500	Industrials	Industrials	S&P 500	Financials	Industrials	Materials
		16.7%	22.1%	-2.2%	29.4%	15.5%	28.7%	-5.5%	18.1%	25.0%	3.5%	10.7%	19.9%
Telecom	3.4%	Utilities	S&P 500	S&P 500	Real Estate	Health Care	Materials	Financials	Materials	Utilities	Real Estate	Health Care	Industrials
		16.3%	21.8%	-4.4%	29.0%	10.8%	27.3%	-10.5%	12.5%	23.4%	3.5%	9.1%	18.9%
S&P 500	1.4%	Info. Tech	Industrials	Cons. Staples	Cons. Disc.	Industrials	Health Care	Materials	Real Estate	Industrials	Materials	Utilities	Real Estate
		13.8%	21.0%	-8.4%	27.9%	10.0%	26.1%	-12.3%	12.3%	17.5%	2.8%	8.4%	17.3%
Financials	-1.5%	S&P 500	Cons. Staples	Telecom	Cons. Staples	Cons. Staples	Cons. Disc.	S&P 500	Financials	Cons. Staples	Industrials	Cons. Staples	S&P 500
		12.0%	13.5%	-12.5%	27.6%	9.1%	24.4%	-18.1%	12.1%	14.9%	-0.2%	8.4%	15.7%
Industrials	-2.5%	Cons. Disc.	Utilities	Financials	Utilities	Utilities	Comm. Services	Real Estate	Health Care	Energy	S&P 500	Materials	Health Care
		6.0%	12.1%	-13.0%	26.3%	0.1%	21.6%	-26.1%	2.1%	5.7%	-4.3%	7.9%	14.2%
Utilities	-4.8%	Cons. Staples	Real Estate	Industrials	Materials	Real Estate	Industrials	Info. Tech	Cons. Staples	Real Estate	Comm. Services	Real Estate	Utilities
		5.4%	10.8%	-13.3%	24.6%	-2.8%	21.1%	-28.2%	0.5%	5.0%	-6.2%	6.5%	13.4%
Materials	-8.4%	Real Estate	Energy	Materials	Health Care	Financials	Cons. Staples	Cons. Disc.	Energy	Health Care	Info. Tech	Energy	Cons. Staples
		3.4%	-1.0%	-14.7%	20.8%	-5.0%	18.6%	-37.0%	-1.3%	2.6%	-12.7%	4.9%	11.8%
Energy	-21.1%	Health Care	Telecom	Energy	Energy	Energy	Utilities	Comm. Services	Utilities	Materials	Cons. Disc.	Comm. Services	Comm. Services
		-2.7%	-1.3%	-18.1%	11.8%	-33.5%	17.7%	-39.9%	-7.1%	0.0%	-13.8%	N/A	N/A

Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.
 Telecommunications was renamed Communication Services at the end of September 2018. All data are based on Standard & Poor's GICS indexes and represent total return for stated period. Please see disclosure page at end for index definitions. Past performance is not indicative of future returns. *Communication Services (formerly Telecommunication Services) does not have a 10-yr. annualized return and volatility due to the sector reshuffle in September 2018.

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Factor returns

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2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD	2009 - 2024	
																	Ann.	Vol.
Value 38.8%	Small Cap 26.9%	High Div. 14.3%	Cyclical 20.1%	Value 43.2%	Value 17.7%	Momen. 9.3%	Small Cap 21.3%	Momen. 37.8%	Min. Vol. 1.5%	Cyclical 36.3%	Momen. 29.6%	Value 29.2%	Defens. 5.3%	Cyclical 39.1%	Momen. 32.3%	Defens. 6.4%	Cyclical 16.7%	Small Cap 21.3%
Cyclical 36.9%	Multi-Factor 18.3%	Min. Vol. 12.9%	Value 16.8%	Small Cap 38.8%	Min. Vol. 16.5%	Min. Vol. 5.6%	High Div. 16.3%	Cyclical 27.3%	Momen. -1.6%	Quality 34.4%	Cyclical 27.8%	Cyclical 27.6%	High Div. -3.8%	Quality 31.1%	Cyclical 30.5%	Min. Vol. 5.9%	Momen. 14.8%	Value 19.6%
Multi-Factor 29.8%	Momen. 18.2%	Defens. 10.1%	Small Cap 16.3%	Multi-Factor 37.4%	High Div. 14.9%	Quality 4.6%	Value 15.9%	Quality 22.5%	High Div. -2.3%	Momen. 28.1%	Small Cap 20.0%	Quality 27.2%	Min. Vol. -9.2%	Multi-Factor 17.7%	Multi-Factor 22.7%	High Div. 4.5%	Quality 14.5%	Cyclical 18.5%
Small Cap 27.2%	Cyclical 17.9%	Quality 7.5%	Multi-Factor 15.7%	Cyclical 35.0%	Multi-Factor 14.8%	Cyclical 2.6%	Cyclical 14.0%	Value 22.2%	Defens. -2.9%	Min. Vol. 28.0%	Quality 17.1%	Multi-Factor 25.1%	Value -14.0%	Small Cap 16.9%	Quality 22.4%	Value 1.7%	Multi-Factor 14.0%	Momen. 16.3%
Quality 24.9%	High Div. 15.9%	Multi-Factor 7.3%	Momen. 15.1%	Momen. 34.8%	Momen. 14.7%	High Div. 0.7%	Multi-Factor 13.7%	Multi-Factor 21.5%	Cyclical -5.3%	Value 27.7%	Multi-Factor 11.4%	Defens. 25.0%	Multi-Factor -15.5%	Value 14.4%	Min. Vol. 16.0%	Momen. -1.9%	Min. Vol. 12.6%	Multi-Factor 16.0%
High Div. 18.4%	Min. Vol. 14.7%	Momen. 6.1%	Quality 12.8%	Quality 34.3%	Cyclical 13.6%	Multi-Factor 0.4%	Min. Vol. 10.7%	High Div. 19.5%	Quality -5.6%	Multi-Factor 26.6%	Min. Vol. 5.8%	High Div. 21.9%	Momen. -17.4%	Min. Vol. 9.8%	High Div. 11.7%	Multi-Factor -3.6%	Value 12.0%	Quality 15.5%
Min. Vol. 18.4%	Quality 14.2%	Value -2.7%	Min. Vol. 11.2%	High Div. 28.9%	Defens. 13.0%	Defens. -0.9%	Quality 9.4%	Min. Vol. 19.2%	Multi-Factor -9.7%	Small Cap 25.5%	Defens. 5.2%	Min. Vol. 21.0%	Quality -20.3%	Momen. 9.5%	Small Cap 11.5%	Quality -3.8%	High Div. 12.0%	High Div. 14.4%
Momen. 17.6%	Value 12.7%	Cyclical -3.4%	Defens. 10.7%	Defens. 28.9%	Quality 10.7%	Small Cap -4.4%	Defens. 7.7%	Small Cap 14.6%	Small Cap -11.0%	High Div. 22.5%	High Div. 1.7%	Small Cap 14.8%	Small Cap -20.4%	High Div. 6.8%	Defens. 8.3%	Cyclical -7.4%	Small Cap 11.3%	Defens. 13.1%
Defens. 16.5%	Defens. 12.0%	Small Cap -4.2%	High Div. 10.6%	Min. Vol. 25.3%	Small Cap 4.9%	Value -6.4%	Momen. 5.1%	Defens. 12.3%	Value -11.1%	Defens. 21.4%	Value -0.2%	Momen. 12.9%	Cyclical -27.2%	Defens. 0.4%	Value 7.4%	Small Cap -9.5%	Defens. 10.5%	Min. Vol. 12.3%

Source: FactSet, MSCI, Russell, Standard & Poor's, J.P. Morgan Asset Management. The MSCI High Dividend Yield Index aims to offer a higher than average dividend yield relative to the parent index that passes dividend sustainability and persistence screens. The MSCI Minimum Volatility Index optimizes the MSCI USA Index using an estimated security co-variance matrix to produce low absolute volatility for a given set of constraints. The MSCI Defensive Sectors Index includes: Consumer Staples, Energy, Health Care and Utilities. The MSCI Cyclical Sectors Index contains: Consumer Discretionary, Communication Services, Financials, Industrials, Information Technology and Materials. Securities in the MSCI Momentum Index are selected based on a momentum value of 12-month and 6-month price performance. Constituents of the MSCI Sector Neutral Quality Index are selected based on stronger quality characteristics to their peers within the same GICS sector by using three main variables: high return-on-equity, low leverage and low earnings variability. Constituents of the MSCI Enhanced Value Index are based on three variables: price-to-book value, price-to-forward earnings and enterprise value-to-cash flow from operations. The Russell 2000 is used for small cap. The MSCI USA Diversified Multiple Factor Index aims to maximize exposure to four factors – Value, Momentum, Quality and Size.

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Economic scorecard

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Growth		The U.S. economy expanded at a healthy 2.4% saar during the fourth quarter, bringing real economic growth to 2.8% y/y in 2024. Consumer spending continued to power the economy forward, growing at an exceptional 4.0%, while government spending moderated to a still strong 3.1%. Business fixed investment slowed after a string of strong prints, likely reflecting the lagged impact of higher rates, while residential fixed investment improved after two consecutive quarters of declines. Elsewhere, inventories were a large drag on economic activity. With policy uncertainty weighing on consumer and business sentiment during the first quarter, it is clear the economy has slipped a gear. Tariffs, should they remain in effect for the foreseeable future, threaten to topple the economy into recession.
Jobs		The labor market, while softening, remained resilient through the first quarter of 2025. The March Jobs report showed that nonfarm payrolls rose by 228k, beating consensus expectations, as milder weather helped boost employment. The unemployment rate ticked higher but remained low at 4.2%, while wage growth eased to 0.3% m/m and 3.8% y/y. However, this report reflects the strength of the labor market as of the second week of March. Events since then, most notably the President's tariff announcement on April 2nd, suggest a bleaker picture going forward. Higher tariffs will likely pressure economic growth and corporate profits, both of which could slow hiring activity.
Profits		S&P 500 earnings grew 10% in 2024, capped off by an impressive 4Q24 earnings season that saw earnings rise roughly 18% y/y and 5% q/q. Margins were the key driver here, contributing over 13 percentage points to overall growth. Beneath the surface, earnings continued to broaden, with S&P 493 earnings rising 15% y/y vs. 31% for the Mag 7. In fact, 10 of the 11 S&P sectors contributed positively to earnings growth. Analysts are projecting even stronger growth in 2025 and 2026. However, slowing economic activity could limit revenue growth, while rising input costs from tariffs could pressure margins despite corporate tax cuts, complicating companies' efforts to beat expectations.
Inflation		Inflation, while still below its cycle peak, has accelerated in recent months. Headline CPI rose by a better than expected 2.8% y/y in February, down from 3% in January but well above last September's 2.4% print. Energy and food inflation have been running hot recently, although both eased in February. Core goods were a steady source of deflation throughout 2024, but prices here have moved higher in recent months with new and used vehicles largely to blame. Across services, shelter and auto insurance continued to have an outsized impact on annual inflation, but real-time data still point to easing pressures in both categories ahead. While disinflation progress has been encouraging, the last leg down to 2% could prove difficult due to tariffs. In fact, inflation above 3% by the end of the year is likely, with risks skewed to the upside.
Rates		The Federal Reserve finds itself in an unenviable position heading into the second quarter. At its March meeting, the FOMC voted to leave the federal funds rate unchanged at 4.25%-4.50%. With tariffs top of mind, updated economic projections reflected expectations for slower near-term growth and higher near-term inflation. Inflation forecasts for 2026 and 2027 were little changed, suggesting the Fed expects any inflationary impulse from tariffs to be transitory. The dot plot was left unaltered with two rate cuts still penciled in for 2025. Turning to the balance sheet, the pace of QT was slowed with the Treasury redemption cap lowered from \$25bn to \$5bn. The MBS cap was left unchanged at \$35bn. With elevated uncertainty, the pace of rate cuts will continue to hinge on incoming economic data.
Risks		<ul style="list-style-type: none"> Tariffs, should they be implemented in full, could challenge economic growth while putting upward pressure on inflation. Market volatility will likely remain elevated until policy uncertainty turns to policy clarity. Slowing economic growth could weigh on earnings and forward guidance, leaving markets vulnerable at stretched valuations.
Investment Opportunities		<ul style="list-style-type: none"> Fixed income offers attractive levels of income and protection against an economic downturn. The ongoing equity market rotation should present opportunities in sectors outside of tech. Fiscal stimulus in Europe and China should support better international performance.

Source: Standard & Poor's, FRB, BLS, BEA, J.P. Morgan Asset Management. Direction of thumbs up/down corresponds to the potential impact of the issue on financial markets. Opinions, estimates, forecasts and statements of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. We believe the information contained in this commentary has been obtained from sources that are reliable. This presentation is for information purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security.

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Consumer spending and saving

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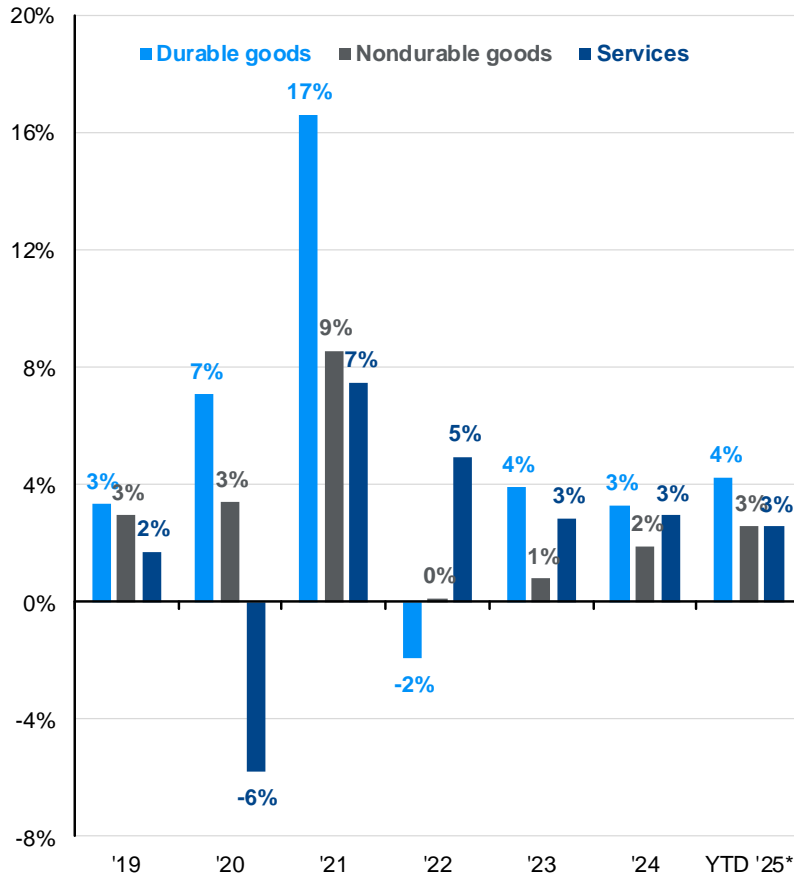
U.S.

OTB

Economy

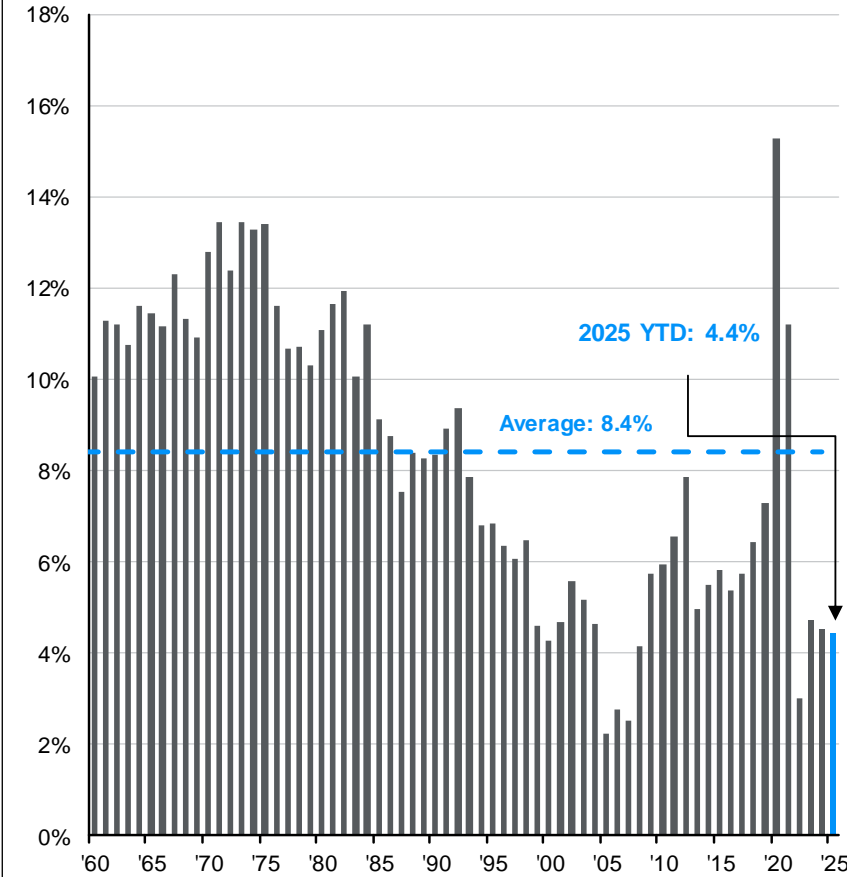
Real consumer spending by expenditure category

Y/y % change, average level of spending



Personal saving rate

Personal savings as a % of disposable personal income, annual



Source: BEA, Federal Reserve, J.P. Morgan Asset Management.

*YTD figure for 2025 reflects the year-over-year % change in the average level of spending during the first two months of 2025 relative to the average level of spending during the first two months of 2024.

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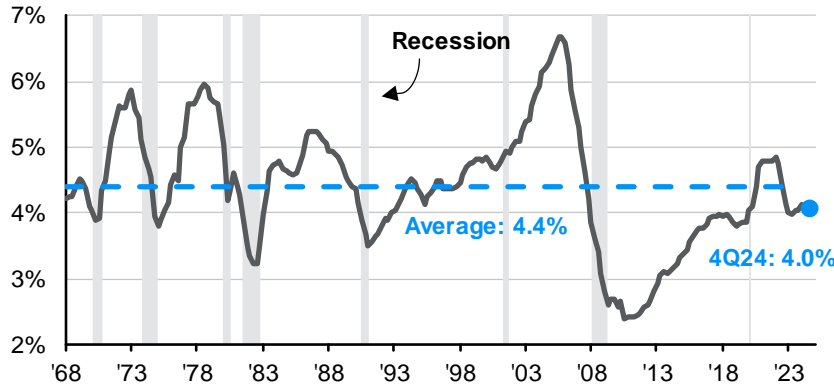


Cyclical sectors

GTM U.S. OTB

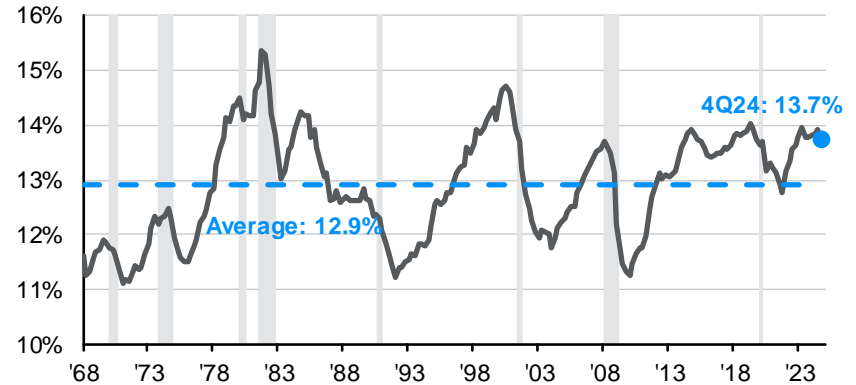
Residential investment as a % of GDP

Quarterly, seasonally adjusted



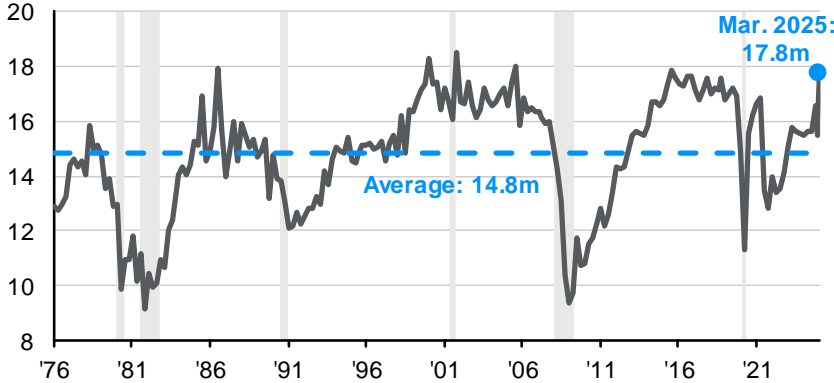
Business fixed investment as a % of GDP

Quarterly, seasonally adjusted



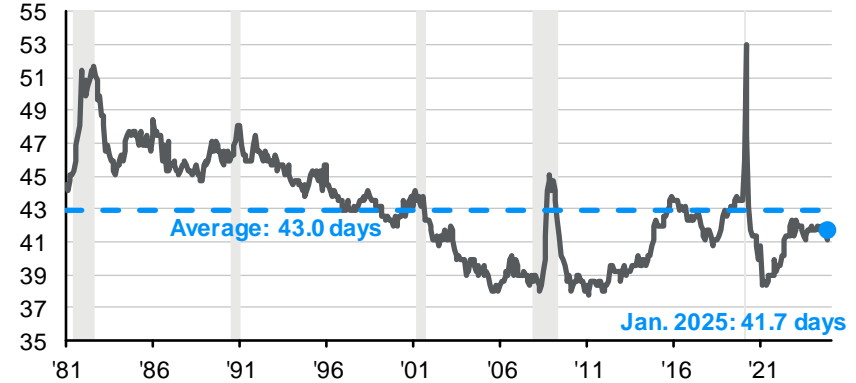
Light vehicle sales

Mil vehicles, seasonally adjusted ann. rate



Total business inventory/sales ratio

Days of sales, monthly, seasonally adjusted



Source: BEA, Census Bureau, FactSet, J.P. Morgan Asset Management. Data for light vehicle sales is quarterly apart from the latest monthly data point.
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Inflation

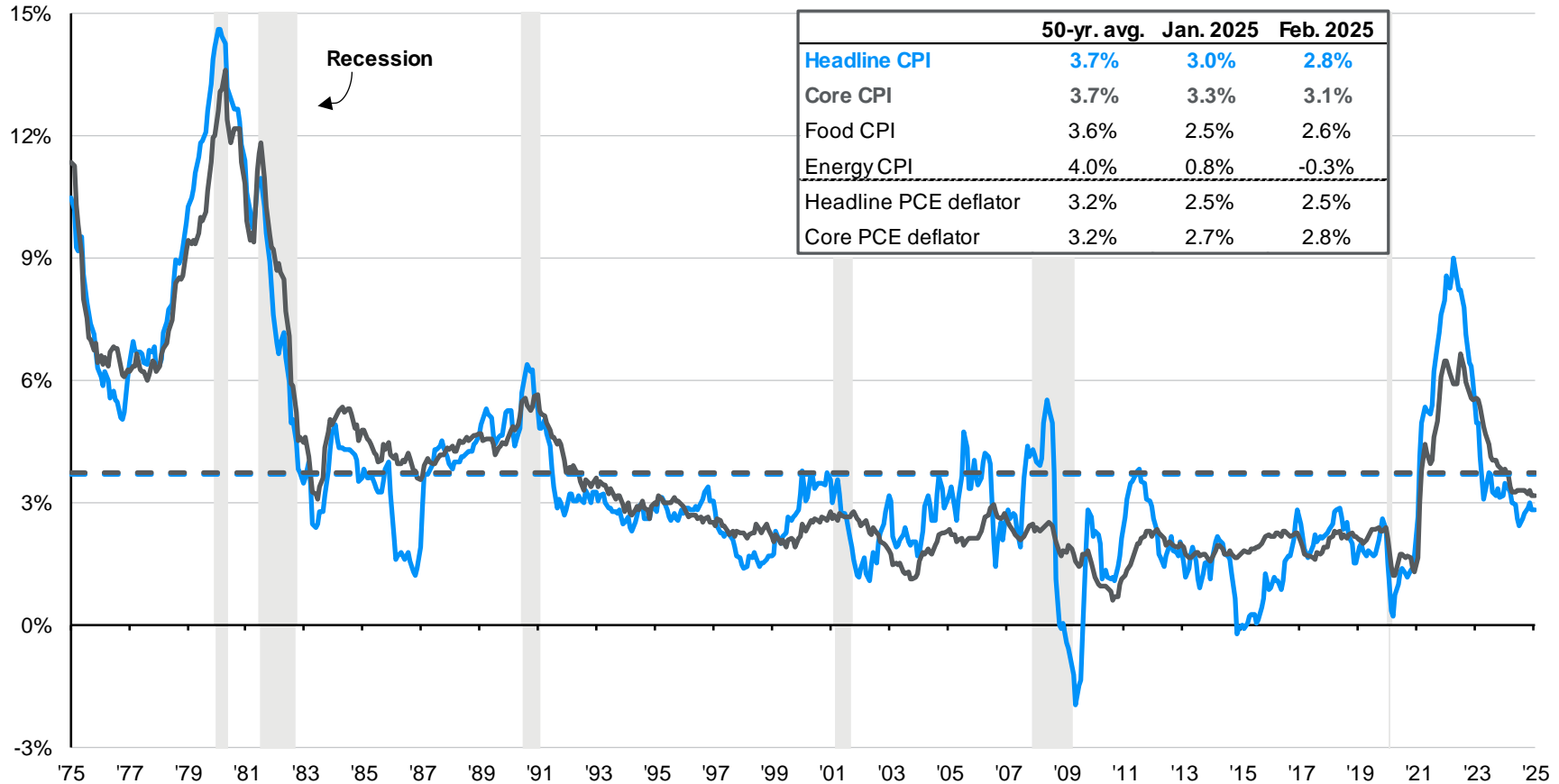
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CPI and core CPI

% change vs. prior year, seasonally adjusted



Source: BLS, FactSet, J.P. Morgan Asset Management.

CPI used is CPI-U and values shown are % change vs. one year ago. Core CPI is defined as CPI excluding food and energy prices. The Personal Consumption Expenditure (PCE) deflator employs an evolving chain-weighted basket of consumer expenditures instead of the fixed-weight basket used in CPI calculations.

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Recession determinants

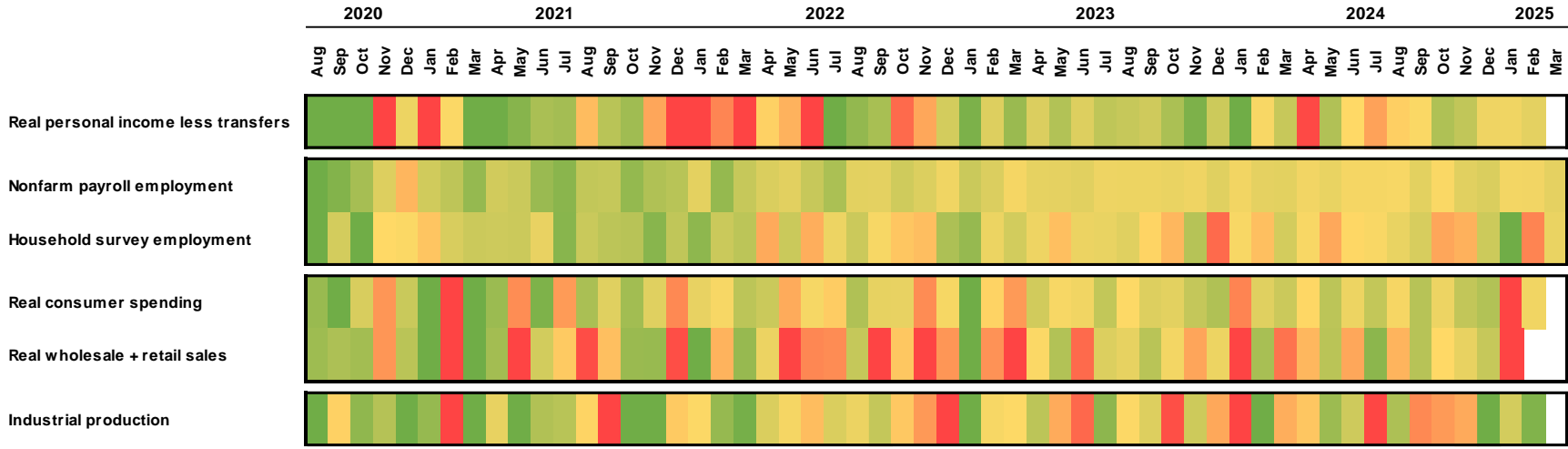
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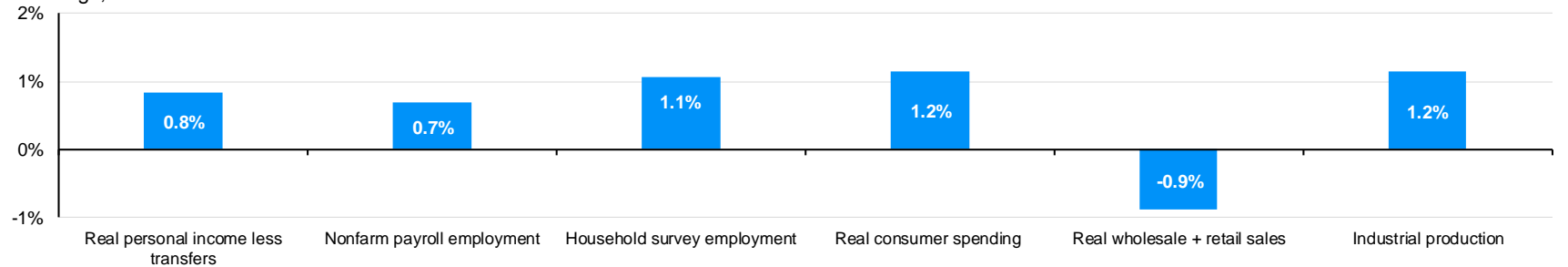
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Variables used by the NBER in making recession determination*

% change month-over-month



% change, last six months



Source: BEA, BLS, Census Bureau, NBER, J.P. Morgan Asset Management. Heatmap shading based on data back to 2020, with green and red reflecting a range of +/- 0.5 standard deviations from a baseline of 0% monthly growth. *The NBER's definition of a recession involves a significant decline in economic activity that is spread across the economy and lasts more than a few months. Specifically, they consider real personal income less transfers, nonfarm payroll employment, employment as measured by the household survey, real personal consumption expenditures, wholesale-retail sales adjusted for price changes and industrial production. There is no fixed rule about which measures contribute to the process or how they are weighted, but the committee notes that "in recent decades, the two measures we have put the most weight on are real personal income less transfers and nonfarm payroll employment."

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U.S. expansions and recessions

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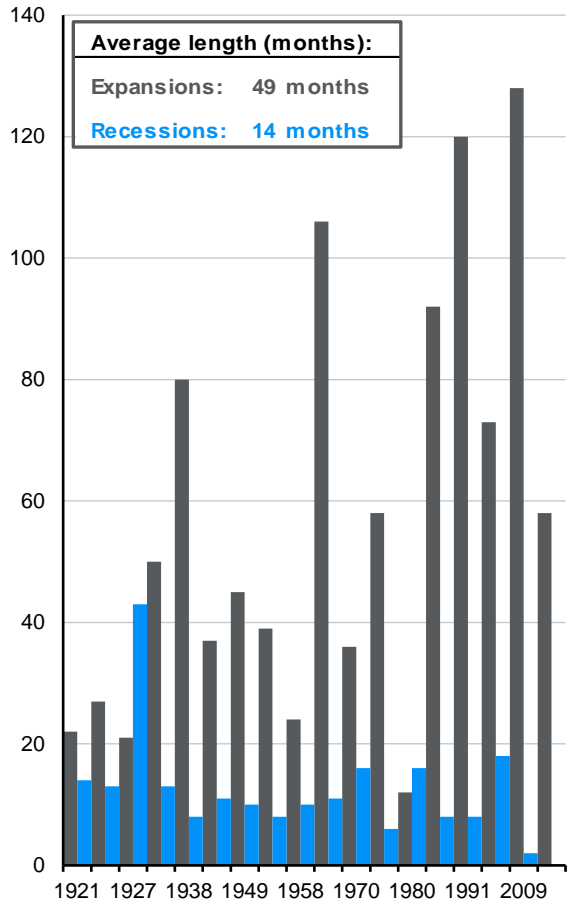
U.S.

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Economy

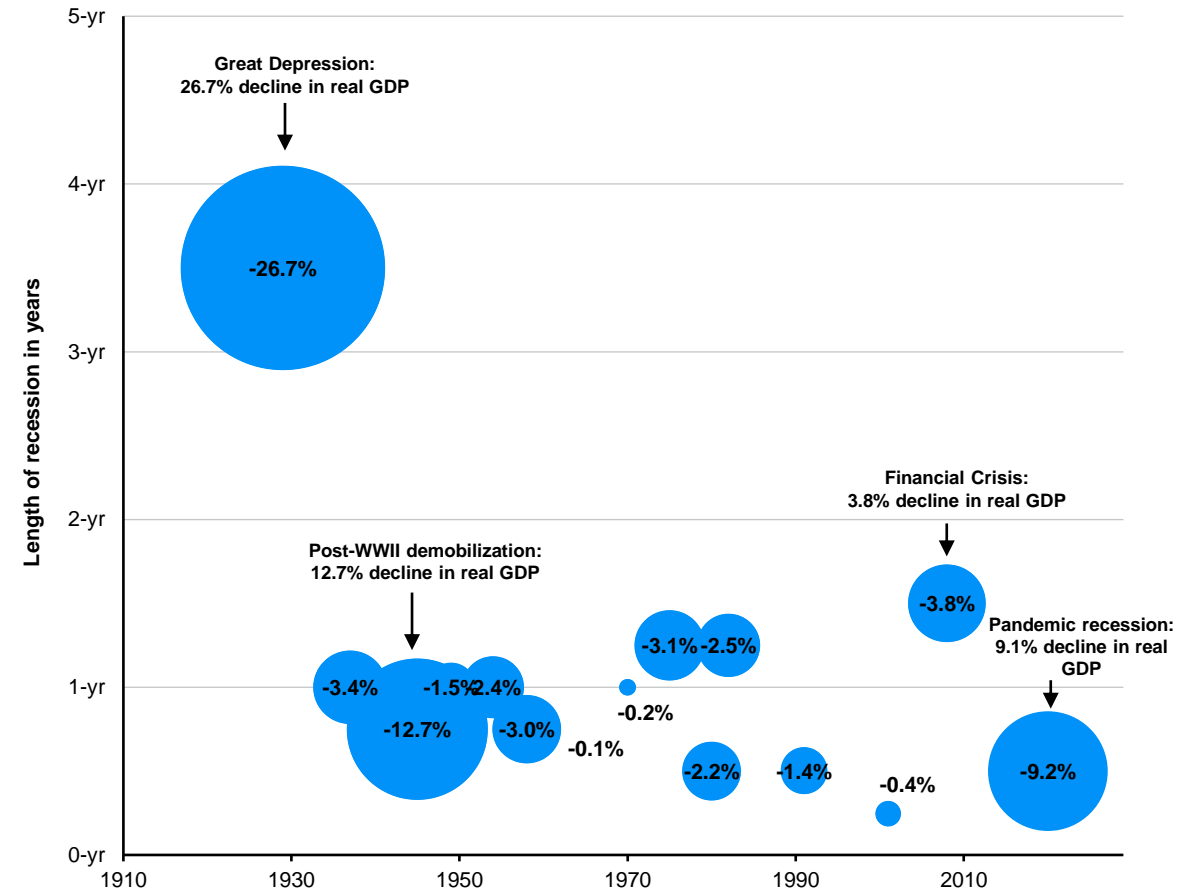
Length of expansions and recessions

Months



The Great Depression and post-war recessions

Length and severity of recession



Source: BEA, NBER, J.P. Morgan Asset Management.

(Left) Chart assumes the current expansion lasted until at least September 2024. (Right) Bubble size reflects the severity of the recession, which is calculated as the decline in real GDP from the peak quarter to the trough quarter except in the case of the Great Depression, where it is calculated from the peak year (1929) to the trough year (1933), due to a lack of available quarterly data. Data for length of economic expansions and recessions obtained from the National Bureau of Economic Research (NBER). Past performance is not a reliable indicator of current and future results.

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Residential real estate

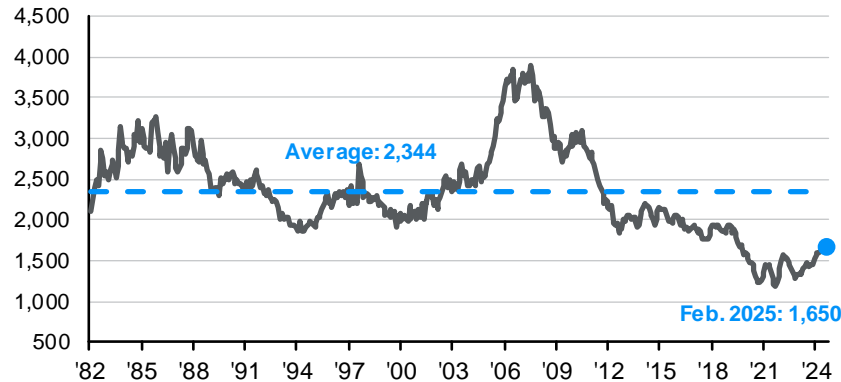
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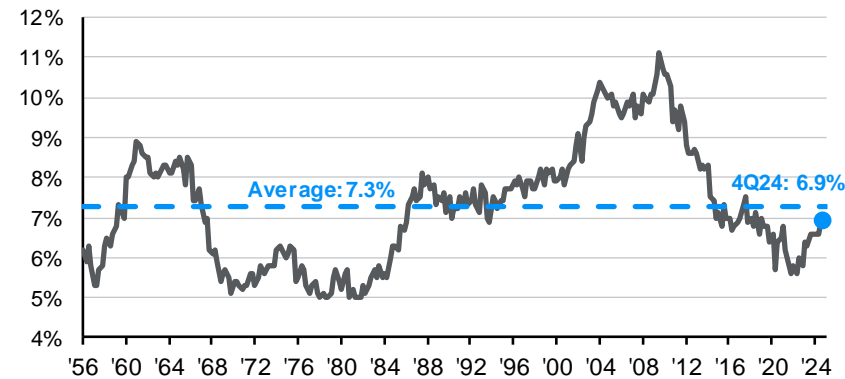
Housing inventories

Inventory of new and existing single family homes for sale, thous, SA*



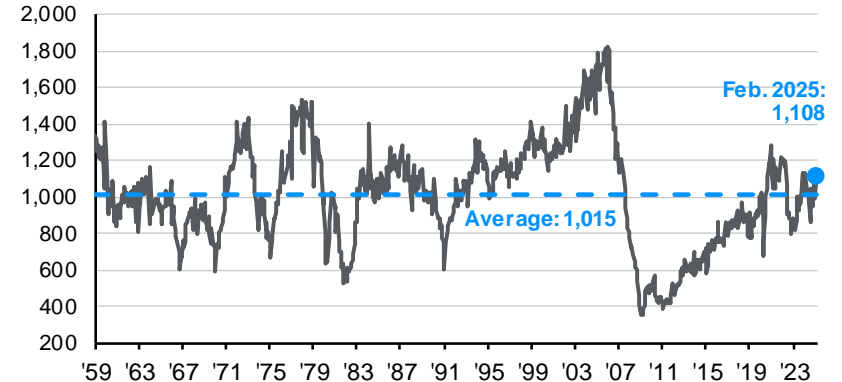
Rental vacancy rate

Percent



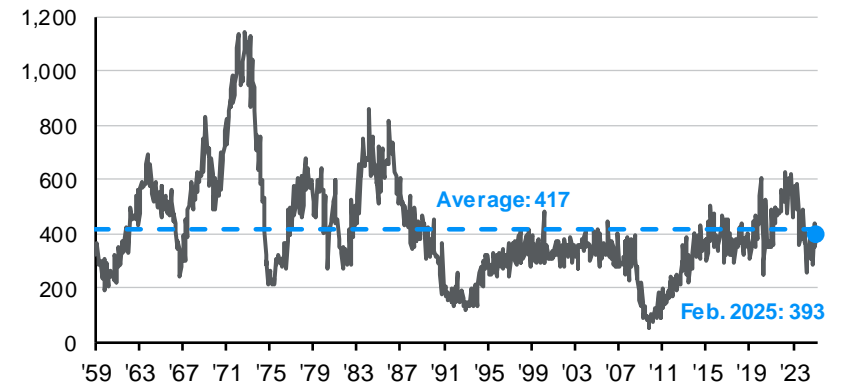
Single-family housing starts

Seasonally adjusted annual rate (SAAR), thous houses



Multi-family housing starts

Total multi-family, SAAR, thous houses



Source: U.S. Census Bureau, U.S. National Association of Realtors, J.P. Morgan Asset Management. *Inventory of new and existing single family homes for sale is seasonally adjusted by J.P. Morgan Asset Management.
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Productivity growth

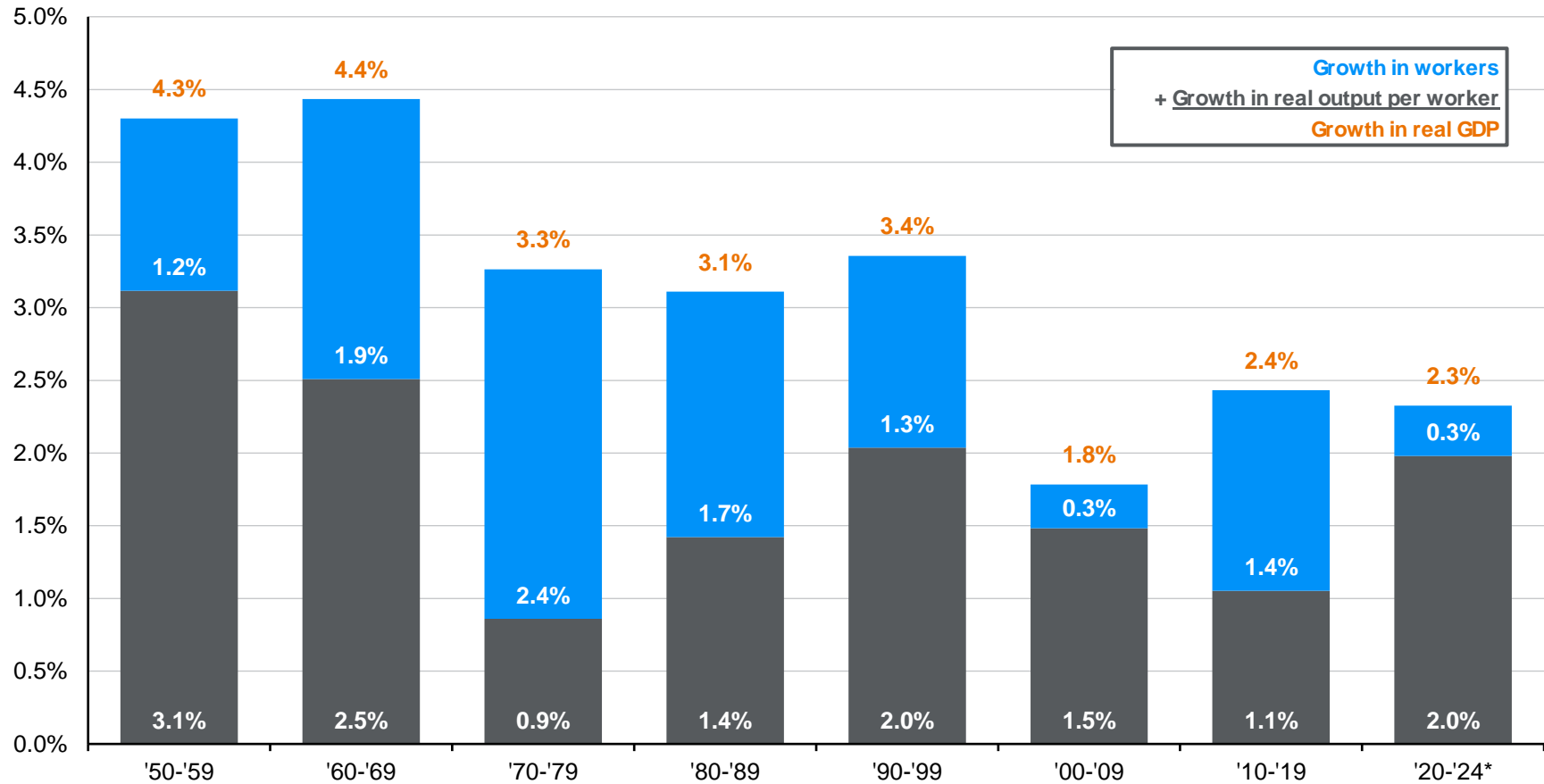
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Drivers of GDP growth

Average year-over-year % change



Source: BEA, BLS, J.P. Morgan Asset Management.

GDP drivers are calculated as the average annualized growth in the 10 years ending in the fourth quarter of each decade. *The latest period reflects 4Q19 to 4Q24.

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Income inequality

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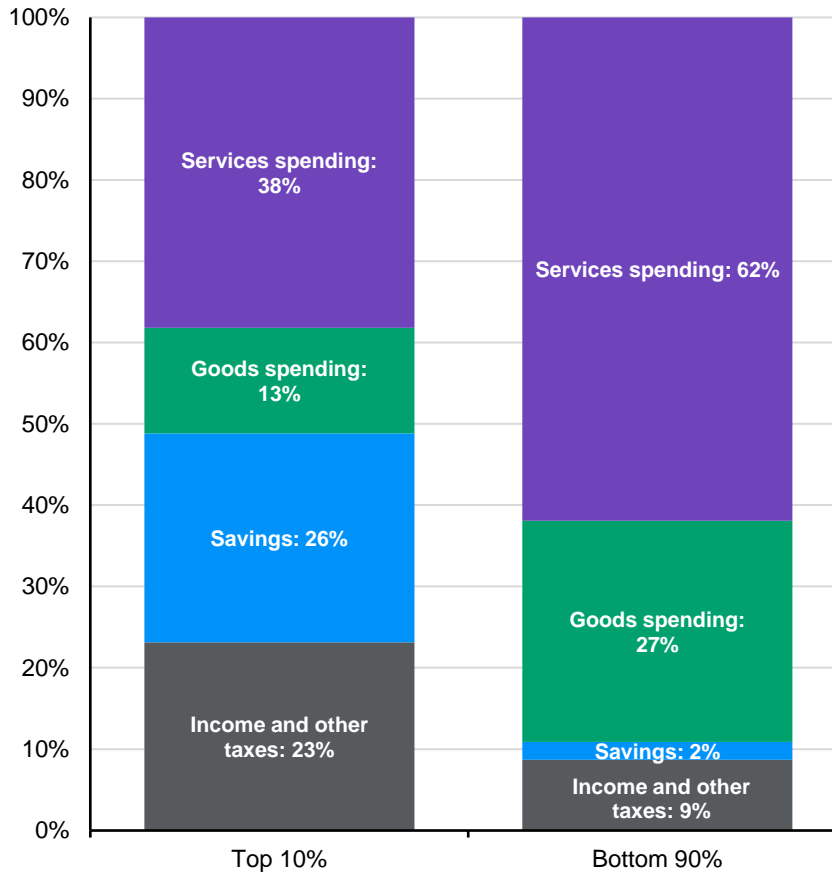
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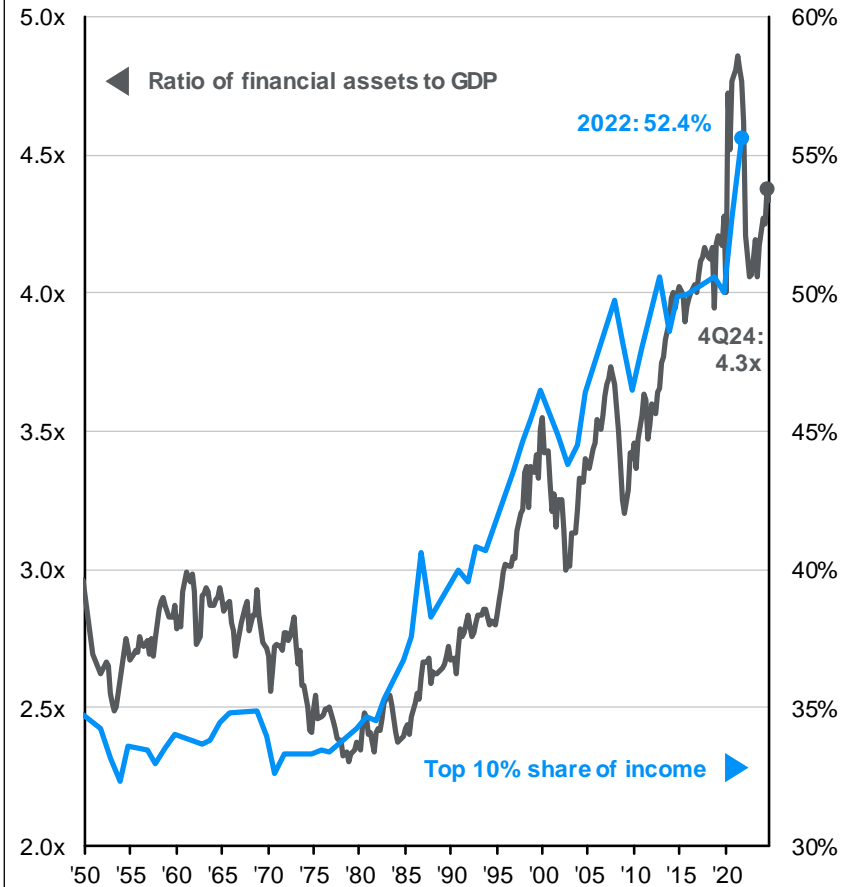
Economy

Consumer saving and spending habits by pre-tax income

Category share of total pre-tax income, %



Income share and financial asset appreciation



Source: Bureau of Labor Statistics, Piketty, Saez, J.P. Morgan Asset Management; Income reflects total labor and capital income before taxes and excludes government transfers. Data is sourced from "Income Inequality in the United States, 1913-1998" by Thomas Piketty and Emmanuel Saez, updated to 2022. (Left) Consumer Expenditure Survey 2023. *Guide to the Markets* – U.S. Data are as of March 31, 2025.

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Dollar dominance

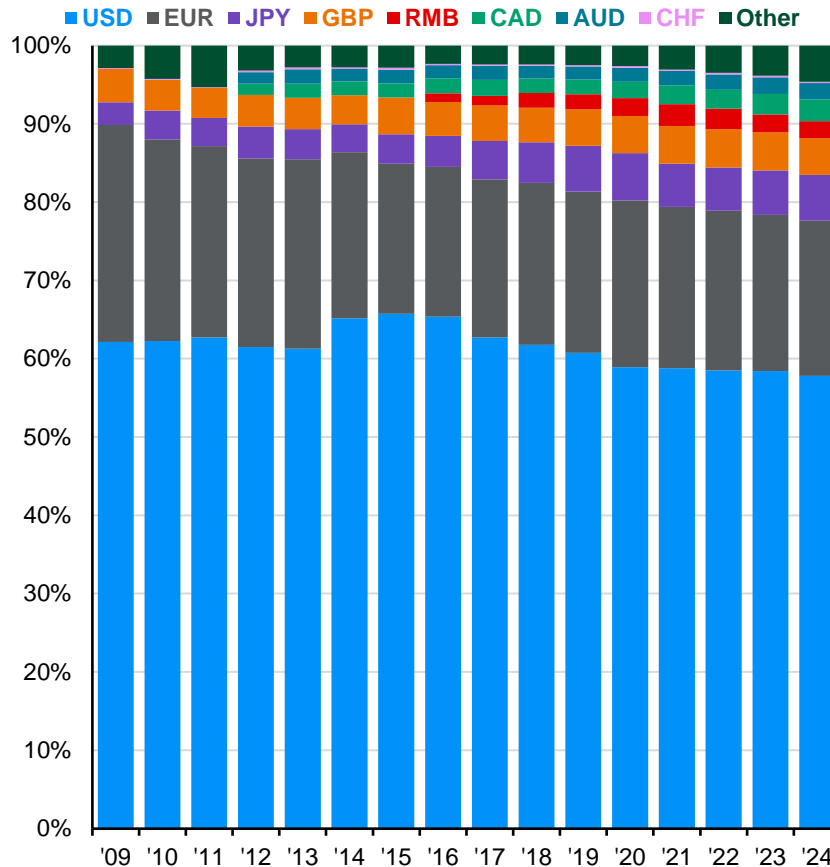
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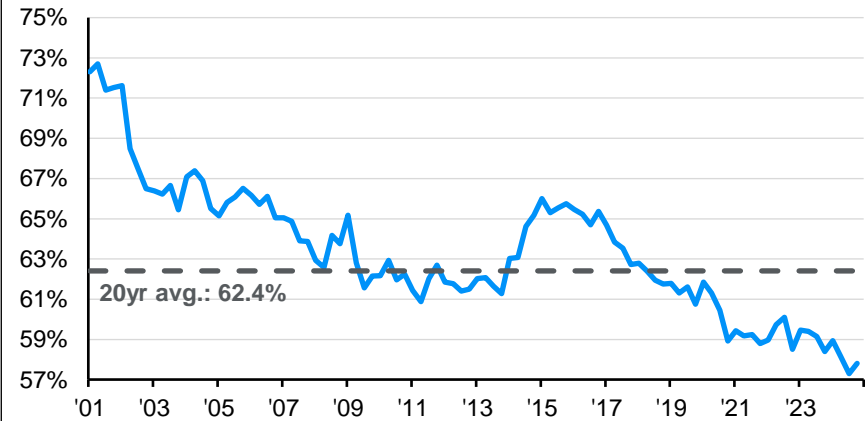
Economy

U.S. dollar share of official foreign currency reserves % of total

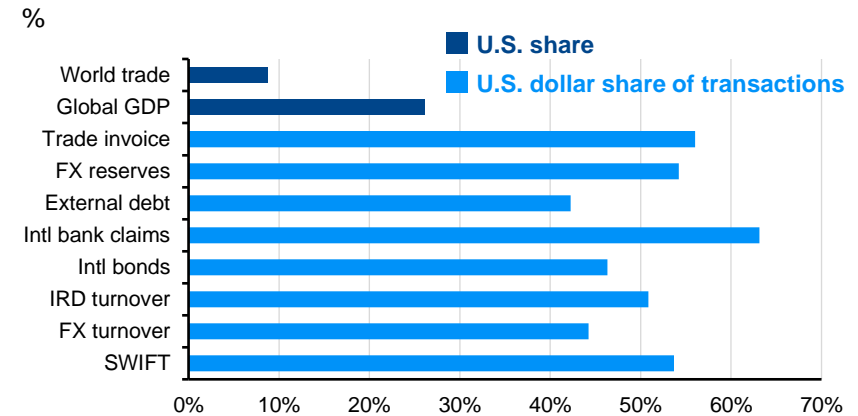


Global central bank reserve manager holdings

USD as % of total



U.S. dollar share in global markets



Source: J.P. Morgan Asset Management; (Left) FactSet, IMF; (Right) BIS, Bloomberg, CPB World Trade Monitor, IMF, NBER, SWIFT.
(Bottom right) Trade invoice: weighted average of export and import currency invoicing shares; Intl bank claims: international bank claims (cross-border and local claims) in foreign currencies; Intl bonds: international debt securities outstanding; IRD: interest rate derivatives; FX: all foreign exchange instruments; SWIFT: global payments delivered via SWIFT. Foreign exchange turnover includes both spot and derivative transactions.
Data sourced from the June 2024 BIS Quarterly Review publication.
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Inflation heatmap

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Consumer Price Index, components

m/m % change, seasonally adjusted

		2023												2024												2025			
	Weight	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb				
Headline CPI, y/y	100.0	4.9%	4.9%	4.1%	3.1%	3.3%	3.7%	3.7%	3.2%	3.1%	3.3%	3.1%	3.2%	3.5%	3.4%	3.2%	3.0%	2.9%	2.6%	2.4%	2.6%	2.7%	2.9%	3.0%	2.8%				
Core CPI, y/y	80.1	5.6%	5.5%	5.3%	4.9%	4.7%	4.4%	4.1%	4.0%	4.0%	3.9%	3.9%	3.8%	3.8%	3.6%	3.4%	3.3%	3.2%	3.3%	3.3%	3.3%	3.3%	3.2%	3.3%	3.1%				
Headline CPI, m/m	100.0	0.1%	0.4%	0.2%	0.3%	0.2%	0.5%	0.4%	0.1%	0.1%	0.2%	0.3%	0.4%	0.3%	0.3%	0.0%	0.0%	0.1%	0.2%	0.2%	0.2%	0.3%	0.4%	0.5%	0.2%				
Core CPI, m/m	80.1	0.3%	0.4%	0.4%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.4%	0.4%	0.4%	0.3%	0.1%	0.1%	0.2%	0.3%	0.3%	0.3%	0.3%	0.2%	0.4%	0.2%				
Energy	6.2	-3.0%	0.4%	-2.5%	1.0%	-0.4%	4.2%	2.0%	-2.3%	-1.7%	-0.5%	0.0%	1.3%	0.5%	0.9%	-1.3%	-1.6%	-0.4%	-1.0%	-1.0%	-0.2%	0.1%	2.4%	1.1%	0.2%				
Gasoline	2.9	-4.0%	2.0%	-3.7%	1.6%	-1.0%	7.8%	3.2%	-4.4%	-4.2%	-1.1%	-1.4%	2.0%	0.7%	2.2%	-2.4%	-3.0%	-0.9%	-1.2%	-2.3%	-1.0%	0.3%	4.0%	1.8%	-1.0%				
Electricity	2.3	-0.7%	-0.2%	-0.8%	1.1%	-0.4%	0.5%	0.8%	0.0%	1.2%	0.5%	0.9%	0.4%	0.6%	0.0%	0.1%	-0.3%	0.2%	-0.4%	0.5%	0.8%	-0.2%	0.2%	0.0%	1.0%				
Utility Gas	0.8	-5.6%	-3.3%	-2.7%	-1.8%	1.7%	0.0%	-1.4%	0.4%	0.8%	-0.3%	1.8%	1.5%	0.4%	-2.0%	-0.6%	1.5%	-0.5%	-1.6%	0.7%	0.5%	0.5%	2.8%	1.8%	2.5%				
Food	13.7	0.0%	0.1%	0.2%	0.1%	0.2%	0.3%	0.1%	0.3%	0.1%	0.2%	0.3%	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%	0.2%	0.3%	0.2%	0.3%	0.3%	0.4%	0.2%				
Food at home	8.0	-0.3%	0.0%	0.1%	0.0%	0.2%	0.2%	0.0%	0.3%	-0.1%	0.1%	0.3%	0.1%	-0.1%	0.0%	0.0%	0.1%	0.1%	0.1%	0.3%	0.2%	0.4%	0.3%	0.5%	0.0%				
Food away from home	5.6	0.6%	0.4%	0.5%	0.4%	0.2%	0.3%	0.4%	0.4%	0.4%	0.3%	0.5%	0.1%	0.3%	0.3%	0.4%	0.4%	0.2%	0.3%	0.3%	0.2%	0.3%	0.3%	0.2%	0.4%				
Core goods	19.4	0.2%	0.4%	0.5%	-0.1%	-0.3%	-0.2%	-0.3%	0.1%	-0.3%	-0.1%	-0.3%	0.2%	-0.1%	-0.1%	-0.1%	-0.2%	-0.2%	-0.1%	0.2%	0.0%	0.2%	0.0%	0.3%	0.2%				
Apparel	2.5	0.2%	0.0%	0.3%	0.1%	0.2%	0.0%	-0.5%	0.5%	-0.8%	0.1%	-0.5%	0.5%	0.6%	0.9%	-0.2%	0.0%	-0.3%	0.1%	1.0%	-0.9%	0.1%	0.1%	-1.4%	0.6%				
New vehicles	4.4	0.3%	-0.1%	0.0%	0.0%	0.0%	0.2%	0.2%	0.0%	-0.1%	0.1%	-0.1%	-0.1%	-0.2%	-0.4%	-0.4%	-0.2%	-0.1%	0.0%	0.1%	0.0%	0.5%	0.4%	0.0%	-0.1%				
Used cars	2.4	-0.6%	3.2%	3.2%	-0.6%	-1.5%	-1.9%	-1.8%	-0.4%	1.4%	0.6%	-3.7%	1.2%	-0.5%	-1.5%	-0.8%	-1.6%	-1.4%	-0.2%	0.5%	1.2%	1.3%	0.8%	2.2%	0.9%				
Medical care commod	1.5	0.6%	0.5%	0.6%	0.2%	0.5%	0.6%	-0.3%	0.4%	0.5%	-0.1%	-0.6%	0.1%	0.2%	0.4%	1.3%	0.2%	0.2%	-0.2%	-0.7%	-0.2%	-0.1%	0.0%	1.2%	0.1%				
Core services	60.7	0.4%	0.4%	0.3%	0.4%	0.4%	0.4%	0.5%	0.3%	0.5%	0.4%	0.6%	0.5%	0.5%	0.4%	0.2%	0.2%	0.3%	0.4%	0.4%	0.3%	0.3%	0.3%	0.5%	0.3%				
Shelter	35.5	0.6%	0.4%	0.5%	0.5%	0.5%	0.3%	0.6%	0.4%	0.5%	0.4%	0.6%	0.4%	0.5%	0.3%	0.4%	0.2%	0.4%	0.5%	0.3%	0.4%	0.3%	0.3%	0.4%	0.3%				
Rent of primary res.	7.5	0.5%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%	0.5%	0.3%	0.3%	0.3%	0.2%	0.3%	0.3%	0.3%				
OER	26.3	0.5%	0.6%	0.5%	0.5%	0.5%	0.4%	0.5%	0.4%	0.5%	0.4%	0.5%	0.4%	0.4%	0.4%	0.4%	0.3%	0.4%	0.5%	0.3%	0.4%	0.3%	0.3%	0.3%	0.3%				
Medical care services	6.7	-0.6%	-0.1%	-0.1%	0.0%	-0.1%	0.0%	0.2%	0.2%	0.4%	0.5%	0.6%	0.0%	0.5%	0.4%	0.3%	0.2%	-0.1%	-0.1%	0.6%	0.3%	0.3%	0.2%	0.0%	0.3%				
Transportation services	6.3	0.9%	0.5%	0.4%	0.5%	0.8%	1.6%	0.6%	0.8%	1.1%	0.1%	1.0%	1.3%	1.4%	0.8%	-0.3%	-0.5%	0.4%	0.8%	1.2%	0.4%	0.1%	0.5%	1.8%	-0.8%				
Airline fares	0.9	0.5%	-1.3%	-3.2%	-5.1%	-2.8%	1.6%	0.0%	-0.6%	-0.6%	0.1%	1.9%	3.6%	-0.8%	0.0%	-3.3%	-4.1%	-0.2%	3.2%	2.8%	1.9%	0.0%	3.0%	1.2%	-4.0%				

Source: BLS, FactSet, J.P. Morgan Asset Management. Heatmap shading is relative to the two-year period shown. Component weights may not add to 100. OER refers to owners' equivalent rent.

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Inflation expectations

GTM

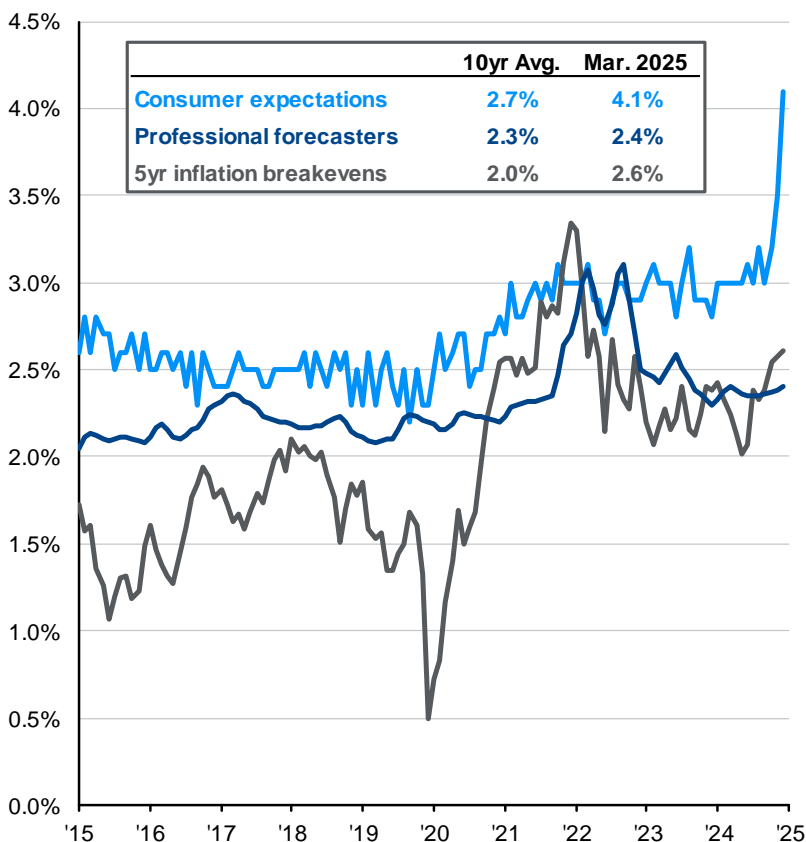
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Economy

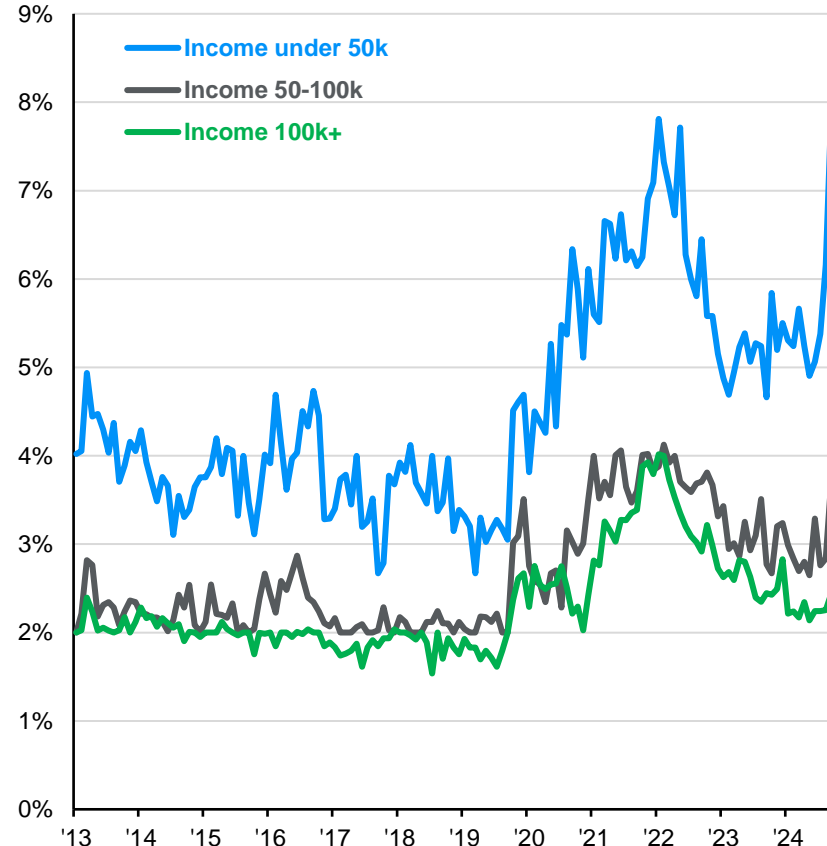
Inflation expectations, next 5 years

% change vs. prior year, non-seasonally adjusted



Inflation uncertainty by income level

%, median 1-year ahead uncertainty, survey of consumer expectations



Source: J.P. Morgan Asset Management; (Left) Bureau of Labor Statistics, FactSet, Federal Reserve Bank of Philadelphia, University of Michigan, (Right) Federal Reserve Bank of New York. The Survey of Professional Forecasters reflects the median estimate by professional forecasters of average CPI inflation over the next 5 years and is interpolated to a monthly series. The series has been adjusted by J.P. Morgan Asset Management to exclude realized inflation readings within the forecast window. Inflation uncertainty reflects the uncertainty expressed regarding future inflation outcomes.

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Corporate and household tax rates

GTM

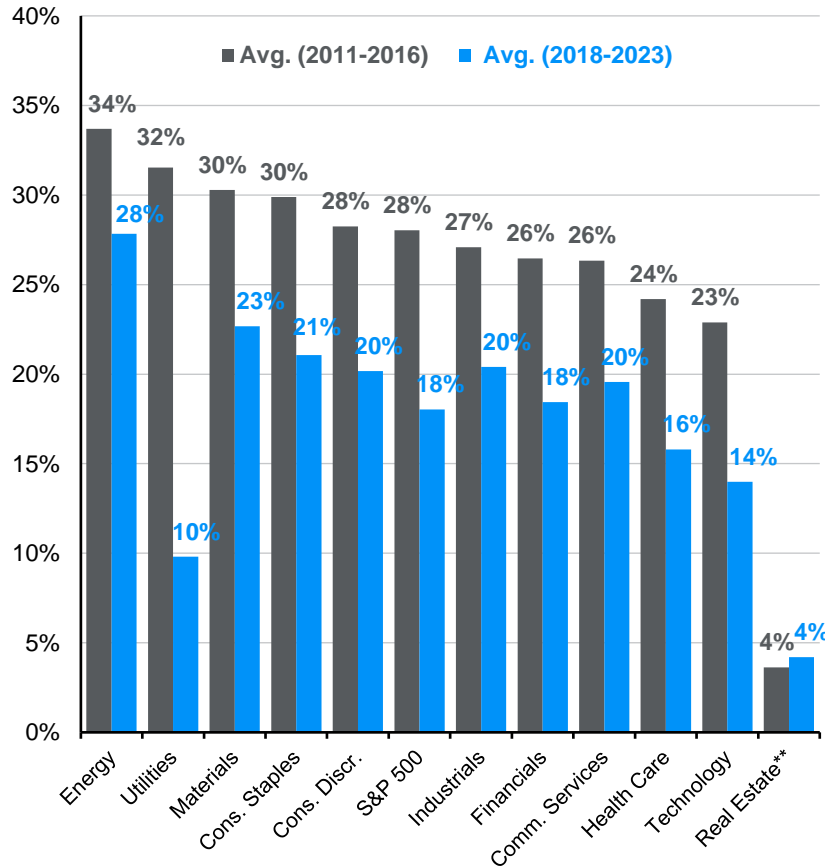
U.S.

OTB

Economy

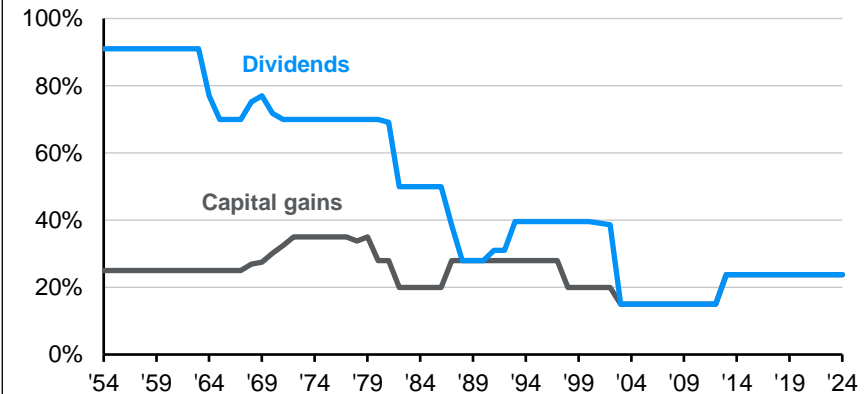
S&P 500 effective sector tax rates*

Annual tax rates



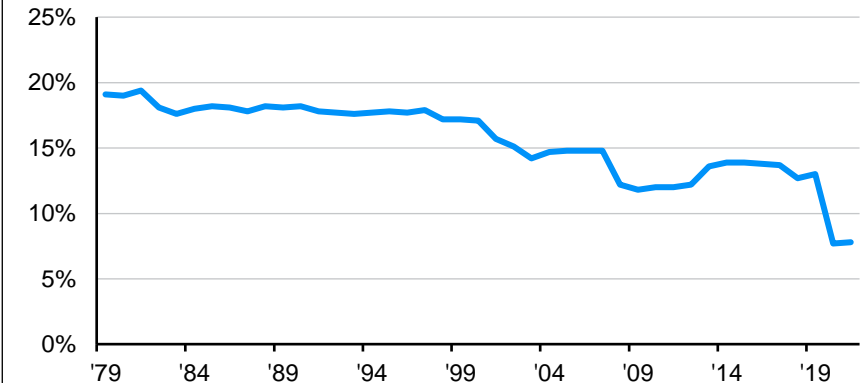
Capital gains and dividend tax rates***

1954-2024



Households' effective federal tax rate

Average federal tax rate for middle-quintile household, 1979-2021



Source: CBO, Compustat, FactSet, Standard & Poor's, Tax Policy Center, Treasury Department, Wolters Kluwer, J.P. Morgan Asset Management.
*Effective federal, state, and foreign taxes. **Real Estate effective tax rate average from 2018 to 2023 is a bottoms-up calculation due to limitations in availability of data. ***Highest marginal federal tax rates. Includes Medicare tax of 3.8% from 2013-present.
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Cash accounts

GTM

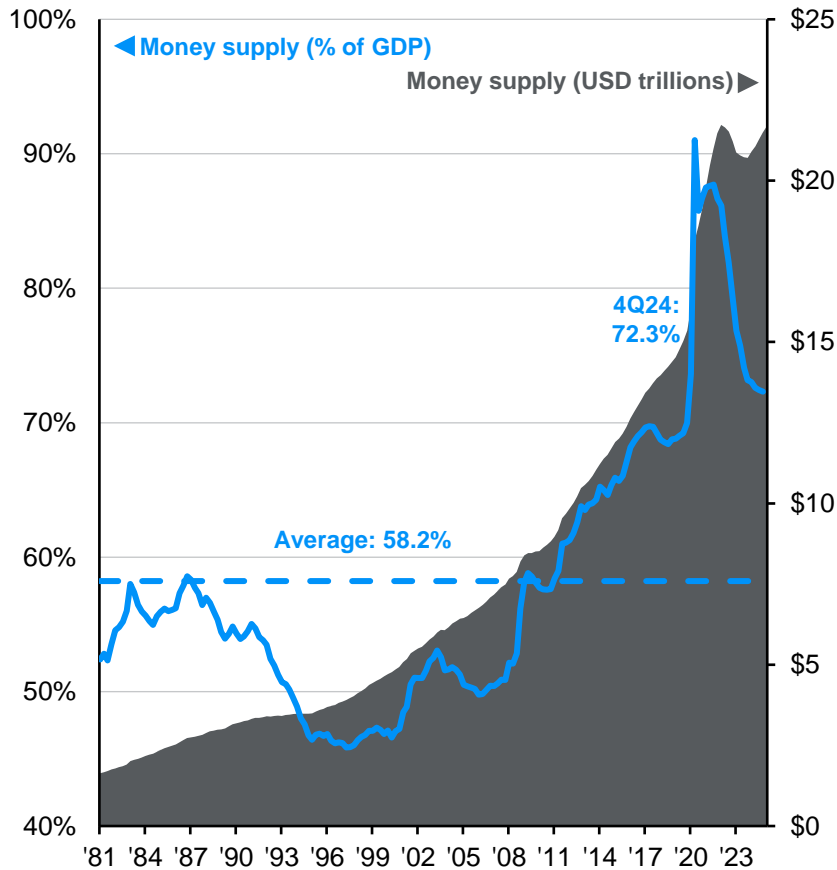
U.S.

OTB

Economy

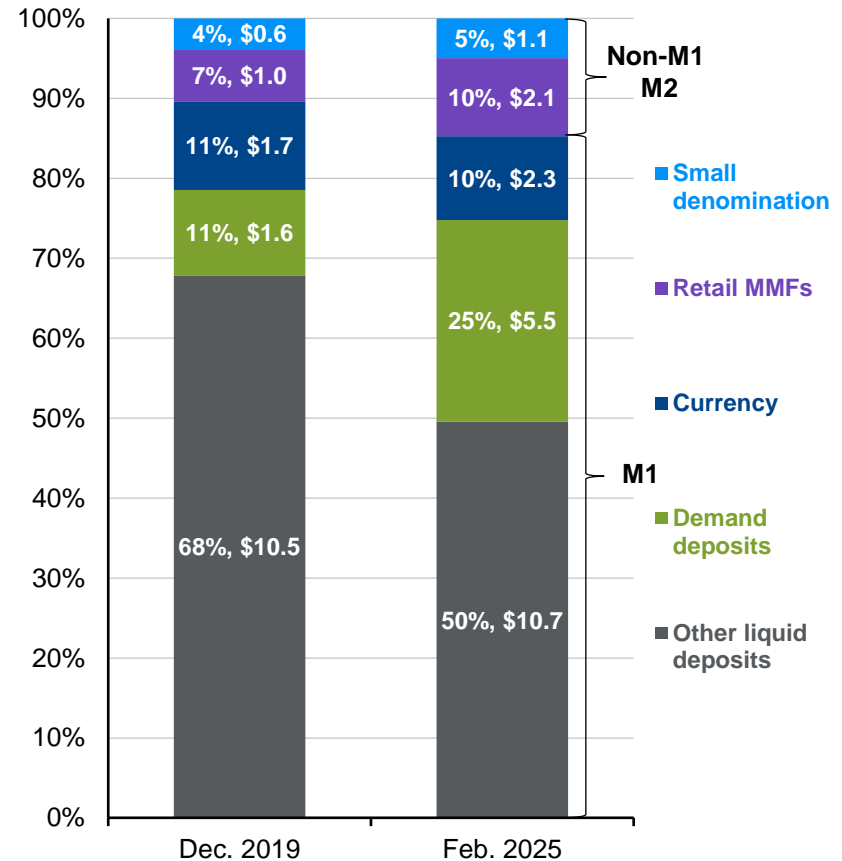
M2 money supply

Seasonally adjusted



Change in components of M2 money supply

Non-seasonally adjusted, USD trillions



Source: BEA, Federal Reserve, St. Louis Fed, FactSet, J.P. Morgan Asset Management.

(Left) Money supply and GDP are in nominal USD terms. (Right) Small-denomination time deposits are those issued in amounts of less than \$100,000. Currency in circulation consists of Federal Reserve notes and coin outside the U.S. Treasury and Federal Reserve Banks. Demand deposits include checking account balances. Other liquid deposits consist of negotiable order of withdrawal and automatic transfer service balances at depository institutions, share draft accounts at credit unions, demand deposits at thrift institutions, and savings deposits, including money market deposit accounts. Due to changes in the Fed's reporting methodology, data for other liquid deposits for Dec. 2019 is derived by subtracting other components from M2 money supply level. Past performance is not indicative of comparable future results.

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Policy rates and stock-bond correlation

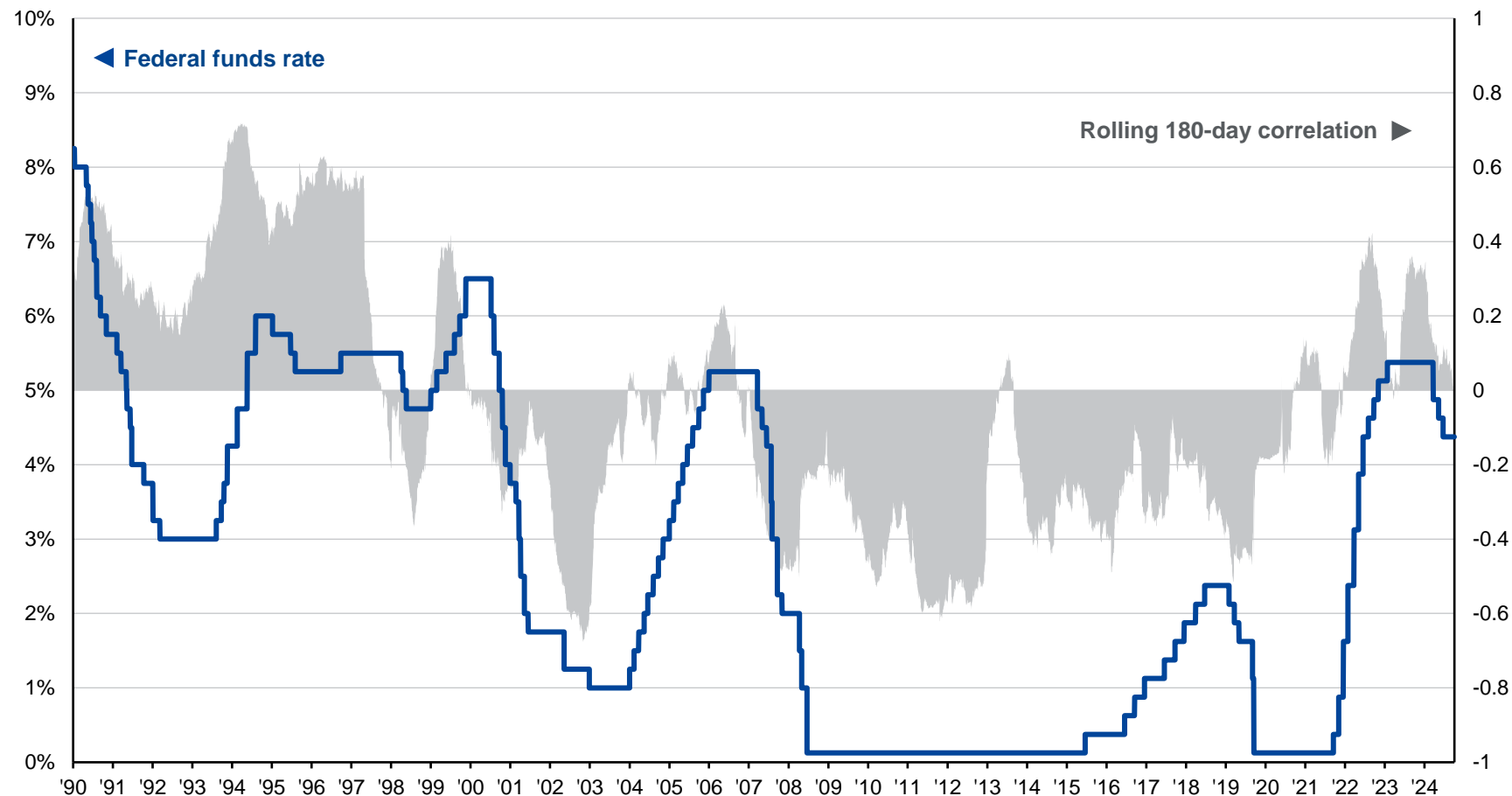
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Stock-bond correlation during previous interest rate cycles

180-day rolling correlation between the S&P 500 and the Bloomberg U.S. Aggregate



Source: Bloomberg, Federal Reserve, Standard & Poor's, J.P. Morgan Asset Management.
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Treasury supply and demand

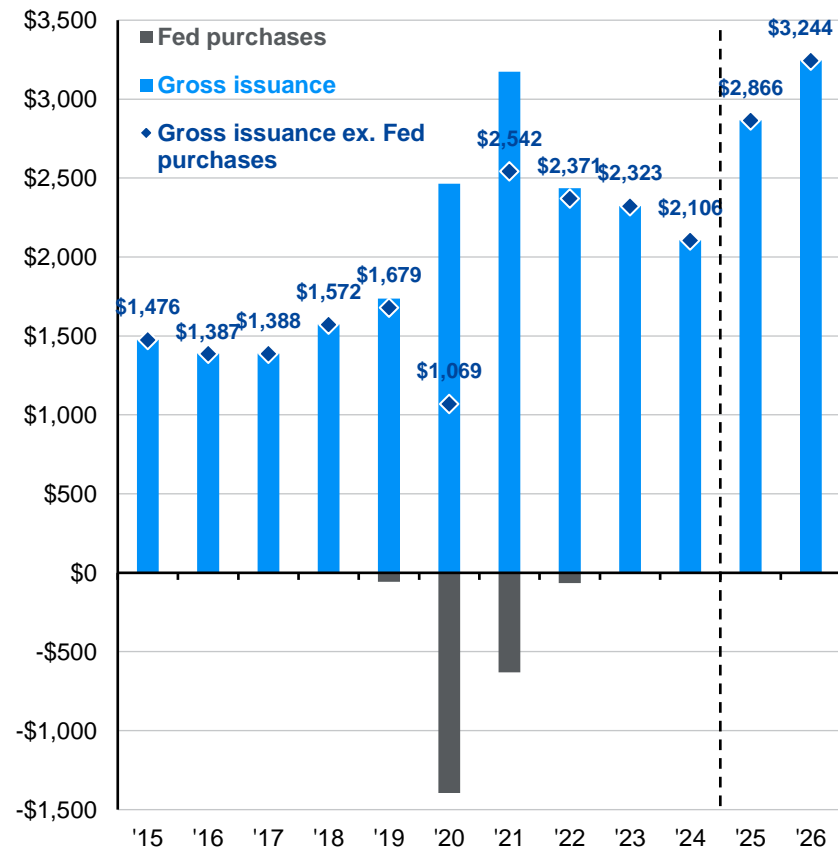
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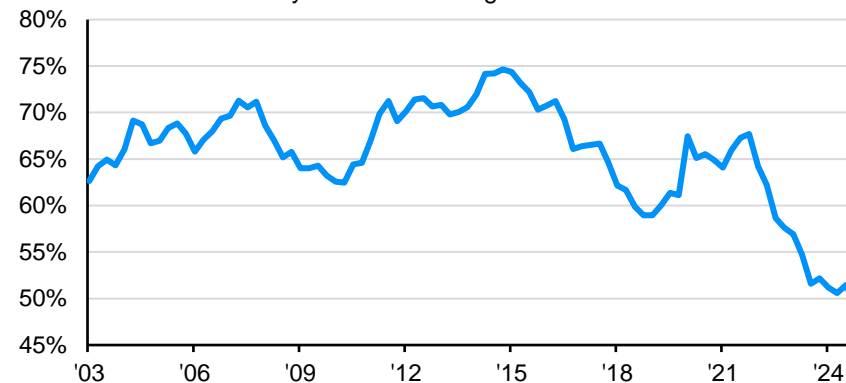
Treasury coupon duration supply gross issuance minus Fed purchases

USD billions, 10-year Treasury equivalents*



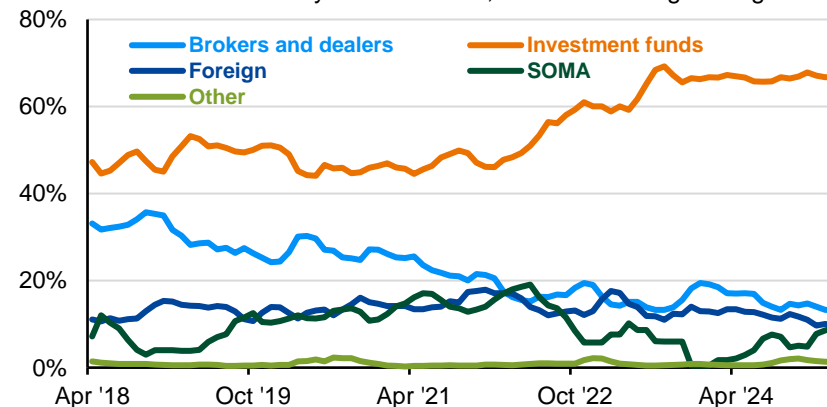
SOMA, U.S. commercial bank and foreign combined share of Treasury debt

% of marketable Treasury debt outstanding



Treasury coupon bond auction allotment

% of total bond allotment by investor class, 3-month moving average



Source: J.P. Morgan, Bloomberg, J.P. Morgan Asset Management; (Left) Federal Reserve Bank of New York; (Top right) Federal Reserve Z.1; (Bottom right) U.S. Department of Treasury. Year-end 2025 and 2026 gross issuance figures are J.P. Morgan Investment Bank forecast. "Other" in auction allotment data includes retirement and pension funds, depository institutions, individuals and other non-specified investors. *Guide to the Markets* – U.S. Data are as of March 31, 2025.

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U.S. yield curve inversion and recessions

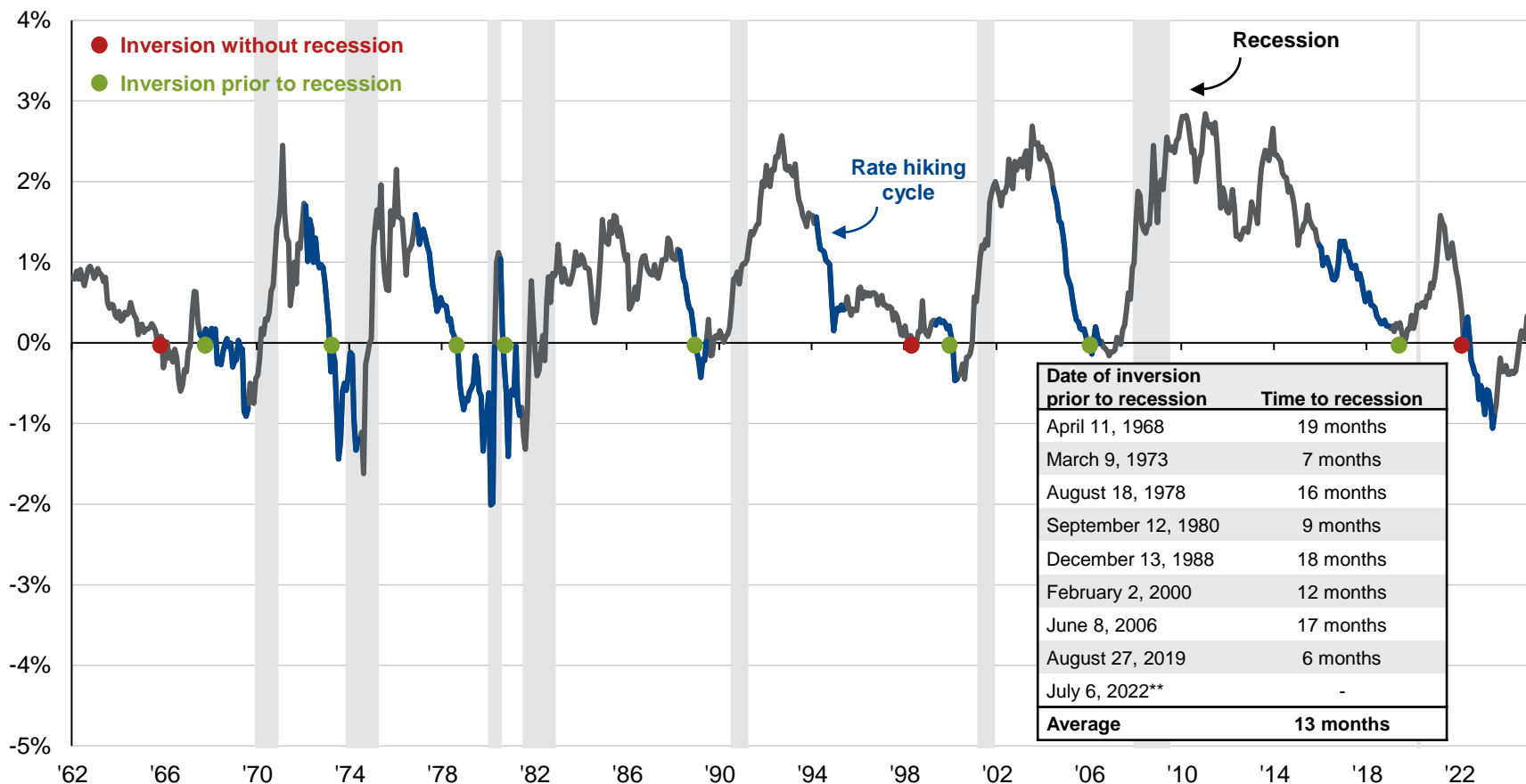
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U.S. yield curve steepness

Difference between 10-year and 2-year U.S. Treasuries*



Source: FactSet, Federal Reserve, J.P. Morgan Asset Management. *From January 1962 to May 1976, short-term bond is U.S. 1-year note, and from June 1976 onwards the short-term bond is the 2-year note due to lack of data availability. Time to recession is calculated as the time between the final sustained inversion of the yield curve prior to recession and the onset of recession. **In September 2024, the yield curve un-inverted after being inverted for 26 consecutive months. This period is not included in the average calculation.
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10-year Treasury yield drivers

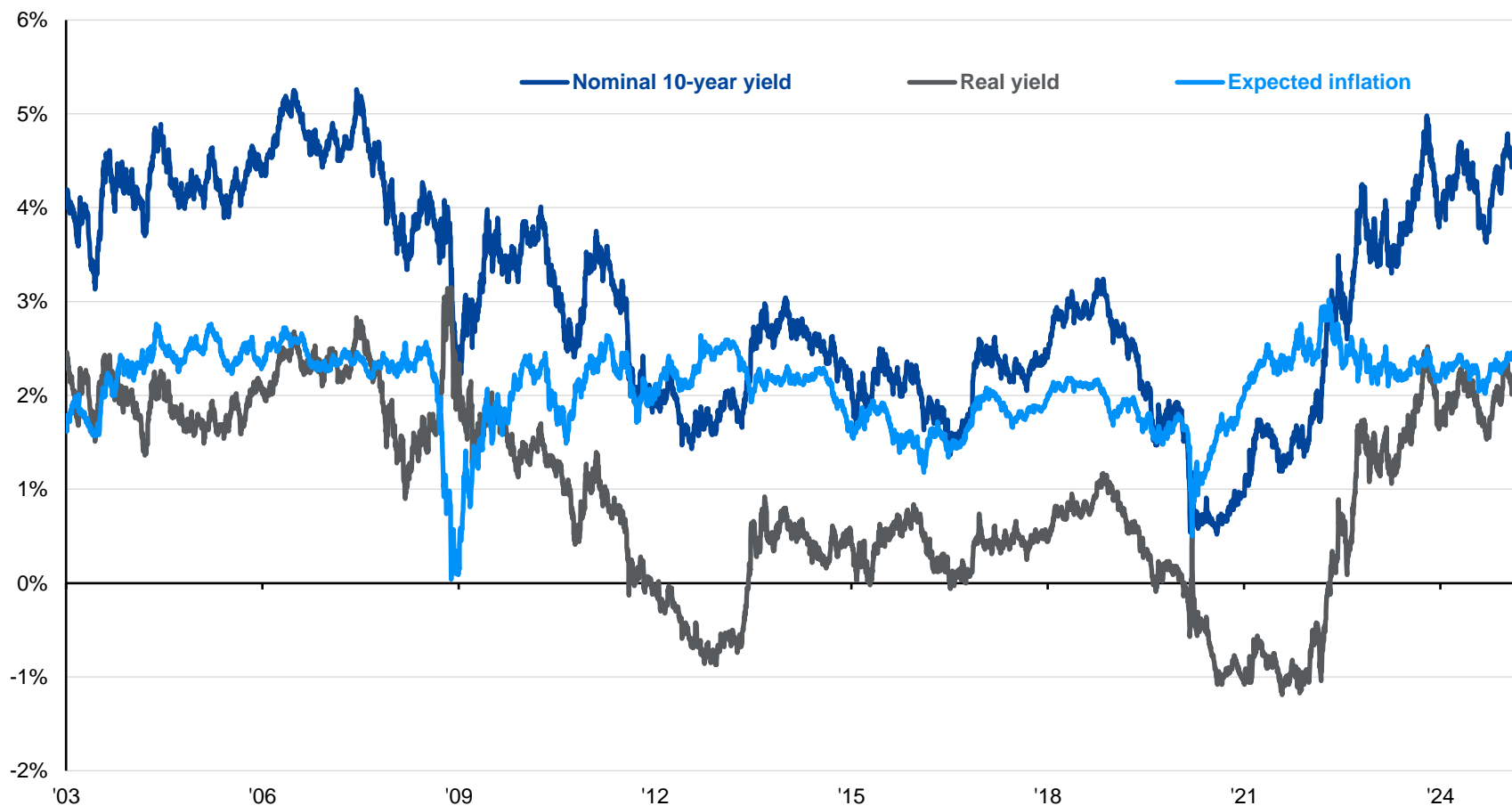
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Fixed Income

10-year Treasury nominal yield, real yield and inflation expectations



Source: BLS, FactSet, Federal Reserve, J.P. Morgan Asset Management.
Expected inflation calculated as the difference between the nominal 10-year Treasury yield and the yield on a 10-year TIPS. The nominal yield can be calculated by taking the sum of the real yield and expected inflation.
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Fixed income and Fed rate cutting cycles

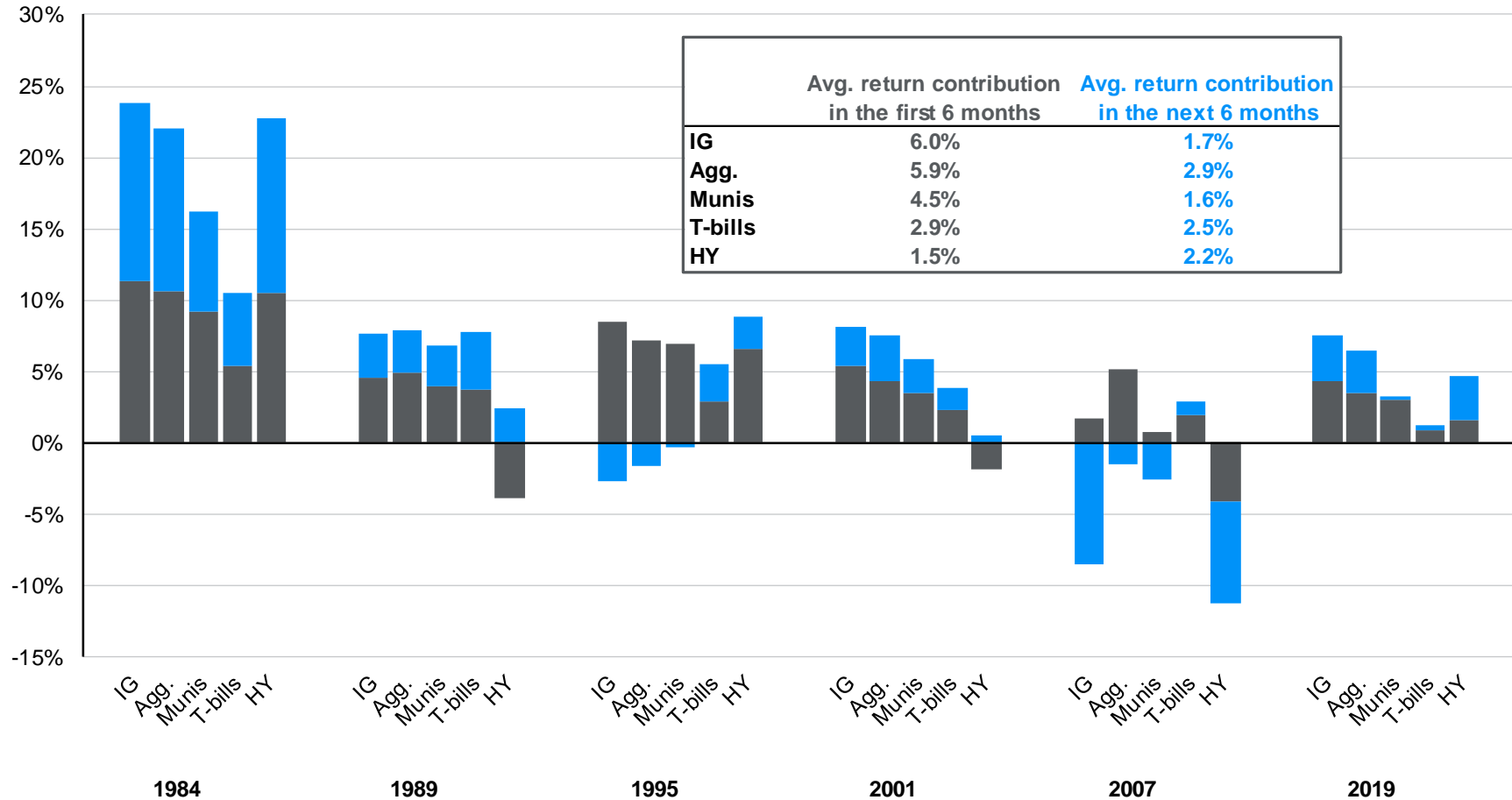
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U.S. fixed income returns following the first Fed rate cut

12-month total returns



Bloomberg, FactSet, J.P. Morgan Asset Management.
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Bond market duration and yield

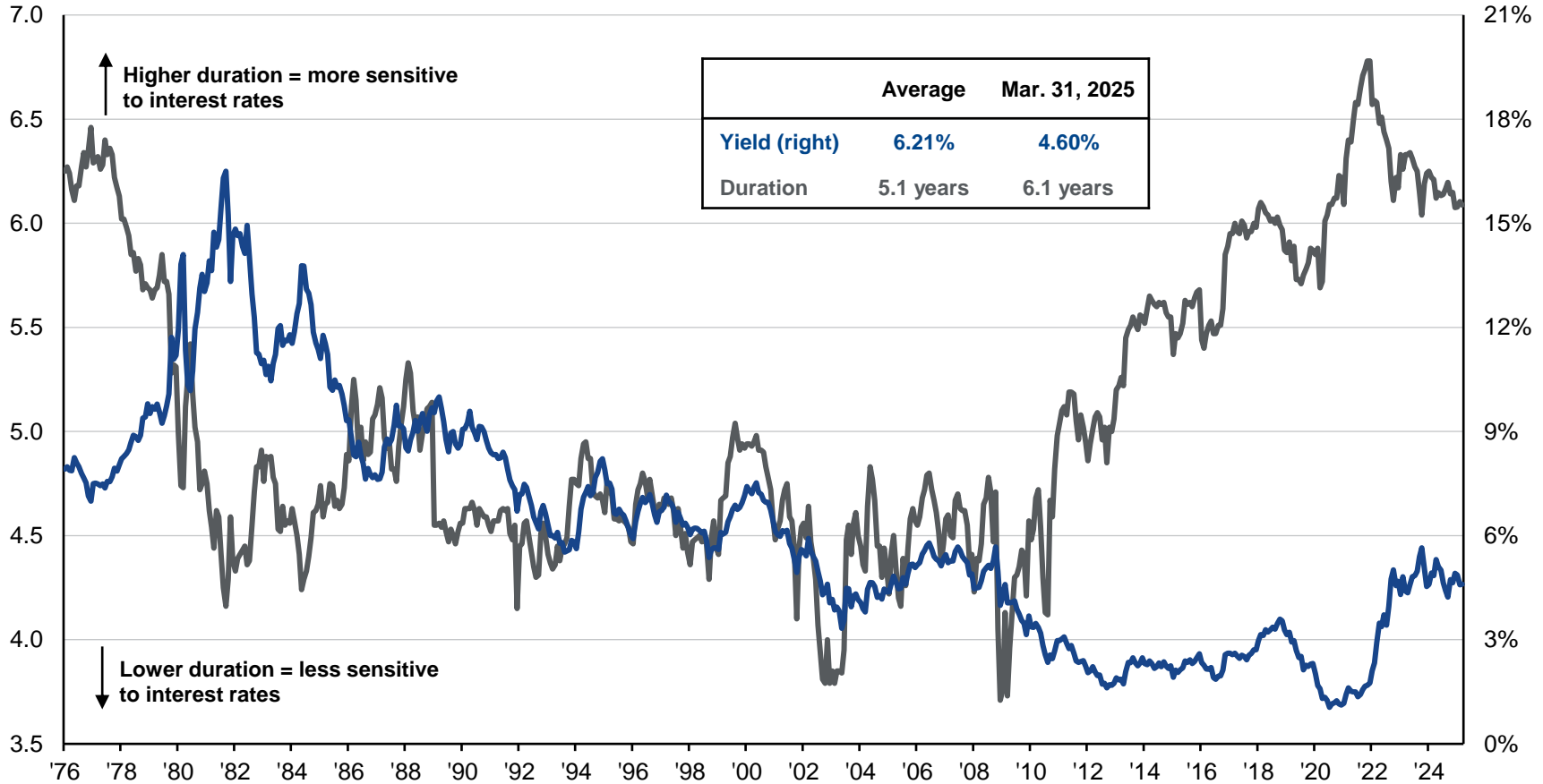
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Duration and yield of the Bloomberg U.S. Aggregate

Years (left) and yield-to-worst (right)



Source: Bloomberg, FactSet, J.P. Morgan Asset Management.

Duration measures the sensitivity of the price of a bond to a change in interest rates. The higher the duration the greater the sensitivity of the bond is to movements in the interest rate. Yield is yield-to-worst. Average yield and duration are from index inception beginning January 1976.

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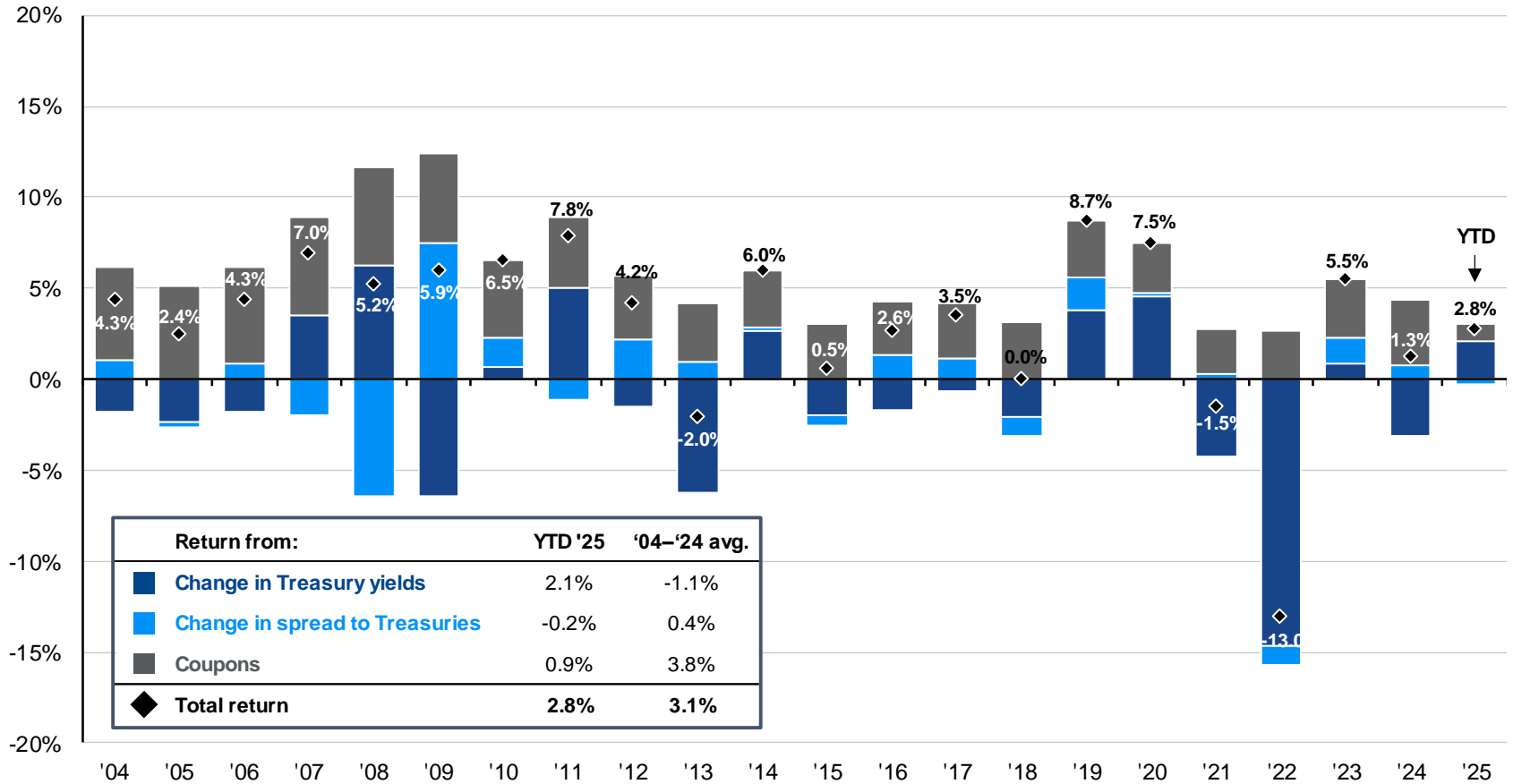


Sources of bond total return

GTM U.S. OTB

Bloomberg U.S. Aggregate annual total return

Total return broken into change in Treasury yields, change in bond spreads over Treasuries and coupon



Source: Bloomberg, FactSet, J.P. Morgan Asset Management.
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Fixed income sector returns

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Fixed Income

																2010-2024	
2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD '25	Ann.	Vol.
EMD LCL.	TIPS	EMD USD	High Yield	Muni	Muni	High Yield	EMD LCL.	ABS	EMD USD	TIPS	TIPS	ABS	High Yield	High Yield	EMD LCL.	High Yield	EMD LCL.
15.7%	13.6%	17.4%	7.4%	9.1%	3.3%	17.1%	15.2%	2.7%	15.0%	11.0%	6.0%	-3.2%	13.4%	8.2%	4.3%	6.4%	11.8%
High Yield	Muni	EMD LCL.	ABS	Corp.	MBS	EMD USD	EMD USD	Muni	Corp.	Corp.	High Yield	Muni	EMD LCL.	ABS	TIPS	EMD USD	EMD USD
15.1%	10.7%	16.8%	-0.3%	7.5%	1.5%	10.2%	10.3%	1.3%	14.5%	9.9%	5.3%	-8.5%	12.7%	6.8%	4.2%	4.6%	9.3%
EMD USD	Treas.	High Yield	MBS	EMD USD	EMD USD	EMD LCL.	High Yield	MBS	High Yield	Treas.	Muni	High Yield	EMD USD	EMD USD	MBS	Corp.	High Yield
12.2%	9.8%	15.8%	-1.4%	7.4%	1.2%	9.9%	7.5%	1.0%	14.3%	8.0%	1.5%	-11.2%	11.1%	6.5%	3.1%	3.8%	7.9%
Corp.	Corp.	Corp.	Corp.	MBS	Treas.	Corp.	Corp.	Treas.	EMD LCL.	Bbg. Agg.	ABS	EMD LCL.	Corp.	Asset Alloc.	Treas.	Muni	Corp.
9.0%	8.1%	9.8%	-1.5%	6.1%	0.8%	6.1%	6.4%	0.9%	13.5%	7.5%	1.1%	-11.7%	8.5%	2.4%	2.9%	3.2%	6.5%
Asset Alloc.	Bbg. Agg.	Asset Alloc.	Asset Alloc.	Bbg. Agg.	Bbg. Agg.	Asset Alloc.	Muni	Bbg. Agg.	Asset Alloc.	High Yield	Asset Alloc.	MBS	Asset Alloc.	Corp.	Bbg. Agg.	Asset Alloc.	Treas.
7.6%	7.8%	7.6%	-1.8%	6.0%	0.5%	4.8%	5.4%	0.0%	9.8%	7.1%	-0.2%	-11.8%	7.4%	2.1%	2.8%	3.1%	5.2%
Bbg. Agg.	Asset Alloc.	TIPS	Bbg. Agg.	Asset Alloc.	ABS	TIPS	Asset Alloc.	Asset Alloc.	Bbg. Agg.	Asset Alloc.	Corp.	TIPS	ABS	TIPS	Corp.	TIPS	TIPS
6.5%	7.7%	7.0%	-2.0%	5.4%	0.2%	4.7%	5.3%	-0.6%	8.7%	6.6%	-1.0%	-11.8%	7.0%	1.8%	2.3%	2.9%	5.1%
TIPS	EMD USD	Muni	Muni	Treas.	Asset Alloc.	Bbg. Agg.	Bbg. Agg.	TIPS	TIPS	EMD USD	MBS	Asset Alloc.	Muni	Bbg. Agg.	EMD USD	ABS	Asset Alloc.
6.3%	7.3%	6.8%	-2.6%	5.1%	-0.4%	2.6%	3.5%	-1.3%	8.4%	5.3%	-1.0%	-12.0%	6.4%	1.3%	2.2%	2.5%	4.8%
Treas.	MBS	Bbg. Agg.	Treas.	TIPS	Corp.	ABS	TIPS	High Yield	Muni	Muni	Bbg. Agg.	Treas.	Bbg. Agg.	MBS	Asset Alloc.	Bbg. Agg.	Bbg. Agg.
5.9%	6.2%	4.2%	-2.7%	3.6%	-0.7%	2.0%	3.0%	-2.1%	7.5%	5.2%	-1.5%	-12.5%	5.5%	1.2%	2.2%	2.4%	4.7%
ABS	ABS	ABS	EMD USD	High Yield	TIPS	MBS	ABS	Corp.	Treas.	MBS	EMD USD	Bbg. Agg.	MBS	Muni	ABS	Treas.	Muni
5.9%	5.1%	3.7%	-5.3%	2.5%	-1.4%	1.7%	3.0%	-2.5%	6.9%	3.9%	-1.8%	-13.0%	5.0%	1.1%	1.7%	1.8%	4.6%
MBS	High Yield	MBS	TIPS	ABS	High Yield	Treas.	MBS	EMD USD	MBS	ABS	Treas.	Corp.	Treas.	Treas.	High Yield	MBS	MBS
5.4%	5.0%	2.6%	-8.6%	1.7%	-4.5%	1.0%	2.5%	-4.3%	6.4%	3.4%	-2.3%	-15.8%	4.1%	0.6%	1.0%	1.8%	4.2%
Muni	EMD LCL.	Treas.	EMD LCL.	EMD LCL.	EMD LCL.	Muni	Treas.	EMD LCL.	ABS	EMD LCL.	EMD LCL.	EMD USD	TIPS	EMD LCL.	Muni	EMD LCL.	ABS
2.4%	-1.8%	2.0%	-9.0%	-5.7%	-14.9%	0.2%	2.3%	-6.2%	3.8%	2.7%	-8.7%	-17.8%	3.9%	-2.4%	-0.2%	1.2%	2.3%

Source: Bloomberg, FactSet, J.P. Morgan Global Economic Research, J.P. Morgan Asset Management.

Past performance is not indicative of future returns. Fixed income sectors shown above are provided by Bloomberg unless otherwise noted and are represented by Broad Market: U.S. Aggregate Index; MBS: US Aggregate Securitized - MBS Index; ABS: J.P. Morgan ABS Index; Corporate: U.S. Aggregate Credit - Corporates - Investment Grade; Municipals: Municipal Bond Index; High Yield: U.S. Aggregate Credit - Corporate - High Yield Index; Treasuries: Global U.S. Treasury; TIPS: U.S. Treasury Inflation-Protected Notes Index; Emerging Debt USD: J.P. Morgan EMBIG Diversified Index; Emerging Debt LCL: J.P. Morgan EM Global Index. ABS returns prior to June 2012 are sourced from Bloomberg. The "Asset Allocation" portfolio assumes the following weights: 20% in MBS, 5% in ABS, 20% in Corporate, 15% in Municipals, 5% in Emerging Debt USD, 5% in Emerging Debt LCL, 10% in High Yield, 15% in Treasuries, 5% in TIPS. Asset allocation portfolio assumes annual rebalancing.

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U.S. and international equities at inflection points

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MSCI All Country World ex-U.S.A. and S&P 500 Indices

Jan. 1997 = 100, U.S. dollar, price return



Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management.

Forward price-to-earnings ratio is a bottom-up calculation based on the most recent index price, divided by consensus estimates for earnings in the next 12 months (NTM), and is provided by FactSet Market Aggregates. Returns are cumulative and based on price movement only, and do not include the reinvestment of dividends. Dividend yield is calculated as consensus estimates of dividends for the next 12 months, divided by most recent price, as provided by FactSet Market Aggregates. Past performance is not a reliable indicator of current and future results.

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Global Value and Growth returns

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International

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD '25	2010-2024	
																	Ann.	Vol.
EM Growth	19.6%	U.S. Growth 2.6%	EM Growth 20.9%	U.S. Growth 33.5%	U.S. Value 13.5%	U.S. Growth 5.7%	U.S. Value 17.3%	EM Growth 47.1%	U.S. Growth -1.5%	U.S. Growth 36.4%	U.S. Growth 38.5%	U.S. Growth 27.6%	DM ex-U.S. Value -4.9%	U.S. Growth 42.7%	U.S. Growth 33.4%	DM ex-U.S. Value 11.8%	U.S. Growth 16.4%	U.S. Growth 17.1%
EM Value	18.8%	U.S. Value 0.4%	DM ex-U.S. Value 18.4%	U.S. Value 32.5%	U.S. Growth 13.0%	DM ex-U.S. Growth 4.5%	EM Value 15.5%	U.S. Growth 30.2%	U.S. Value -8.3%	DM ex-U.S. Growth 28.4%	EM Growth 31.6%	U.S. Value 25.2%	U.S. Value -7.5%	DM ex-U.S. Value 19.8%	U.S. Value 14.4%	EM Value 4.4%	U.S. Value 10.7%	U.S. Value 15.5%
U.S. Growth	16.7%	DM ex-U.S. Value -11.6%	U.S. Value 17.5%	DM ex-U.S. Value 23.6%	EM Growth -0.1%	U.S. Value -3.8%	EM Growth 7.9%	DM ex-U.S. Growth 29.3%	EM Value -10.3%	U.S. Value 26.5%	DM ex-U.S. Growth 18.7%	DM ex-U.S. Growth 11.6%	EM Value -15.3%	DM ex-U.S. Growth 18.0%	EM Growth 10.5%	DM ex-U.S. Growth 2.2%	DM ex-U.S. Growth 6.3%	EM Growth 14.6%
U.S. Value	15.5%	DM ex-U.S. Growth -11.8%	DM ex-U.S. Growth 17.3%	DM ex-U.S. Growth 22.9%	EM Value -3.6%	DM ex-U.S. Value -5.2%	U.S. Growth 7.1%	EM Value 28.7%	DM ex-U.S. Growth -12.5%	EM Growth 25.4%	EM Value 6.0%	DM ex-U.S. Value 11.6%	DM ex-U.S. Growth -22.7%	EM Value 14.9%	DM ex-U.S. Value 6.4%	U.S. Value 2.1%	DM ex-U.S. Value 5.0%	DM ex-U.S. Value 14.1%
DM ex-U.S. Growth	12.6%	EM Value -17.6%	EM Value 16.4%	EM Growth 0.1%	DM ex-U.S. Growth -4.1%	EM Growth -11.1%	DM ex-U.S. Value 5.7%	DM ex-U.S. Value 22.1%	DM ex-U.S. Value -14.3%	DM ex-U.S. Value 16.8%	U.S. Value 2.8%	EM Value 4.5%	EM Growth -23.7%	U.S. Value 11.5%	EM Value 5.4%	EM Growth 1.7%	EM Growth 4.1%	DM ex-U.S. Growth 13.6%
DM ex-U.S. Value	3.8%	EM Growth -18.8%	U.S. Growth 15.3%	EM Value -4.7%	DM ex-U.S. Value -4.9%	EM Value -18.2%	DM ex-U.S. Growth -2.7%	U.S. Value 13.7%	EM Growth -18.0%	EM Value 12.5%	DM ex-U.S. Value -2.1%	EM Growth -8.2%	U.S. Growth -29.1%	EM Growth 6.1%	DM ex-U.S. Growth 2.4%	U.S. Growth -10.0%	EM Value 2.6%	EM Value 13.6%

Source: MSCI, Russell, J.P. Morgan Asset Management. U.S. Value: Russell 1000 Value Index, U.S. Growth: Russell 1000 Growth Index. DM ex-U.S. Value: MSCI EAFE Value Index. DM ex-U.S. Growth: MSCI EAFE Growth Index. EM Value: MSCI EM (Emerging Markets) Value Index. EM Growth: MSCI EM (Emerging Markets) Growth Index. All returns shown are total returns in USD. Annualized volatility is calculated as the standard deviation of quarterly returns multiplied by the square root of 4. Past performance is not a reliable indicator of current and future results.

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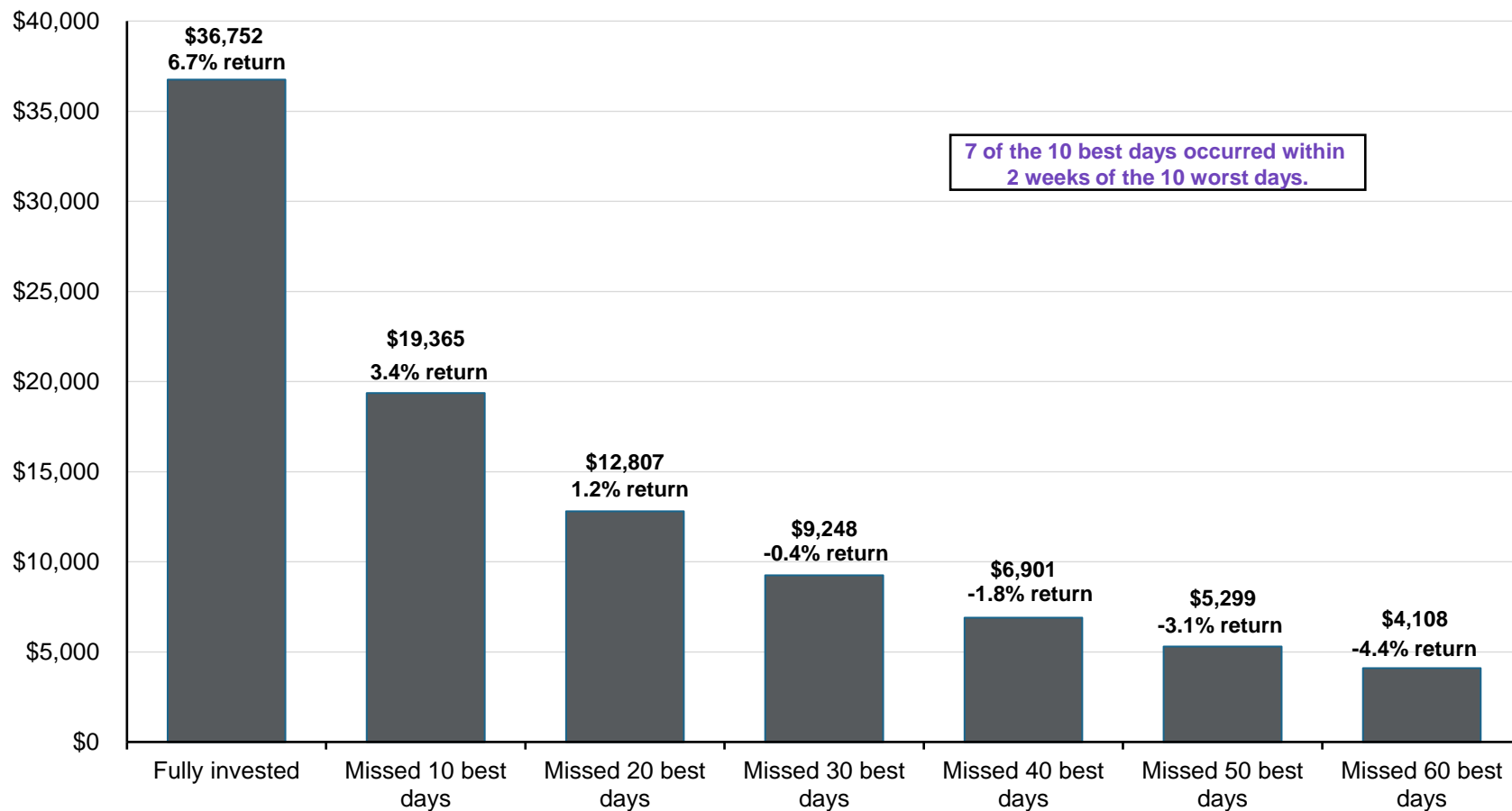
MSCI ACWI ex-U.S. market timing

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Performance of \$10,000 in MSCI ACWI ex U.S. between January 1, 2005, and December 31, 2024, USD



Source: FactSet, MSCI, J.P. Morgan Asset Management. Returns shown are annualized returns for the invested period.
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International: Value vs. Growth

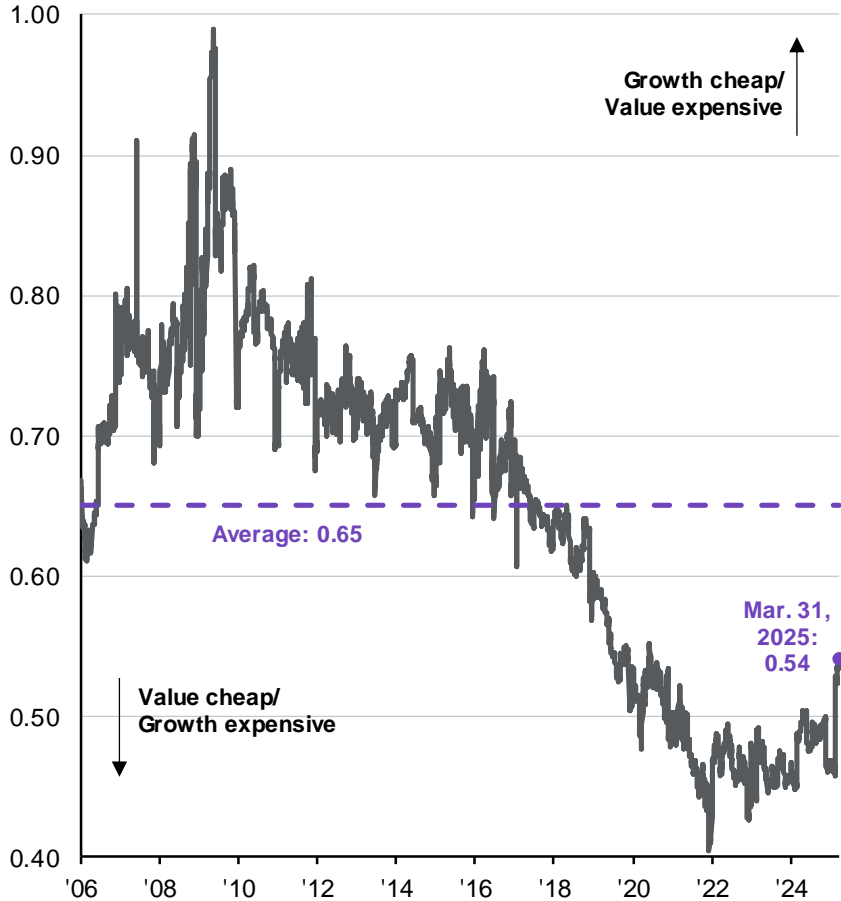
GTM

U.S.

OTB

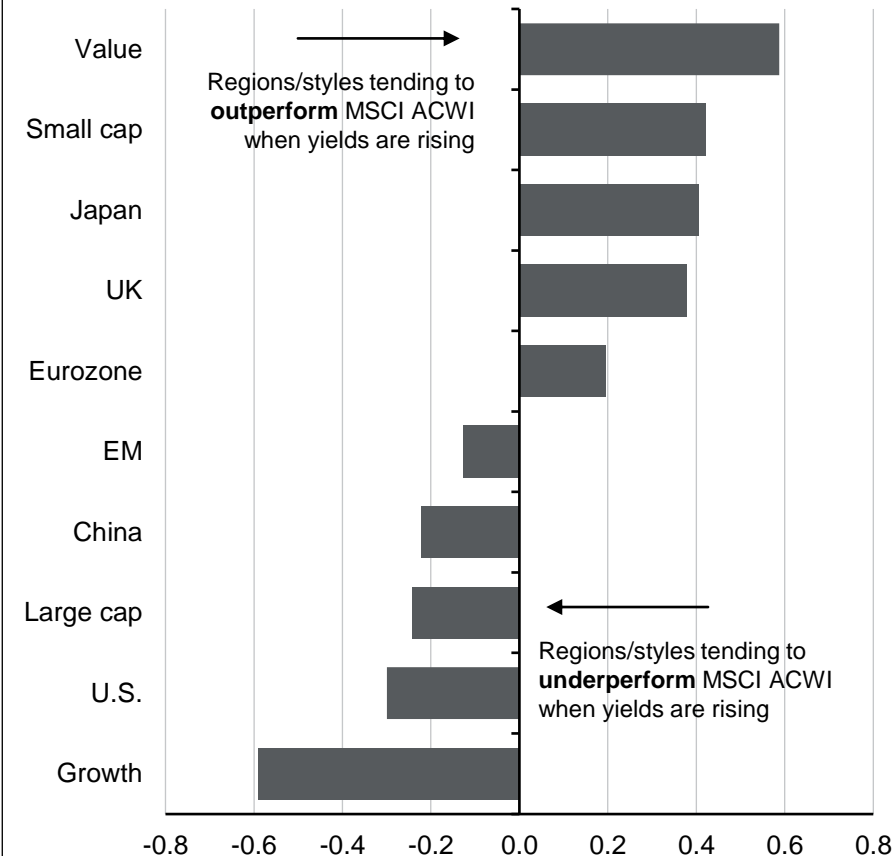
International Value vs. Growth relative valuations

Relative forward P/E ratio of International Value vs. Growth



Correlation of regions and styles to U.S. 10Y

10-year correlation of rel. performance with U.S. 10Y Treasury yield



Source: Bloomberg, FactSet, MSCI, J.P. Morgan Asset Management.

(Left) Growth is represented by the MSCI ACWI ex-U.S. Growth Index and Value is represented by the MSCI ACWI ex-U.S. Value Index. (Right) All indices used are MSCI. Value and Growth as well as size indices used are for the MSCI All-Country World universe. Correlations are calculated using USD returns on a monthly basis over the last 120 months. Correlation of regions and styles is calculated between the six-month change in U.S. 10-year Treasury yields and the six-month relative performance of each region and style to MSCI All-Country World Index. Past performance is not a reliable indicator of current and future results.

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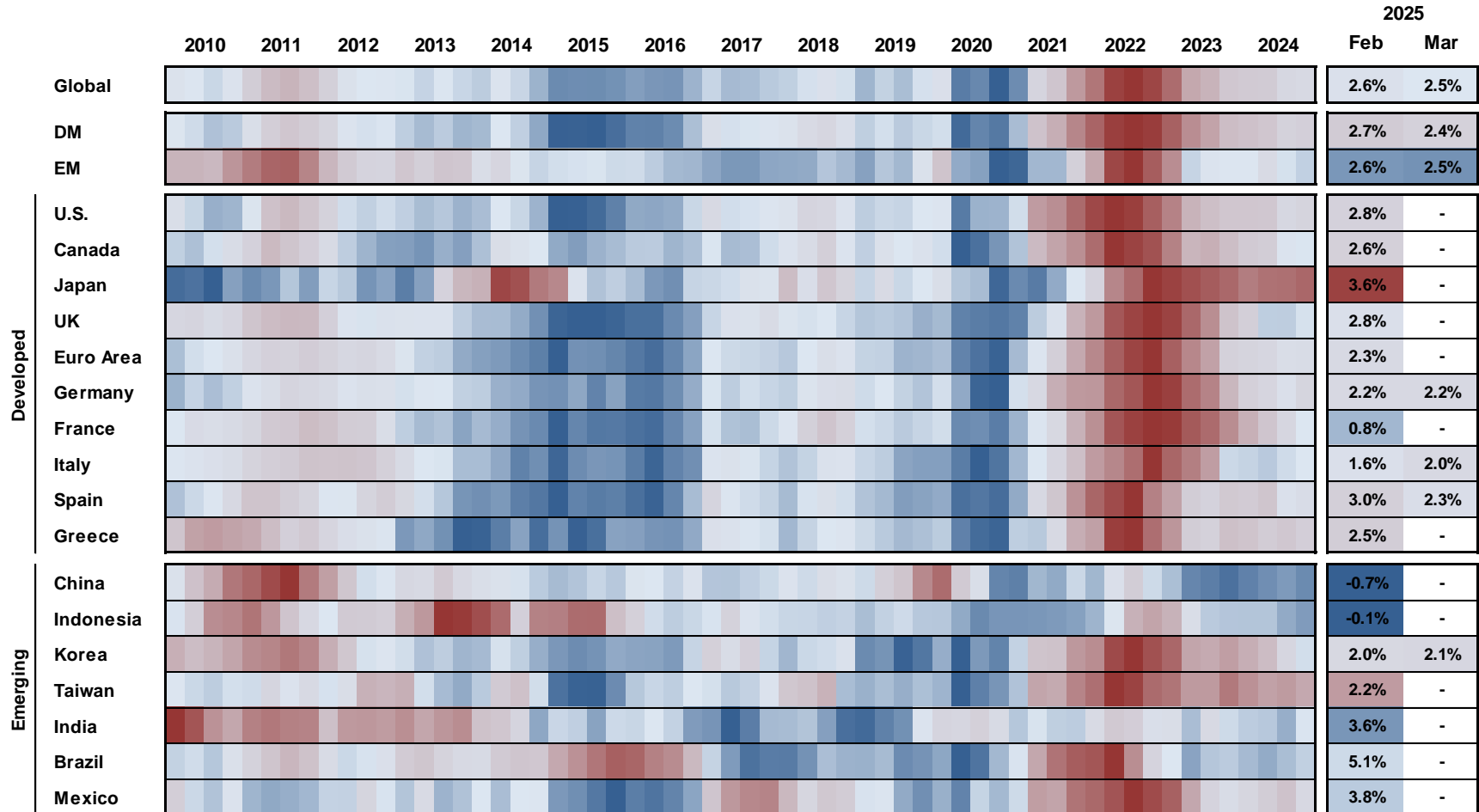
Global inflation

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Year-over-year headline inflation by country and region, quarterly



Source: Bank of Mexico, Central Bank of Brazil, DGBAS, Eurostat, FactSet, Federal Reserve, IBGE, India Ministry of Statistics & Programme Implementation, Japan Ministry of Internal Affairs & Communications, J.P. Morgan Economic Research, Korean National Statistical Office, National Bureau of Statistics China, Statistics Canada, Statistics Indonesia, UK Office for National Statistics (ONS), J.P. Morgan Asset Management. Heatmap is based on quarterly averages, with the exception of the two most recent figures, which are single month readings. Colors determined by percentiles of inflation values over the time period shown. Deep blue = lowest value, light blue = median, deep red = highest value. DM and EM represent developed markets and emerging markets, respectively.

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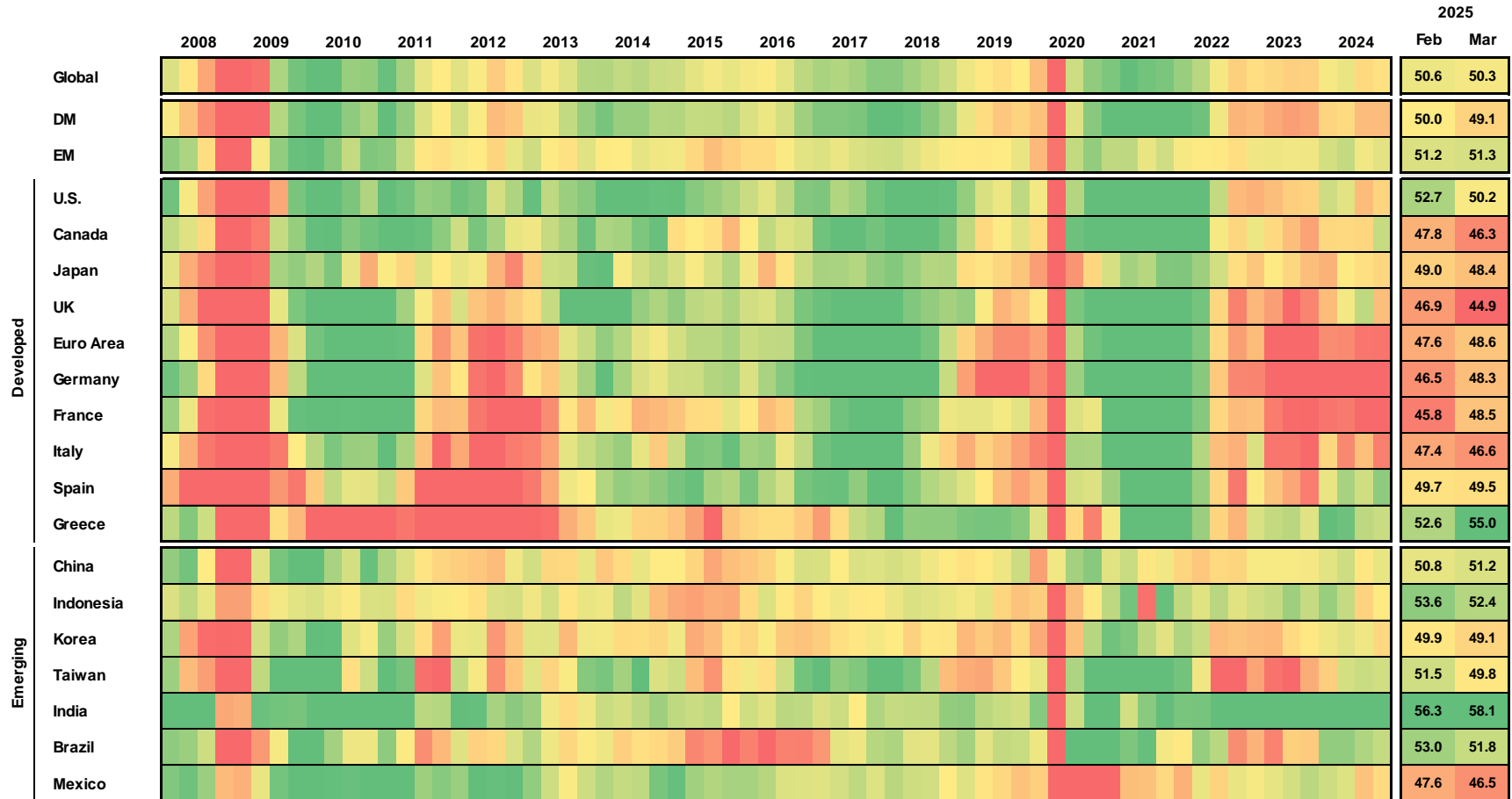
Manufacturing momentum

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Global Purchasing Managers' Index for manufacturing, quarterly



Source: Markit, J.P. Morgan Asset Management.

Heatmap colors are based on PMI relative to the 50 level, which indicates acceleration or deceleration of the sector, for the time period shown. Heat map is based on quarterly averages, with the exception of the two most recent figures, which are single month readings. Data for Canada, Indonesia and Mexico are back-tested and filled in from December 2007 to November 2010 for Canada and May 2011 for Indonesia and Mexico due to lack of existing PMI figures for these countries. DM and EM represent developed markets and emerging markets, respectively.

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Global supply chains and inflation

GTM

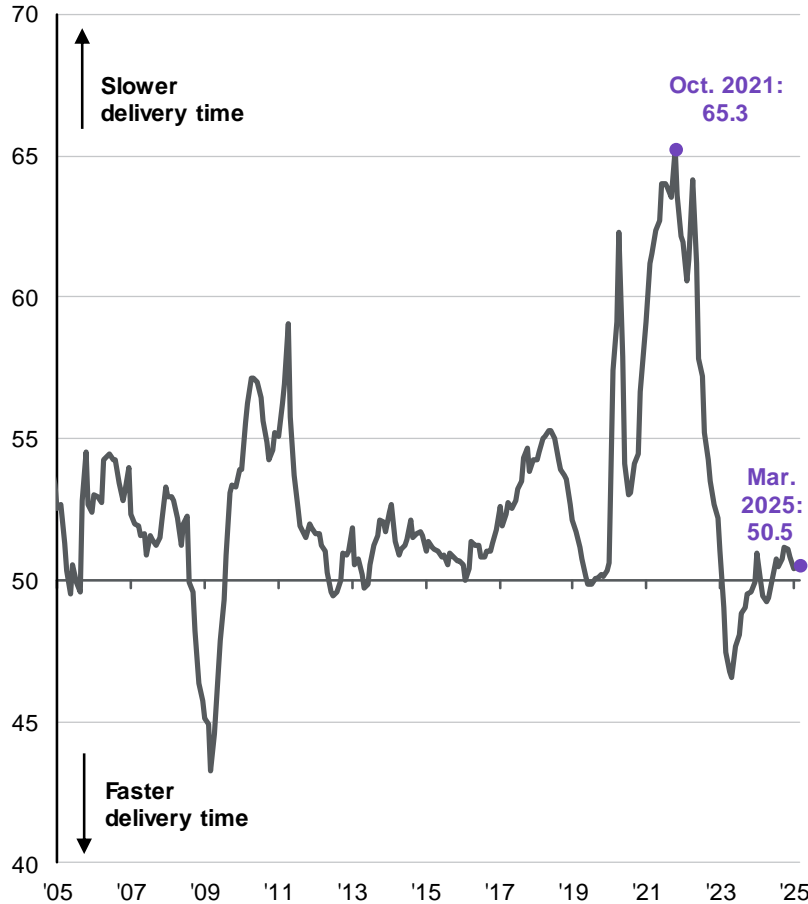
U.S.

OTB

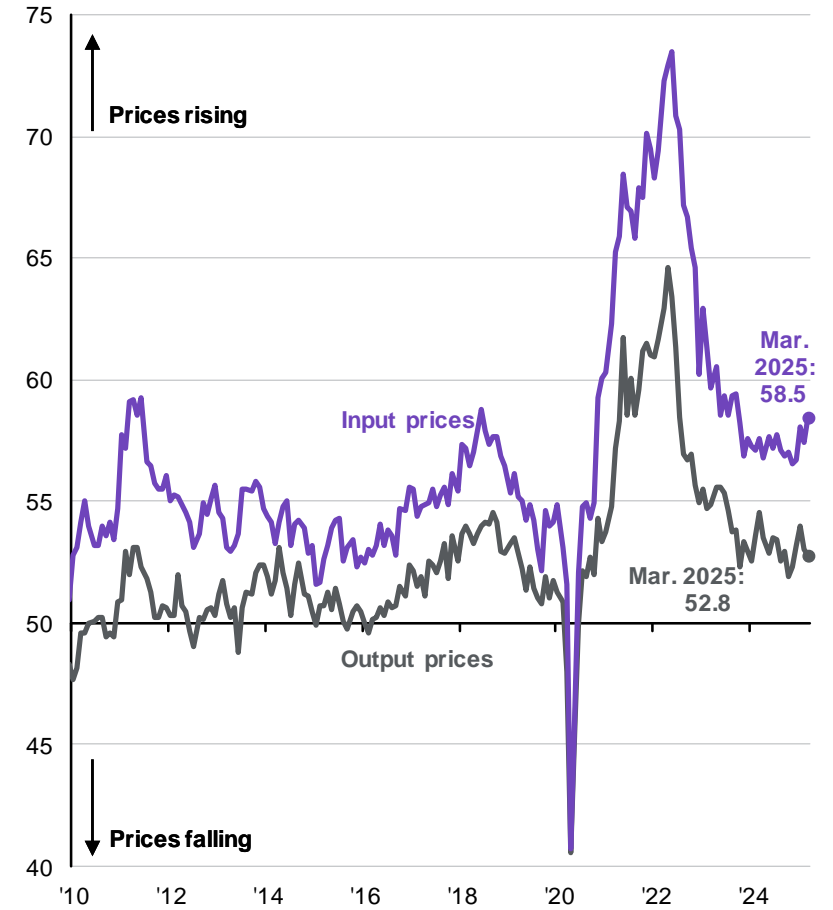
International

Global PMI suppliers' delivery times index*

Figure shown is 100 - Global PMI suppliers' delivery times index



Global PMI input and output prices**



Source: Standard & Poor's, J.P. Morgan Asset Management.

*Participants in Standard & Poor's PMI business surveys, conducted in 44 countries, are asked: "Are your suppliers' delivery times slower, faster or unchanged on average than one month ago?". Index includes the manufacturing and construction sectors. PMI score reflected above is 100 - PMI report by Standard & Poor's. A reading of 50 = no change, <50 = faster delivery time, >50 = slower delivery time. **Participants are asked: "Are input/output prices the same, higher or lower?". Values shown reflect the composite index, which includes both manufacturing and services. A reading of 50 = no change, >50 = price increase, <50 = price decrease.

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Cycles of U.S. equity outperformance

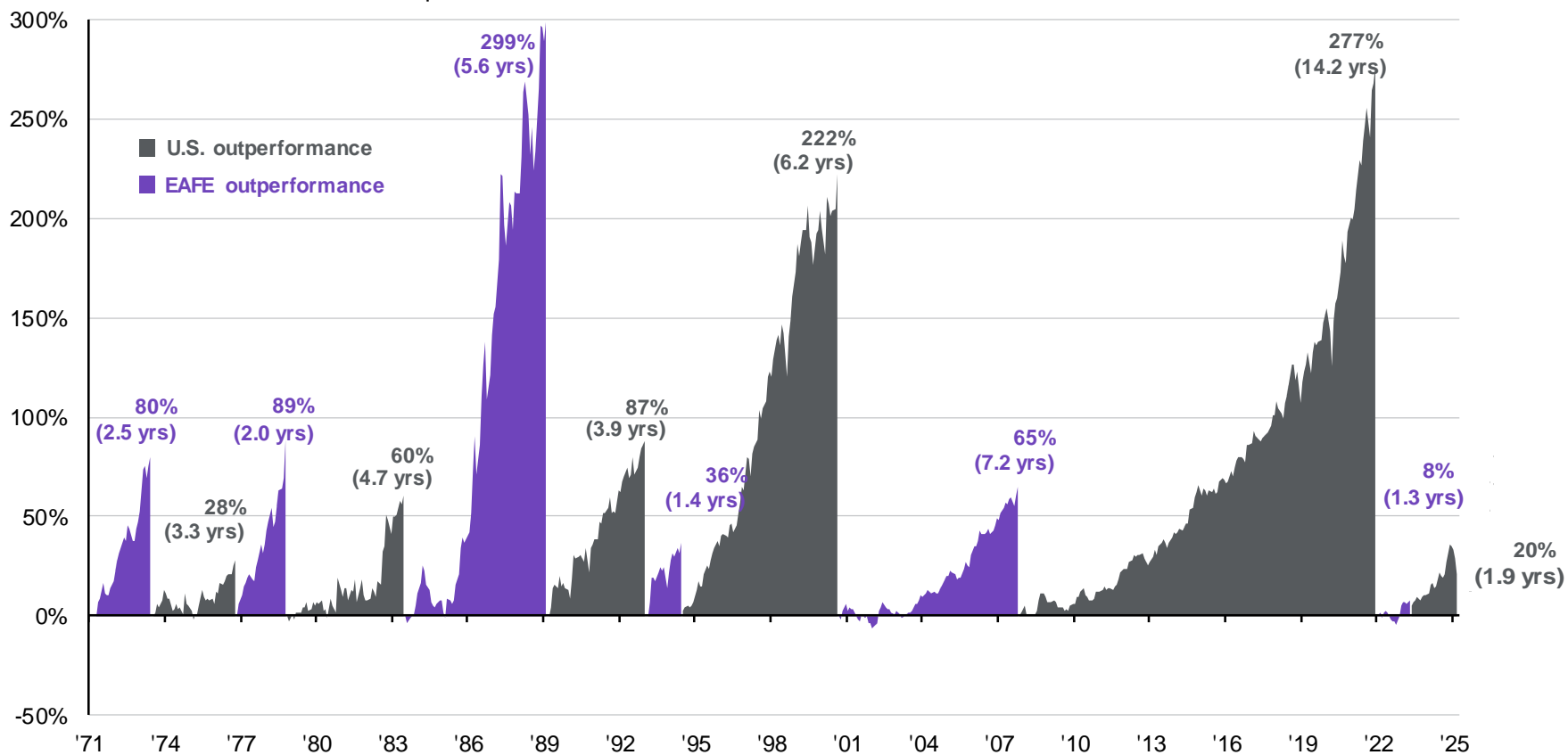
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MSCI EAFE and MSCI USA relative performance

U.S. dollar, total return, cumulative outperformance



Source: FactSet, MSCI, J.P. Morgan Asset Management.

Regime change determined when cumulative outperformance peaks and is not reached again in the subsequent 12-month period.

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U.S. dollar cycles

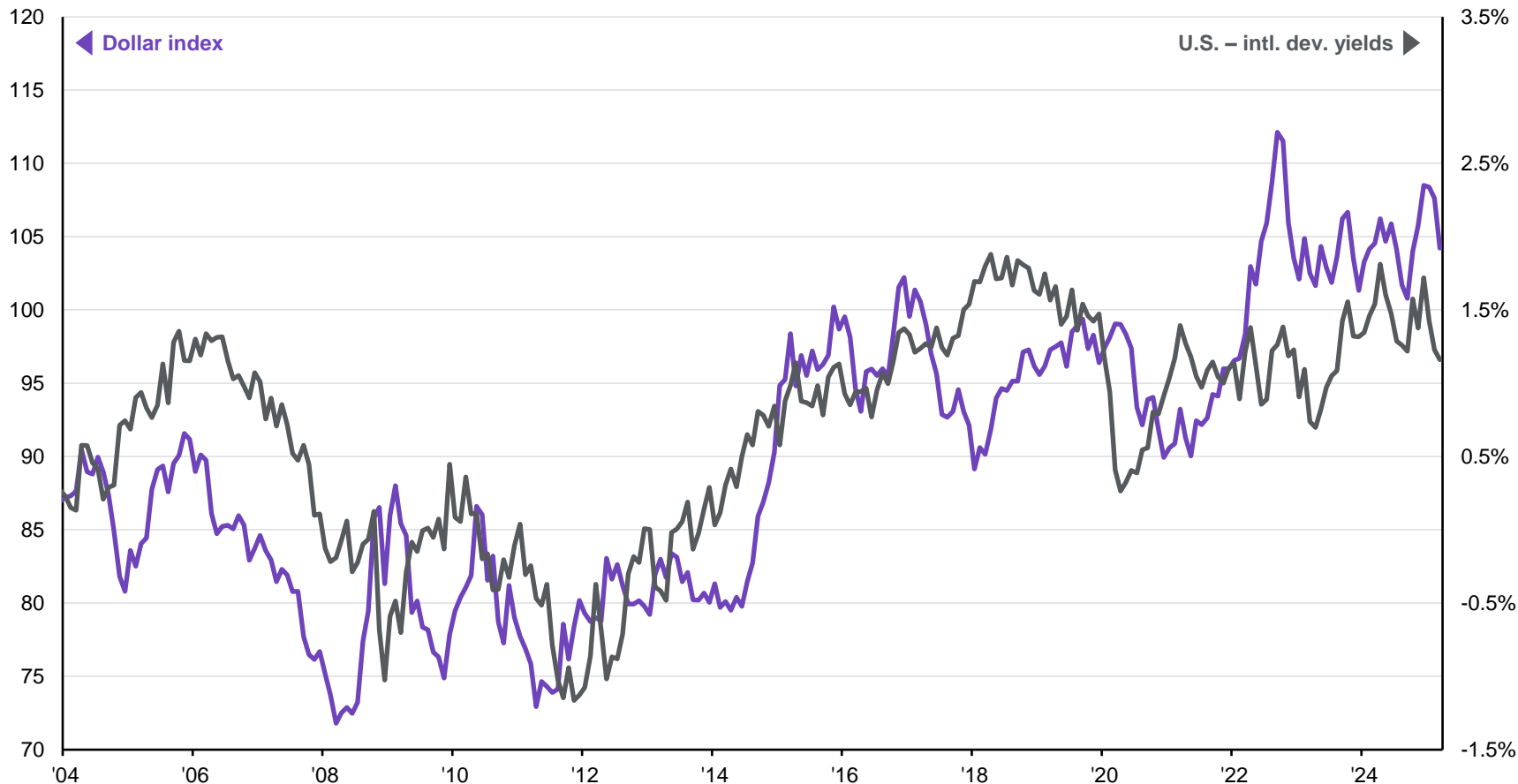
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U.S. dollar and interest rate differentials

Monthly



Source: Bank of Canada, Bank of England, ECB – European Central Bank, FactSet, Federal Reserve Economic Data (FRED), Ministry of Finance of Japan, Riksbank – Central Bank of Sweden. J.P. Morgan Asset Management. The dollar index (DXY Index) is a nominal trade-weighted index of major trading partners' currencies. The currencies of the U.S.'s major trading partners include the British pound, Canadian dollar, euro, Japanese yen, Swedish krona and Swiss franc. The international developed aggregate yield is calculated using the following weights (DXY index weightings): Eurozone – 57.6%, Japan – 13.6%, UK – 11.9%, Canada – 9.1%, Sweden – 4.2%, and Switzerland – 3.6%. Past performance is not a reliable indicator of current and future results.

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Eurozone valuations and dividend yields vs. U.S.

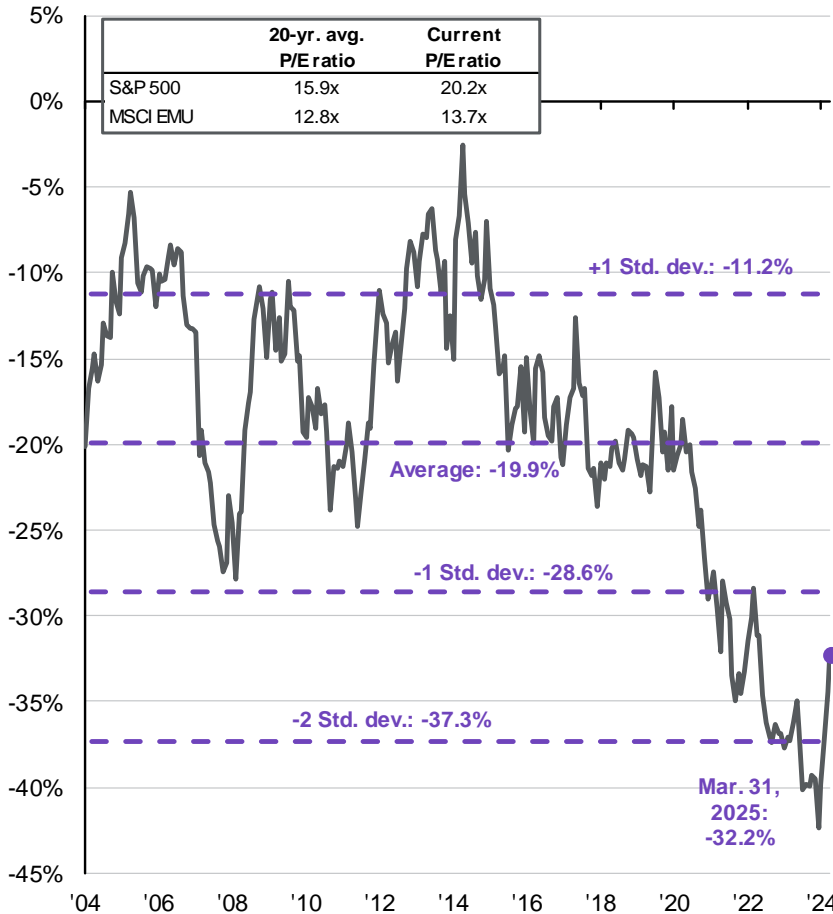
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Eurozone: Price-to-earnings discount vs. U.S.

MSCI EMU vs. S&P 500, next 12 months



Eurozone: Difference in dividend yields vs. U.S.

MSCI EMU minus S&P 500, next 12 months



Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management.
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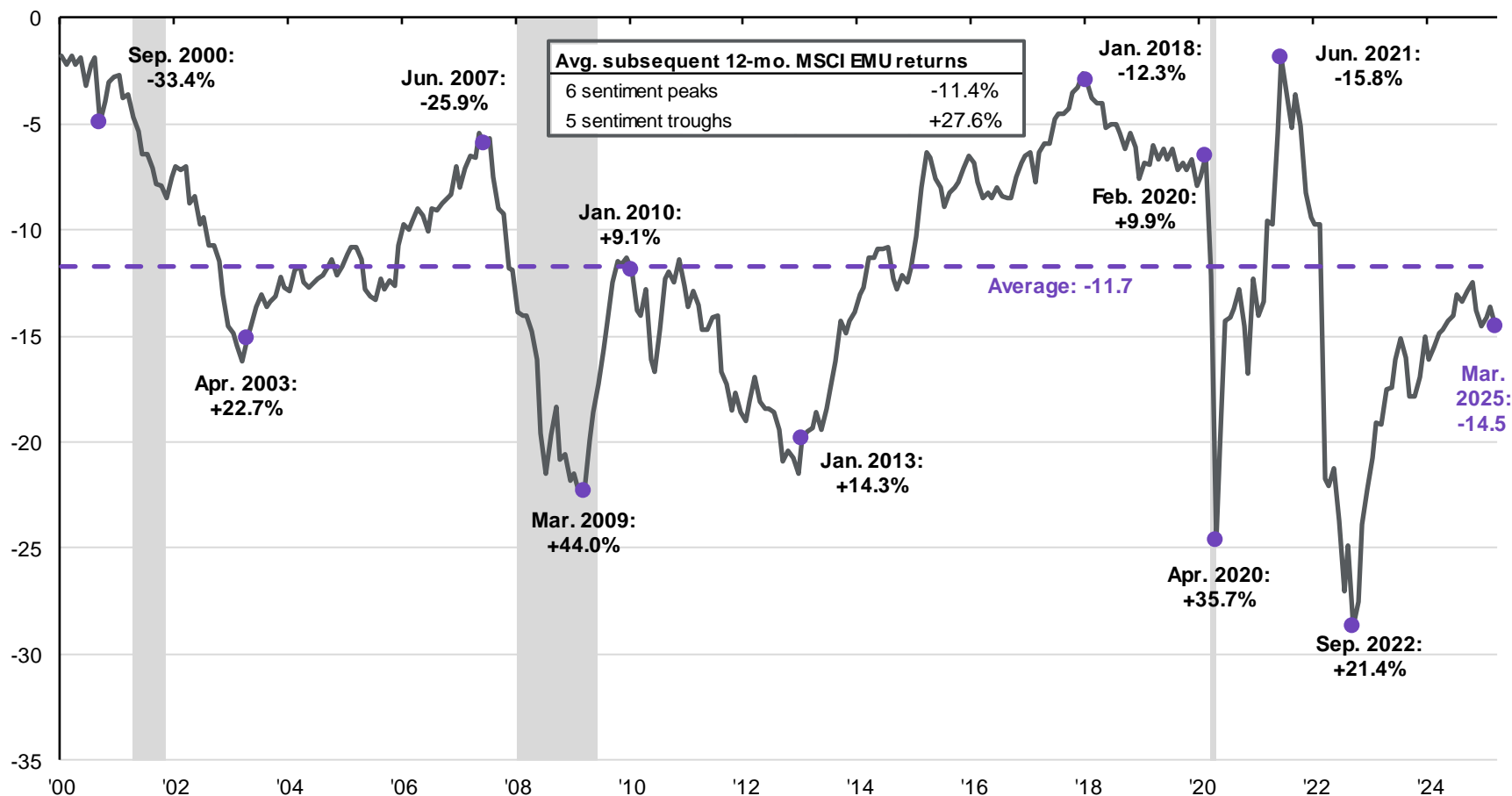
Eurozone consumer confidence and the stock market

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European Commission Consumer Confidence Index and subsequent 12-month MSCI EMU return (LCL)



Source: European Commission, FactSet, MSCI, J.P. Morgan Asset Management.

Peak is defined as the highest index value before a series of lower lows, while a trough is defined as the lowest index value before a series of higher highs. Subsequent 12-month MSCI EMU returns are price returns only in local currency, which excludes dividends. Past performance is not a reliable indicator of current and future results.

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The emergence of the EM middle class

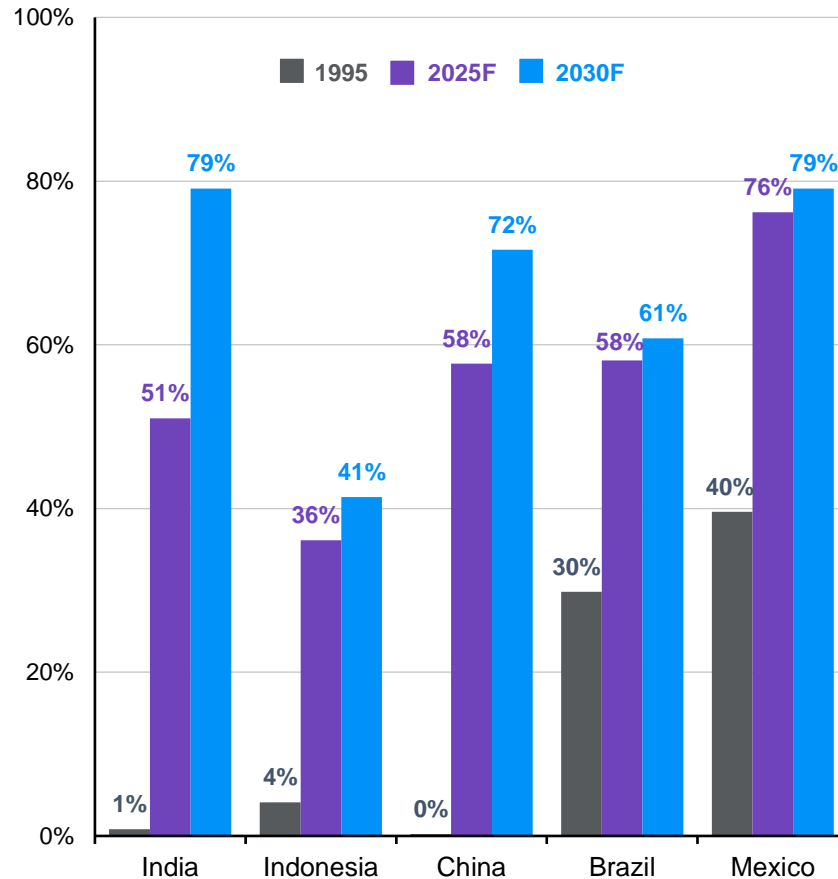
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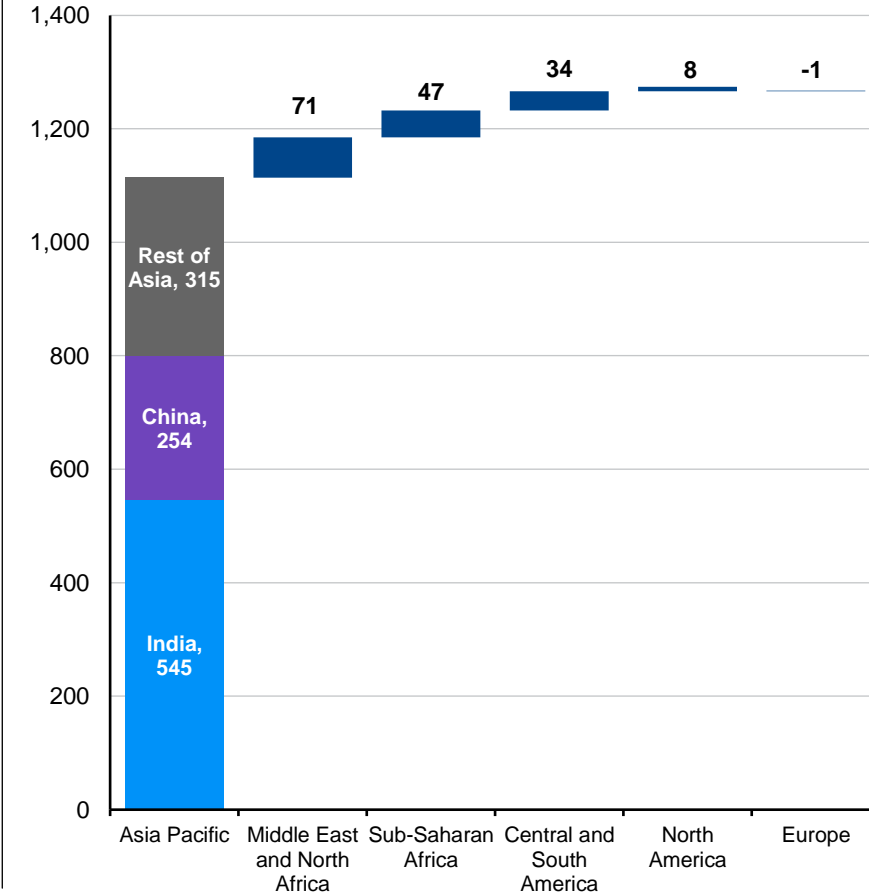
Growth of the middle class

Percent of total population



Regional contribution to middle class growth: 2024 to 2030

Millions of people



Source: Brookings Institution, J.P. Morgan Asset Management. Estimates for regional contribution are from Kharas, Homi. The Unprecedented Expansion of the Global Middle Class, An Update. Brookings Institution, 2017. Middle class is defined as households with per capita incomes between USD 11 and USD 110 per person per day in 2011 PPP terms. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated. *Guide to the Markets – U.S.* Data are as of March 31, 2025.

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Global trade patterns

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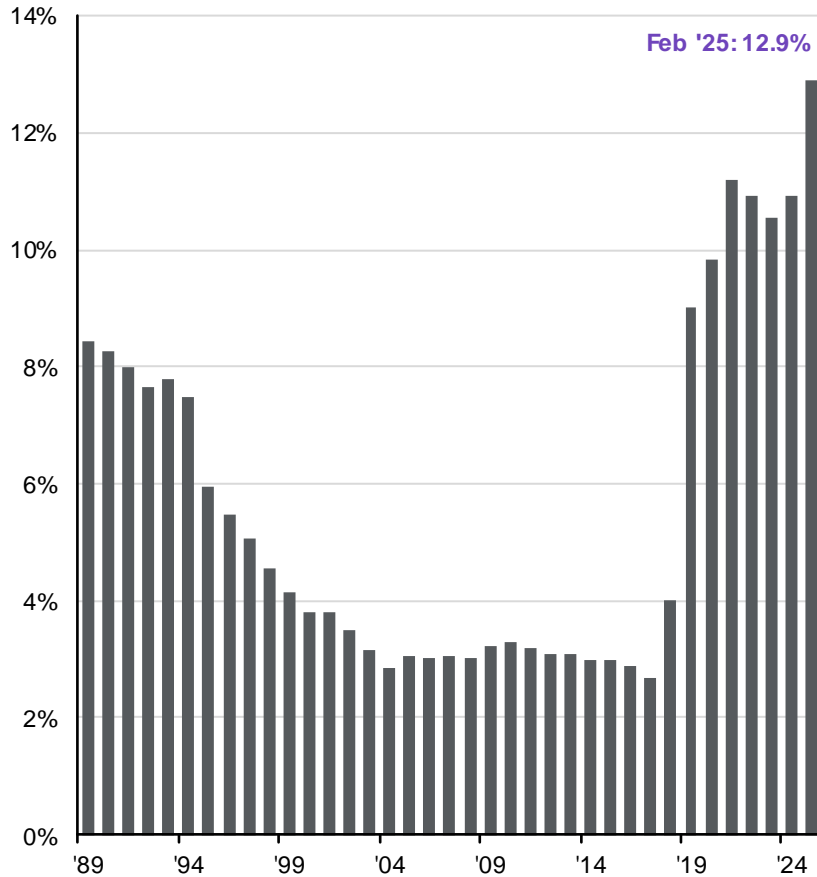
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International

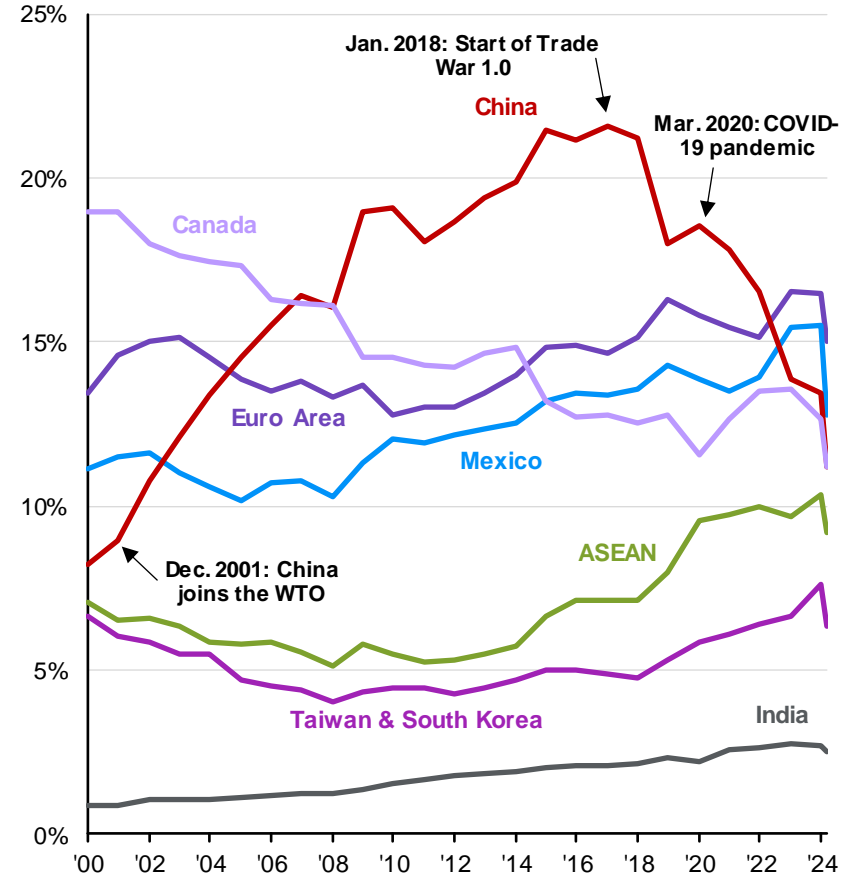
Average tariff rate on U.S. goods imports from China

Duties collected / value of total goods imports for consumption



U.S. goods imports by country

% of total U.S. goods imports, annual and YTD 2025



Source: J.P. Morgan Asset Management. (Left) United States International Trade Commission. Imports for consumption: goods brought into a country for direct use or sale in the domestic market. (Right) FactSet, U.S. Census Bureau. ASEAN: Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam. Other ASEAN countries excluded due to a lack of available data. Annotations are approximate. *Guide to the Markets – U.S.* Data are as of March 7, 2025.



Global commodities

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Bloomberg Commodity Index

Since index inception, total returns



Commodity prices

Bloomberg Commodity Index constituents

Bloomberg Commodity Index			
Constituents	Index weight	2025 change	Change since peak*
Sub-indices			
Energy	29.4%	9.8%	-47.8%
WTI crude oil	8.1%	-0.8%	-40.9%
Natural gas	5.3%	30.0%	-85.7%
Brent crude	8.2%	2.6%	-19.4%
Low sulphur gas oil	2.9%	1.8%	-19.6%
RBOB gasoline	2.8%	2.2%	-17.8%
ULS diesel	2.2%	2.6%	-35.6%
Grains	21.5%	-2.5%	-44.2%
Corn	5.3%	-2.9%	-40.7%
Soybeans	5.5%	10.1%	-40.2%
Soybean meal	3.2%	-10.1%	-16.1%
Wheat	2.5%	-4.1%	-63.5%
Soybean oil	3.3%	-1.0%	-57.5%
HRW w heat	1.7%	10.9%	-41.2%
Industrial metals	14.5%	7.4%	-18.1%
Copper	5.5%	23.8%	6.9%
Aluminum	4.1%	-0.9%	-20.7%
Zinc	2.3%	-5.4%	-26.3%
Nickel	2.6%	2.3%	-50.3%
Precious metals	20.0%	19.1%	67.5%
Gold	15.3%	17.0%	45.8%
Silver	4.7%	17.2%	37.6%
Softs	7.7%	10.3%	33.1%
Sugar	2.9%	5.8%	21.4%
Coffee	3.0%	21.6%	89.9%
Cotton	1.8%	-3.9%	-49.4%
Livestock	6.1%	3.6%	17.6%
Live cattle	3.6%	7.7%	36.2%
Lean hogs	2.5%	-3.3%	-8.5%

Source: Bloomberg, FactSet, J.P. Morgan Asset Management. All the Bloomberg subsectors and constituents are represented by the respective Bloomberg subindex except ULS Diesel, which is represented by the EIA composite for U.S. ULS diesel prices. The weights do not add up to 100% as the Lead subindex, which failed to meet the minimum threshold in 2023, continues to remain part of the index.*The Bloomberg Commodity Index peaked on June 9, 2022.

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Dividends and the power of compounding

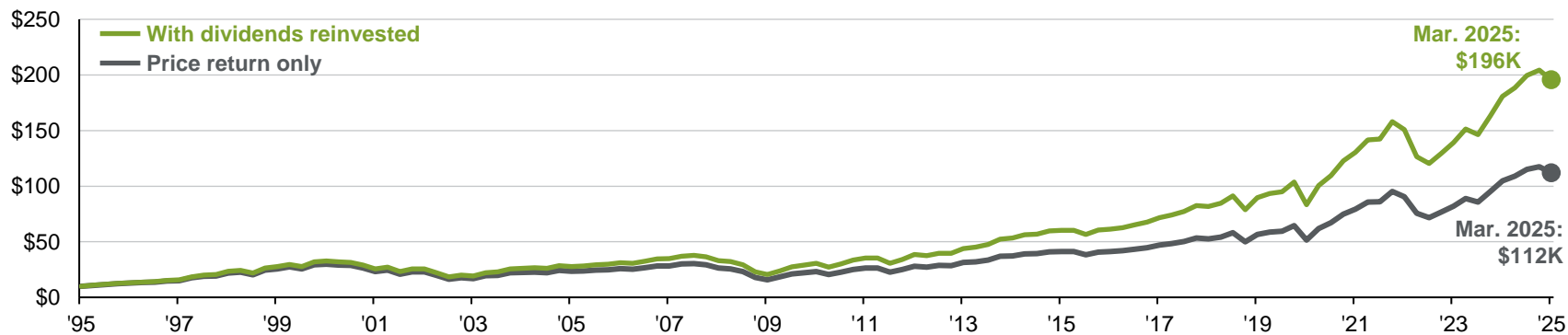
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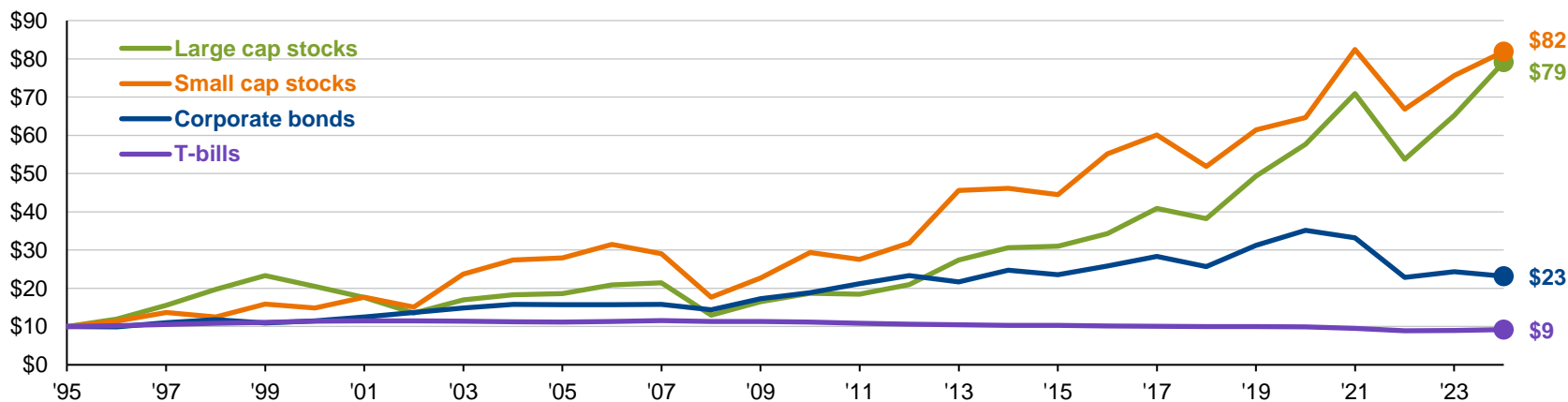
The power of compounding

S&P 500 price return versus total return, growth of \$10,000, quarterly, USD thousands



Change in purchasing power by investment in major asset class

Growth of \$10,000, adjusted for inflation, from 1995-2024, annual returns, USD thousands



Source: Bloomberg, Ibbotson, Standard & Poor's, J.P. Morgan Asset Management.
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CD rates and other investment opportunities

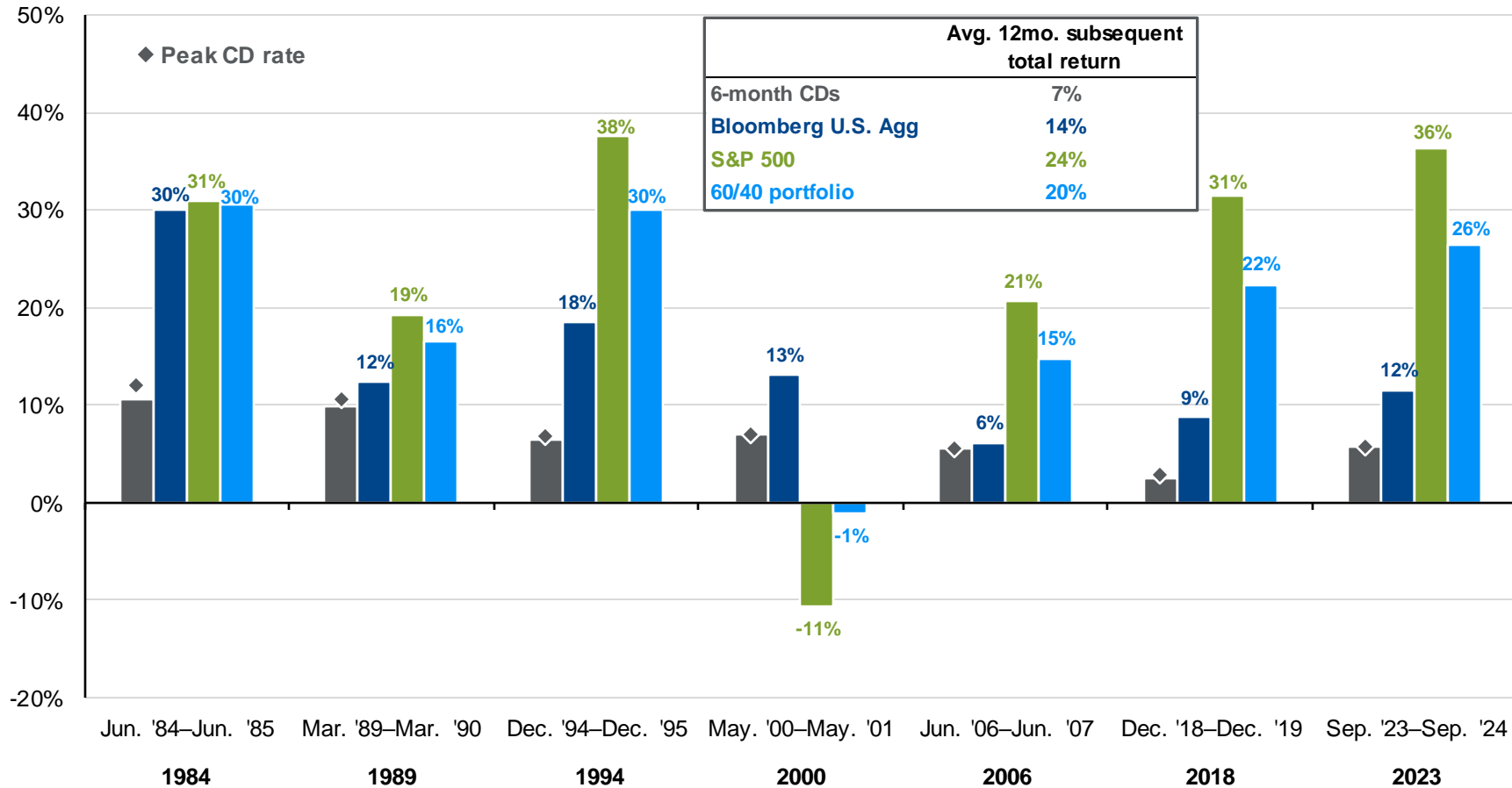
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Investment opportunities outside of CDs

Peak 6-month certificate of deposit (CD) rate during previous rate hiking cycles and subsequent 12-month total returns



Source: Bloomberg, FactSet, Federal Reserve, Standard & Poor's, J.P. Morgan Asset Management.
The 60/40 portfolio is 60% invested in S&P 500 Total Return Index and 40% invested in Bloomberg U.S. Aggregate Total Return Index. The analysis references the month in which the month-end 6-month CD rate peaked during previous rate hiking cycles. CD rate data prior to 2013 are sourced from the Federal Reserve, whereas data from 2013 onward are sourced from Bloomberg. CD subsequent 12-month return calculation assumes reinvestment at the prevailing 6-month rate when the initial CD matures.
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Market returns around the start of Fed cutting cycles

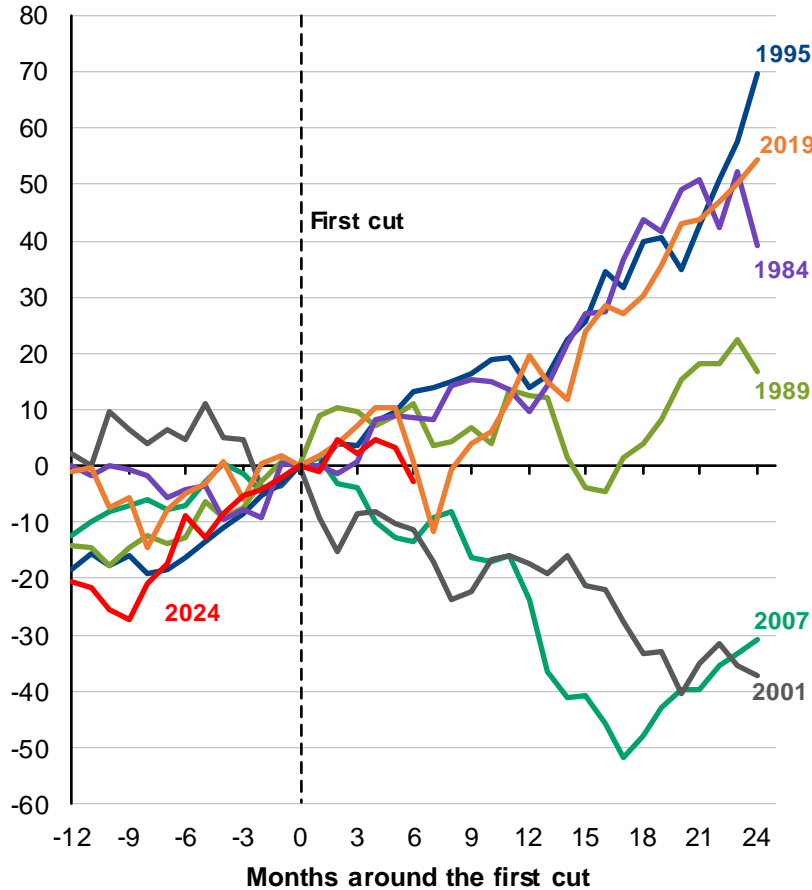
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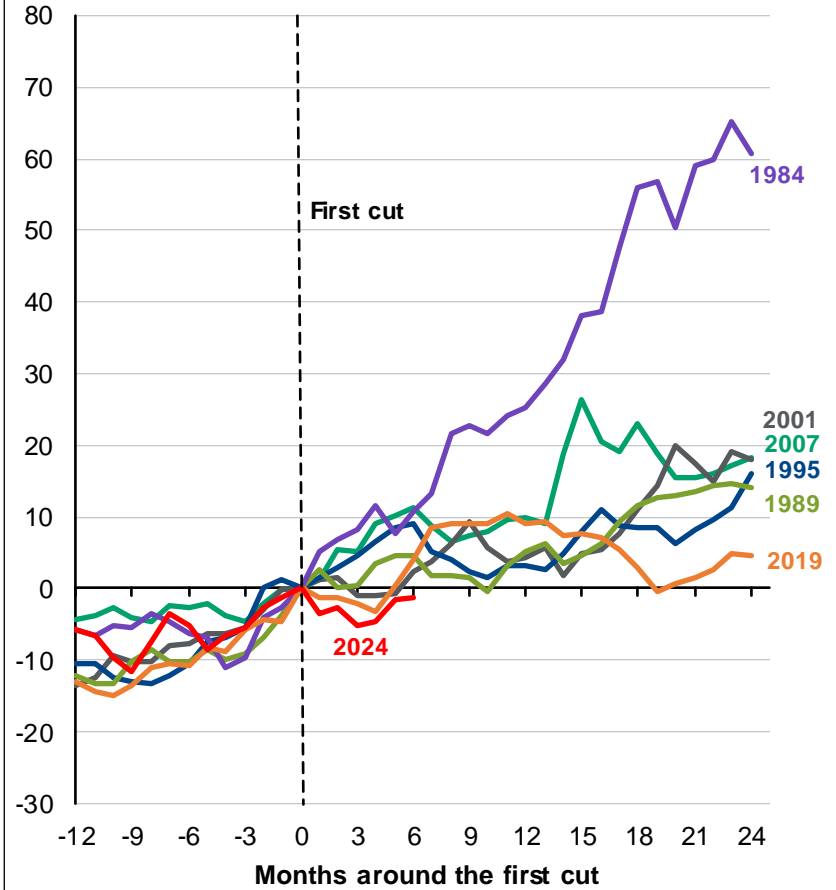
S&P 500 returns around the start of Fed cutting cycles

%, price return, indexed to zero at the first cut



U.S. 10-yr returns around the start of Fed cutting cycles

%, total return, indexed to zero at the first cut



Source: FactSet, Federal Reserve, LSEG Datastream, S&P Global, J.P. Morgan Asset Management. Past performance is not a reliable indicator of current and future results. Excludes 1998 episode due to the short length of the cutting cycle and economic context for the cuts. Guide to the Markets – U.S. Data are as of March 31, 2025.



Local investing and global opportunities

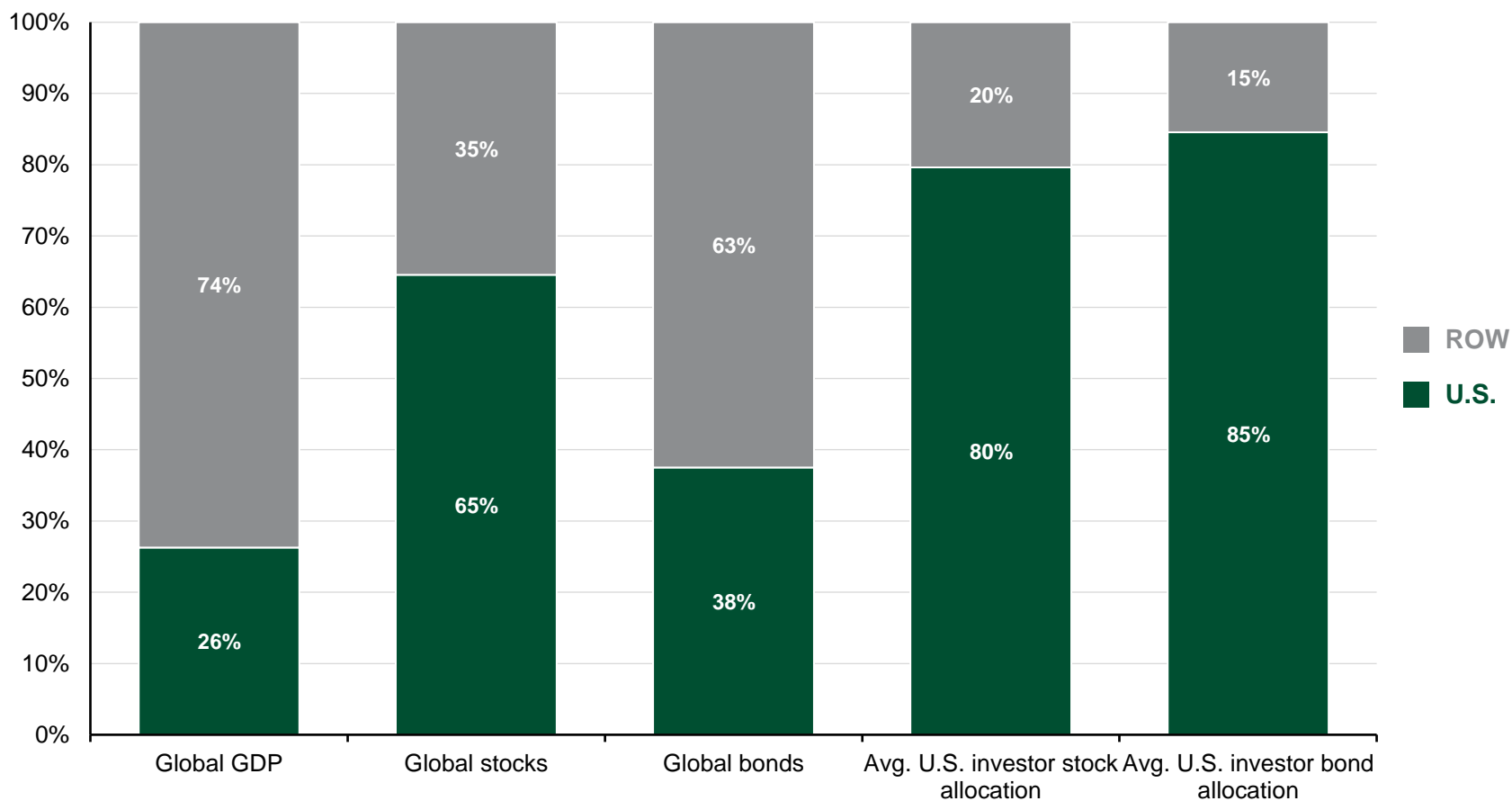
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Investment universe and average U.S. investor positioning

Percent of market capitalization, 2025



Source: BIS, FactSet, IMF, MSCI, J.P. Morgan Portfolio Insights, J.P. Morgan Asset Management. Global GDP are from IMF WEO Outlook and are in current prices (USD) using 2025 GDP estimates as of October 2024. Global stock market data are as of March 2025. Global bond market data are as of September 2024. Average U.S. investor allocation is based on proprietary portfolio screenings of advisor portfolios and are aggregated as of March 2025. *Guide to the Markets – U.S.* Data are as of March 31, 2025.

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Historical performance of a 60/40 portfolio

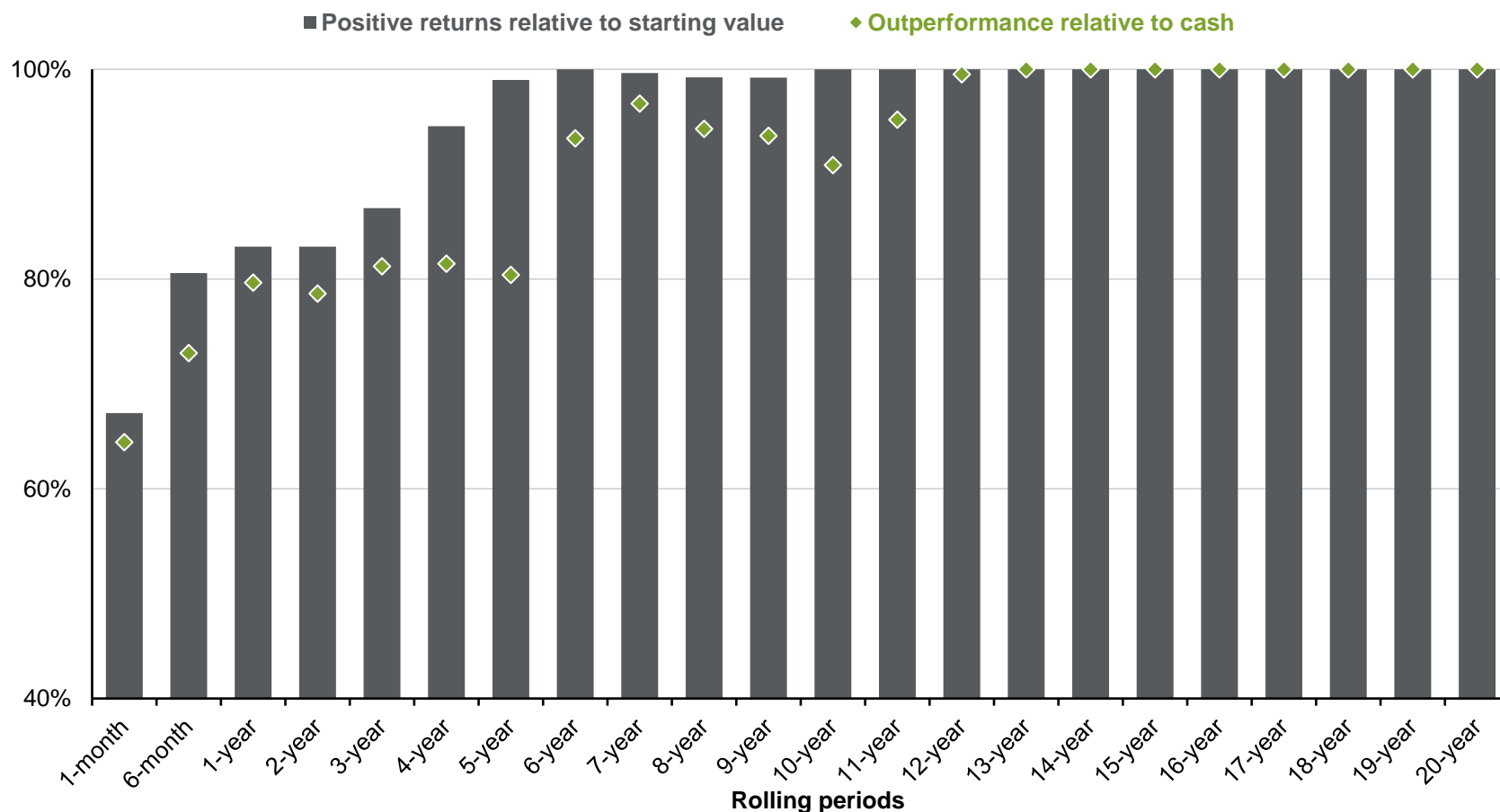
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Percentage of time 60/40 returns were positive or outperformed cash

Rolling monthly basis, 1995-2024



Source: Bloomberg, FactSet, Standard and Poor's, J.P. Morgan Asset Management.
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J.P. Morgan Asset Management – Index definitions

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All indexes are unmanaged and an individual cannot invest directly in an index. Index returns do not include fees or expenses.

Equities:

The **Dow Jones Industrial Average** is a price-weighted average of 30 actively traded blue-chip U.S. stocks.

The **MSCI ACWI (All Country World Index)** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

The **MSCI EAFE Index (Europe, Australasia, Far East)** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

The **MSCI Europe Index** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe.

The **MSCI Pacific Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the Pacific region.

The **Russell 1000 Index®** measures the performance of the 1,000 largest companies in the Russell 3000.

The **Russell 1000 Growth Index®** measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 1000 Value Index®** measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

The **Russell 2000 Index®** measures the performance of the 2,000 smallest companies in the Russell 3000 Index.

The **Russell 2000 Growth Index®** measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 2000 Value Index®** measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

The **Russell 3000 Index®** measures the performance of the 3,000 largest U.S. companies based on total market capitalization.

The **Russell Midcap Index®** measures the performance of the 800 smallest companies in the Russell 1000 Index.

The **Russell Midcap Growth Index®** measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index.

The **Russell Midcap Value Index®** measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index.

The **S&P 500 Index** is widely regarded as the best single gauge of the U.S. equities market. The index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. The **S&P 500 Index** focuses on the large-cap segment of the market; however, since it includes a significant portion of the total value of the market, it also represents the market.

Fixed income:

The **Bloomberg 1-3 Month U.S. Treasury Bill Index** includes all publicly issued zero-coupon US Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars and must be fixed rate and non convertible.

The **Bloomberg Global High Yield Index** is a multi-currency flagship measure of the global high yield debt market. The index represents the union of the US High Yield, the Pan-European High Yield, and Emerging Markets (EM) Hard Currency High Yield Indices. The high yield and emerging markets sub-components are mutually exclusive. Until January 1, 2011, the index also included CMBS high yield securities.

The **Bloomberg Municipal Index** consists of a broad selection of investment-grade general obligation and revenue bonds of maturities ranging from one year to 30 years. It is an unmanaged index representative of the tax-exempt bond market.

The **Bloomberg US Dollar Floating Rate Note (FRN) Index** provides a measure of the U.S. dollar denominated floating rate note market.

The **Bloomberg US Corporate Investment Grade Index** is an unmanaged index consisting of publicly issued US Corporate and specified foreign debentures and secured notes that are rated investment grade (Baa3/BBB or higher) by at least two ratings agencies, have at least one year to final maturity and have at least \$250 million par amount outstanding. To qualify, bonds must be SEC-registered.

The **Bloomberg US High Yield Index** covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.

The **Bloomberg US Mortgage Backed Securities Index** is an unmanaged index that measures the performance of investment grade fixed-rate mortgage backed pass-through securities of GNMA, FNMA and FHLMC.

The **Bloomberg US TIPS Index** consists of Inflation-Protection securities issued by the U.S. Treasury.

The **J.P. Morgan Emerging Market Bond Global Index (EMBI)** includes U.S. dollar denominated Brady bonds, Eurobonds, traded loans and local market debt instruments issued by sovereign and quasi-sovereign entities.

The **J.P. Morgan Domestic High Yield Index** is designed to mirror the investable universe of the U.S. dollar domestic high yield corporate debt market.

The **J.P. Morgan Corporate Emerging Markets Bond Index Broad Diversified (CEMBI Broad Diversified)** is an expansion of the **J.P. Morgan Corporate Emerging Markets Bond Index (CEMBI)**. The CEMBI is a market capitalization weighted index consisting of U.S. dollar denominated emerging market corporate bonds.

The **J.P. Morgan Emerging Markets Bond Index Global Diversified (EMBI Global Diversified)** tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds. The index limits the exposure of some of the larger countries.

The **J.P. Morgan GBI EM Global Diversified** tracks the performance of local currency debt issued by emerging market governments, whose debt is accessible by most of the international investor base.

The **U.S. Treasury Index** is a component of the U.S. Government index.



J.P. Morgan Asset Management – Definitions

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Other asset classes:

The **Alerian MLP Index** is a composite of the 50 most prominent energy Master Limited Partnerships (MLPs) that provides investors with an unbiased, comprehensive benchmark for the asset class.

The **Bloomberg Commodity Index** and related sub-indices are composed of futures contracts on physical commodities and represents twenty two separate commodities traded on U.S. exchanges, with the exception of aluminum, nickel, and zinc

The **Cambridge Associates U.S. Global Buyout and Growth Index®** is based on data compiled from 1,768 global (U.S. & ex-U.S.) buyout and growth equity funds, including fully liquidated partnerships, formed between 1986 and 2013.

The **CS/Tremont Hedge Fund Index** is compiled by Credit Suisse Tremont Index, LLC. It is an asset-weighted hedge fund index and includes only funds, as opposed to separate accounts. The Index uses the Credit Suisse/Tremont database, which tracks over 4500 funds, and consists only of funds with a minimum of US\$50 million under management, a 12-month track record, and audited financial statements. It is calculated and rebalanced on a monthly basis, and shown net of all performance fees and expenses. It is the exclusive property of Credit Suisse Tremont Index, LLC.

The **HFRI Monthly Indices (HFRI)** are equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. The HFRI are broken down into 4 main strategies, each with multiple sub strategies. All single-manager HFRI Index constituents are included in the HFRI Fund Weighted Composite, which accounts for over 2200 funds listed on the internal HFR Database.

The **NAREIT EQUITY REIT Index** is designed to provide the most comprehensive assessment of overall industry performance, and includes all tax-qualified real estate investment trusts (REITs) that are listed on the NYSE, the American Stock Exchange or the NASDAQ National Market List.

The **NFI-ODCE**, short for NCREIF Fund Index -Open End Diversified Core Equity, is an index of investment returns reporting on both a historical and current basis the results of 33 open-end commingled funds pursuing a core investment strategy, some of which have performance histories dating back to the 1970s. The NFI-ODCE Index is capitalization-weighted and is reported gross of fees. Measurement is time-weighted.

Definitions:

Investing in **alternative assets** involves higher risks than traditional investments and is suitable only for sophisticated investors. Alternative investments involve greater risks than traditional investments and should not be deemed a complete investment program. They are not tax efficient and an investor should consult with his/her tax advisor prior to investing. Alternative investments have higher fees than traditional investments and they may also be highly leveraged and engage in speculative investment techniques, which can magnify the potential for investment loss or gain. The value of the investment may fall as well as rise and investors may get back less than they invested.

Bonds are subject to interest rate risks. Bond prices generally fall when interest rates rise.

Investments in **commodities** may have greater volatility than investments in traditional securities, particularly if the instruments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Use of leveraged commodity-linked derivatives creates an opportunity for increased return but, at the same time, creates the possibility for greater loss.

Derivatives may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions than other types of investments and could result in losses that significantly exceed the original investment. The use of derivatives may not be successful, resulting in investment losses, and the cost of such strategies may reduce investment returns.

Distressed Restructuring Strategies employ an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings.

Investments in **emerging markets** can be more volatile. The normal risks of investing in foreign countries are heightened when investing in emerging markets. In addition, the small size of securities markets and the low trading volume may lead to a lack of liquidity, which leads to increased volatility. Also, emerging markets may not provide adequate legal protection for private or foreign investment or private property.

The price of **equity** securities may rise, or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries, or the securities market as a whole, such as changes in economic or political conditions. Equity securities are subject to "stock market risk" meaning that stock prices in general may decline over short or extended periods of time.

Equity market neutral strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. Equity Market Neutral Strategies typically maintain characteristic net equity market exposure no greater than 10% long or short.

Global macro strategies trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets.

International investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Some overseas markets may not be as politically and economically stable as the United States and other nations.

There is no guarantee that the use of **long and short positions** will succeed in limiting an investor's exposure to domestic stock market movements, capitalization, sector swings or other risk factors. Using long and short selling strategies may have higher portfolio turnover rates. Short selling involves certain risks, including additional costs associated with covering short positions and a possibility of unlimited loss on certain short sale positions.

Merger arbitrage strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are currently engaged in a corporate transaction.

Mid-capitalization investing typically carries more risk than investing in well-established "blue-chip" companies. Historically, mid-cap companies' stock has experienced a greater degree of market volatility than the average stock.

Price to forward earnings is a measure of the price-to-earnings ratio (P/E) using forecasted earnings. **Price to book value** compares a stock's market value to its book value. **Price to cash flow** is a measure of the market's expectations of a firm's future financial health. **Price to dividends** is the ratio of the price of a share on a stock exchange to the dividends per share paid in the previous year, used as a measure of a company's potential as an investment.

Real estate investments may be subject to a higher degree of market risk because of concentration in a specific industry, sector or geographical sector. Real estate investments may be subject to risks including, but not limited to, declines in the value of real estate, risks related to general and economic conditions, changes in the value of the underlying property owned by the trust and defaults by borrower.

Relative Value Strategies maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities.

Small-capitalization investing typically carries more risk than investing in well-established "blue-chip" companies since smaller companies generally have a higher risk of failure. Historically, smaller companies' stock has experienced a greater degree of market volatility than the average stock.



J.P. Morgan Asset Management – Risks & disclosures

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The Market Insights program provides comprehensive data and commentary on global markets without reference to products. Designed as a tool to help clients understand the markets and support investment decision-making, the program explores the implications of current economic data and changing market conditions.

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Prepared by: David P. Kelly, Jordan K. Jackson, John C. Manley, Meera Pandit, Gabriela D. Santos, Aaron Mulvihill, Stephanie Aliaga, Sahil Gauba, Mary Park Durham, Brandon Hall, Katie Korngiebel and Grant Papa.

Unless otherwise stated, all data are as of March 31, 2025 or most recently available.

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