

# NEWSLETTER

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## 3 BIG THINGS

1

April was a wild month in the markets. To begin the month on April 2<sup>nd</sup> President Trump announced his tariff plans and the tariffs placed against other countries were significantly higher than anyone expected. This shook markets in the coming days as the S&P 500 fell as much as 11% during the month and spent a couple of days in bear market (20% from highs) territory.

2

Just as quickly as things fell, we saw one of the biggest up days in market history on April 9<sup>th</sup> as President Trump placed a 90 day pause on all Tariffs except for China. This gave the markets much needed relief that the tariffs seem to be a form of negotiation, not a long term plan to increase government revenues (at least not to the degree originally feared with the announcement.)

3

While the news headlines and majority of market movement was revolved around tariff policy, we did begin 1<sup>st</sup> quarter earnings and so far things look like US companies continue to perform well. Many companies have removed their forward guidance as government policy has made it challenging to know what things will look like the remainder of 2025. We believe that this will be the key to markets moving forward. Once we are past trading on headlines, how companies are able to grow earnings will be paramount to continue the rally we saw the second half of the month.

**Quote of the month:** "The stock market is a device to transfer money from the 'impatient' to the 'patient'." – Warren Buffett

# MARKET QUICKTAKES

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## ECONOMIC INSIGHTS IN A NUTSHELL

April brought us the Q1 GDP report and a bit surprisingly this showed a contraction for the US economy. This only furthered fears of a recession taking place. Taking a closer look at the components eased some of the worry on the first negative print since 2022. A large trade deficit caused by people ordering in advance to get ahead of the tariffs caused the data to look much worse than the headline number appeared. Consumer spending still grew by 1.8% and business investment was strong as well. These are not data points that would lead one to believe we are in a recession. Further good news on the economic front was job creation came in above estimates as the labor market remains strong here in the US, another telling sign that things remain ok for now.

### STOCKS

As mentioned on the previous page, there was no lack of activity in stocks throughout the month. The two days following the tariff announcement was a historic two day drop. Only to see a historic rally one week later. Despite all the volatility, had you gone to sleep at the beginning of the month and only checked returns come the end you may have thought it was a quiet month in markets as the S&P 500 ending up falling less than 1%. International stocks once again were the top performers seeing further gains in April.

### FIXED INCOME

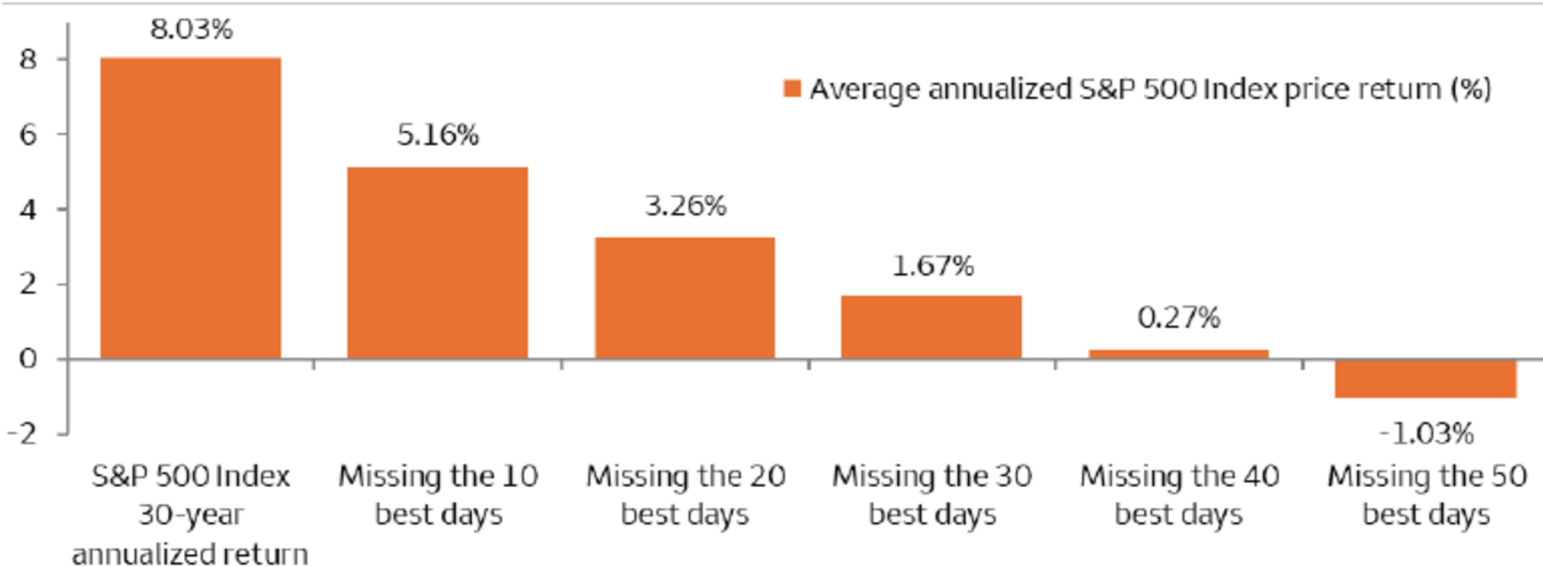
Interest rates also saw a fair amount of volatility during the month. Toward the beginning of the month the 10 year government bond hit as low as 4%, then a week later traded as high as 4.5%. While moves of this magnitude are unusual, we do think this range is likely to be where we see rates for the remainder of the year. Overall bonds managed small gains during April continuing to serve as a nice ballast to the risk in equity markets.

### COMMODITIES

Commodities suffered their toughest month so far in 2025. Fears around a slowdown in economic activity due to trade war weighed heavily on commodities finishing the month down over 5%. Gold continues to be the best individual commodity as the safe haven gained 5% throughout the month. This wasn't enough to offset many of the more economically sensitive commodity losses.

## VIEWS FROM MARKET STRATEGISTS

Given the wild swings in the equity market during April I think highlighting the below chart is timely. Over a 30 year period if you only missed the 10 best days in the market (that is out of 7860 days) your return falls from 8.03% down to 5.16%. It would take only 20 days to see your return cut in more than half and 40 days to essentially have no gain at all. This is why attempting to time the market is such a challenging and potentially dangerous game. While we would love to miss the worst days, we may be just as likely to miss the best days and it doesn't take missing many of them over very long periods to significantly impact returns. As uncomfortable as it can be to ride out the tough periods, often times it is during those tough periods that we catch large one day or multi-day bounces that can be crucial to our performance over the long haul.



Sources: Bloomberg and Wells Fargo Investment Institute. Daily data: April 21, 1995 through April 21, 2025, for the S&P 500 Index. Best days are calculated using daily returns. For illustrative purposes only. An index is unmanaged and not available for direct investment. A price index is not a total return index and does not include the reinvestment of dividends. **Past performance is no guarantee of future results.**

# EVERGREEN REMINDERS

This chart may be a little small, but the themes should be easy to distinguish and serve as important reminders. Bear markets are painful when they occur, but the reality is they are much more infrequent, don't last near as long, and pale in comparison to the returns we see in bull markets. On average bull markets last 4.3 years and have an average return of nearly 150%. This compares to bear markets that last less than 1 year (11.1 months on average) and average a loss of 31.7%. Similar to our last chart, I believe having these perspectives during the difficult times can help weather the storm and reap the benefits of the fact that bull markets are more common and much stronger than bear markets. While never fun in the moment, volatility is the price we pay for long term gains. History shows us that the U.S. stock market has been an incredible wealth creation device for 100 years now.

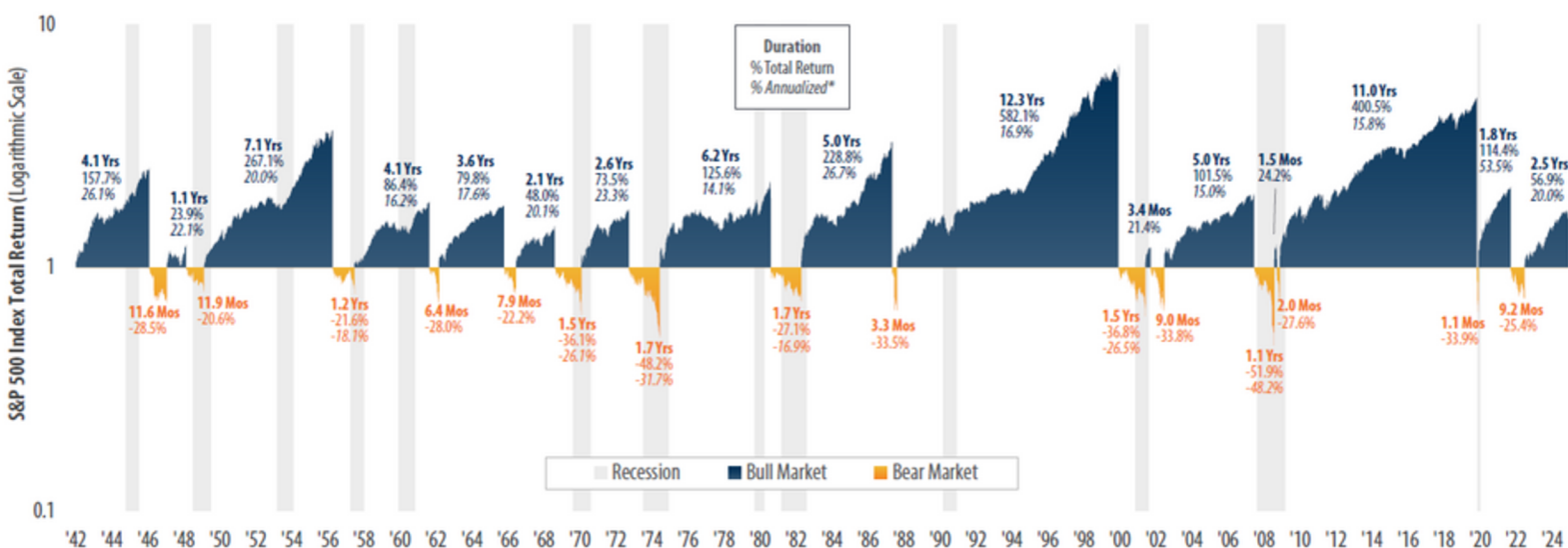
## History of U.S. Bear & Bull Markets



Daily Returns Since 1942

This chart shows daily historical performance of the S&P 500 Index throughout the U.S. Bull and Bear Markets since 1942. We believe looking at the history of the market's expansions and recessions helps to gain a fresh perspective on the benefits of investing for the long-term.

- The average **Bull Market** period lasted 4.3 years with an average cumulative total return of 149.5%.
- The average **Bear Market** period lasted 11.1 months with an average cumulative loss of -31.7%.



First Trust  
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# BEYOND THE MARKET

## LIFESTYLE HACK

Spring cleaning hacks this month!

- Use paper coffee filters to dust screens (TV, computer, tablets) they grab onto dust without causing scratches to the surfaces.
- Use your clothes steamer to loosen up grease from your stove, oven, and backsplash. Just aim the steamer at stubborn spots and it will allow you to wipe surfaces clean.
- Use a rubber squeegee to remove pet hair from carpets, upholstery, and pet beds.

## TECH TIP

I'd encourage everyone to choose an AI bot, whether it be Chat GPT, Perplexity, Claude or Gemini and give them a try! The latest thing I've found very helpful is meal prep. Put in a list of ingredients that are in the fridge and allow AI to do the hard part coming up with ideas to make. Give it slight adjustments or things you do/don't like and you will be well on your way to new recipes. It will even give step by step instructions on prep for the less experienced chefs like myself!

## LOCAL EVENTS THIS MONTH

- Sip Nebraska takes place May 9<sup>th</sup> & 10<sup>th</sup> at Mahoney State Park with access to 25 Nebraska wineries, breweries, distilleries and cideries. As well as shopping curated artisan vendors.
- Celebrate Mother's Day with the Mother's Day Market on May 10<sup>th</sup> in Regency.
- Speaking of Mother's Day a variety of restaurants around town have brunch specials on Sunday the 11<sup>th</sup> as a way to treat those special moms.
- Megan Maroney will be at The Astro May 16<sup>th</sup>
- Little Bohemia is hosting their Spring Market May 17<sup>th</sup>. Head to the neighborhood for food trucks, a mobile wine bar, and vendors set up throughout the area. Family and dog friendly!
- Memorial Park will hold its annual Why We Remember Ceremony Memorial day weekend on the 26<sup>th</sup>
- Shane Gillis will bring his tour to CHI Health Center on May 30<sup>th</sup>.

## ARVADA TEAM HAPPENINGS

Another reminder of our Shred event May 13<sup>th</sup>! Even if you don't have anything to shred, swing by the office for some BBQ and drinks. The whole team will be enjoying the Spring weather and we'd love to see you all.

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