

The Weekly Briefing

Major stock indices recorded gains following a week marked by developments in U.S.-China trade relations and inflation data that came in better than expected. While a statement from the Trump Administration late in the week highlighted ongoing trade-related uncertainty, and Moody's downgraded the U.S. credit rating, the S&P 500 remains within several percentage points of its all-time high.

The week began with a market rally after the U.S. and China announced a 90-day pause in tariff escalation, and a mutual reduction to existing tariffs. The U.S. lowered its tariffs on Chinese imports from 145% to 30%, while China cut its tariffs on American goods from 125% to 10%. The easing of trade tensions suggests the Trump Administration may be taking a more cautious approach to avoid economic disruptions from aggressive trade policy. However, uncertainty remains. Both President Trump and Treasury Secretary Bessent warned that if talks do not go well over the next three months, tariffs on Chinese imports could rise sharply again. President Trump also announced that the U.S. would begin informing many of its other trading partners of their new tariff rates in the coming weeks. The administration had previously paused most reciprocal tariffs on other trading partners for a 90-day negotiation period but recently acknowledged they have lacked the capacity to negotiate with many of the impacted countries. Currently, the U.S. effective tariff rate stands at about 13%—the highest since the Smoot-Hawley tariffs of the 1930s.

Despite broad consensus that higher tariffs will place upward pressure on inflation, that has yet to manifest in consumer price index (CPI) data. The April CPI report showed that inflation rose at a slightly slower pace than forecast, with a 0.2% increase from the previous month and a 2.3% increase compared to a year ago. The "core" inflation rate, which excludes volatile food and energy prices, also showed a 0.2% monthly increase and remained at 2.8% in the year-over-year measure.

While the April CPI report built on a recent trend of positive inflation data, comments from Walmart's earnings call may have tempered some enthusiasm. After reporting solid first quarter results, the retailer noted that while they are "positioned to deal with the cost pressures from tariffs better than anyone, even at the reduced levels the higher tariffs will result in higher prices." Walmart's outlook serves as one example of why the Federal Reserve has been hesitant to reduce rates despite evidence of slowing growth and a recent spate of subdued CPI readings. The protective position, however, increases pressure placed on the U.S. fiscal outlook, as maturing debt must be refinanced at higher costs. This causes more of the Federal budget to be allocated towards interest payments. Moody's, one of the three major credit rating agencies, cited this challenge, as well as persistent fiscal deficits, as they downgraded the U.S. government's credit rating by one notch from its top Aaa status. The agency forecasts that federal deficits will continue to expand, reaching 9% of GDP by 2025, while the national debt is projected to climb to 135% of GDP within the same timeframe. Moody's had maintained a perfect credit rating on U.S. debt since 1917. The downgrade followed similar moves by Standard & Poor's in 2011, and Fitch in 2023. All three ratings agencies maintain a stable outlook for the U.S.

The Week Ahead

Monday	Tuesday	Wednesday	Thursday	Friday
	HD PANW	SNOW TGT LOW	Initial Jobless Claims Continuing Claims Existing Home Sales INTU	Building Permits New Home Sales BAH

Market Snapshot

	Last Week	YTD	1yr
S&P 500	5.3%	1.8%	13.9%
DJIA	3.5%	0.9%	8.5%
Nasdaq 100	6.9%	2.3%	16.4%
Russell 2000	4.5%	-4.8%	2.2%
S&P 500 E/W	4.3%	3.3%	9.1%
2yr Yield	4.00%	-0.24%	-0.80%
10yr Yield	4.48%	-0.09%	0.10%
VIX	17.2	(0.1)	5.3
WTI Crude	\$ 62.5	-12.9%	-21.1%
Gold	\$ 3,204	22.1%	34.8%
Bitcoin	\$ 103,712	10.7%	55.0%

Economic Summary

	Actual	Expected	Prior (r)
CPI m/m	0.2%	0.3%	-0.1%
CPI y/y	2.3%	2.4%	2.4%
Core CPI m/m	0.2%	0.3%	0.1%
Core CPI y/y	2.8%	2.8%	2.8%
Retail Sales m/m	0.1%	0.0%	1.7%
Retail Control m/m	-0.2%	0.3%	0.5%
PPI m/m	-0.5%	0.2%	0.0%
PPI y/y	2.4%	2.5%	3.4%

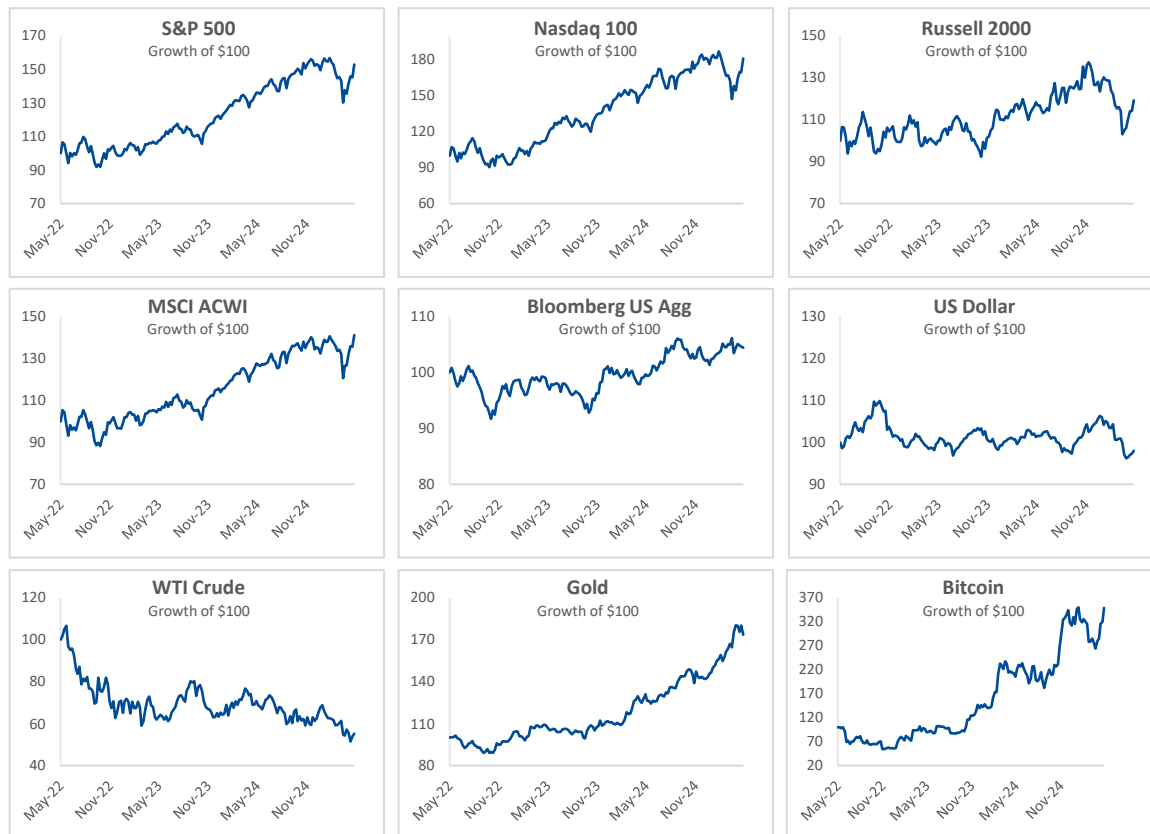
John Sawyer, CFA
Chief Investment Officer
John.Sawyer@sunflowerbank.com | 303.962.0140

Matt Henderson, CFA
Director of Portfolio Management
MHenderson@logiapi.com | 480.676.6382

Michael Berens, CFA
Portfolio Manager
MBerens@logiapi.com | 303.962.0146

Eric Micheli, CFA
Portfolio Manager
EMicheli@logiapi.com | 303.615.2705

Markets Monitor



S&P 500 Sector Heatmap Total Return YTD

S&P 500 1.8%	Comm. Services 5.4%	Cons. Discretionary -2.7%	Cons. Staples 5.0%
Energy 0.6%	Financials 7.1%	Healthcare -2.9%	Industrials 9.5%
Materials 3.9%	Real Estate 3.9%	Technology 1.2%	Utilities 9.3%

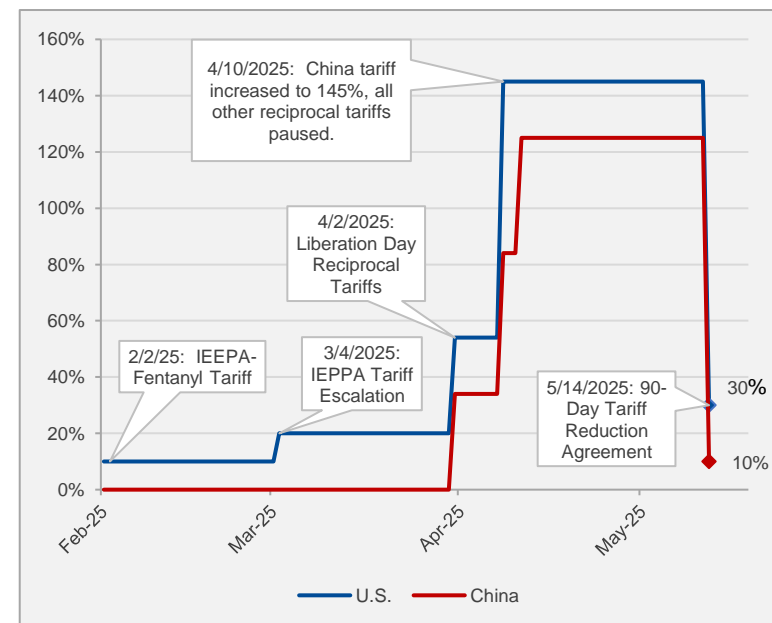
Last Week in Earnings

Date	Ticker	EPS	Revenue	Price chg
12-May	FOX	Beat	Beat	4.3%
14-May	CSCO	Beat	Beat	4.9%
15-May	WMT	Beat	Miss	-0.5%

World Watch

	Last Week	YTD	1yr
MSCI ACWI	4.0%	5.4%	12.4%
MSCI Europe	1.3%	18.3%	10.3%
MSCI APAC	2.1%	7.9%	9.2%
DXY Index	101.1	-6.8%	-3.2%
EUR / USD	\$1.12	7.5%	0.9%
GBP / USD	\$1.33	6.1%	4.8%
USD / JPY	145.7	-7.3%	-6.2%
USD / CNY	7.21	-1.2%	-0.1%

U.S. & China Headline Tariff Rate Timeline



WEALTH MANAGEMENT

As of 5/5/25
Sources: Bloomberg, Logia Portfolio Management, Sunflower Bank.

Disclosures

Investment and insurance products are not FDIC-insured, are not a deposit or other obligation of, or guaranteed by the bank or an affiliate of the bank, are not insured by any federal government agency and are subject to investment risks, including possible loss of the principal amount invested.

Sunflower Bank, N.A. ("Sunflower Bank") offers various banking, fiduciary and custody products and services, including discretionary portfolio management. In such cases, Sunflower Bank is responsible for the day-to-day management of these accounts. Logia Portfolio Management LLC ("Logia") is an SEC-registered investment adviser and its only investment advisory activity is the provision of sub-advisory services to its sole client (and affiliate) Sunflower Bank. The content provided is not an advertisement of investment advisory services offered through Logia. Both Logia and Sunflower Bank are wholly owned by FirstSun Capital Bancorp. For more information about our Wealth Management services, speak to your relationship manager or visit the Wealth Management pages of [SunflowerBank.com](https://www.SunflowerBank.com).

This material is intended for informational purposes only, and does not constitute investment advice, a recommendation or an offer or solicitation to purchase or sell any securities to any person in any jurisdiction in which an offer, solicitation, purchase or sale would be unlawful under the securities laws of such jurisdiction. Any mention of a particular security and related performance data is not a recommendation to transact in that security, or any security.

This material may contain estimates and forward-looking statements, which may include forecasts and do not represent a guarantee of future performance. This information is not intended to be complete or exhaustive and no representations or warranties, either express or implied, are made regarding the accuracy or completeness of the information contained herein. The information and opinions expressed herein are as-of the date of publication and are subject to change without notice. Sunflower Bank deems reliable any statistical data or information obtained from or prepared by third party sources that is included in any commentary, but in no way guarantees its accuracy or completeness. Reliance upon information in this material is at the sole discretion of the reader. Investing involves risks.

