

Q1 2025 Market Update

Lighthouse Wealth Group



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What's New At Lighthouse

As Q1 comes to a close, we've had an energizing start to the year here at Lighthouse Wealth Group — both professionally and personally. We officially launched The Spotlight podcast on Spotify and Apple Podcasts, where we're sharing timely insights on wealth planning, markets, and business strategy. We also hosted our first webinar of the year, focused on exit planning for business owners navigating their next chapter. On the team front, we welcomed Ann Marie Sorrow as our new Client Administrative Manager — bringing experience from top-tier firms like The Rockefeller Group and NetJets to further strengthen our client service. Outside the office, there were a few special family moments worth celebrating: Rosie turned 3 with a princess party fit for royalty, Sam marked his birthday with a night at the Preds game and a car show with his son Henry. Tommy shared an unforgettable evening with his daughter at the daddy-daughter dance, and we raised a toast to Henry on his birthday as well. It's been a meaningful and momentum-filled quarter, and we're excited for what lies ahead in Q2.



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Sector Performance

- **Technology** was hit hardest, with companies like Tesla, Nvidia, and Apple seeing steep losses. Concerns over competition, including China's AI platform DeepSeek, weighed heavily on the sector.
- **Energy** outperformed, benefiting from expectations of higher global demand and ramped-up defense/infrastructure spending in Europe.
- **Consumer Staples** and Utilities offered relative safety and gained ground as investors rotated into defensive sectors.[SB1] 1

Key Influencing Factors

- **Trade Policies:** The reinstated Trump administration announced a baseline 10% tariff on all imports and higher tariffs on goods from China and Mexico. The policy sparked fears of a renewed trade war and market disruption.
- **International Strength:** European markets outperformed, driven by fiscal stimulus and defense spending. Emerging markets, particularly China, showed relative resilience thanks to strong economic data and manufacturing momentum.

Overall Market Performance

The first quarter of 2025 was marked by significant volatility in the U.S. stock market, primarily influenced by policy uncertainties and geopolitical developments.

- S&P 500 declined by 4.6%, marking its most substantial quarterly drop since Q3 2022.
- Nasdaq Composite fell 10.4%, reflecting deep pressure on tech stocks.
- Dow Jones Industrial Average dropped by 1.3%, showing broader investor unease. 1

Investor Sentiment

Investors rotated away from the once high-flying 'Magnificent Seven' tech stocks toward value and defensive sectors. High valuations, slowing momentum, and global competition shifted attention to more stable areas of the market.^{3,4}



Outlook

The outlook for the remainder of 2025 is cautious. Investors will closely watch for clarity on trade policies and inflationary pressures. Opportunities may lie in sectors demonstrating resilience (such as Energy and Staples) and in our opinion, international markets where government support remains strong.

At Lighthouse Wealth Group, we are committed to keeping you informed and providing guidance to help you navigate these market conditions. If you have any questions or need further details, please do not hesitate to reach out to us.

Best regards,

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Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Past performance does not guarantee future results. Future investment performance cannot be guaranteed, investment yields will fluctuate with market conditions.

For index definitions [click here](#)

Sources

Citations

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