JEMMA
FINANCIAL SERVICES

STOCKS DROP IN FEBRUARY

MARCH 2025

In February, volatility resurfaced as the broader equity markets declined. The S&P 500 Index and the Dow Jones Industrial Average each fell 1%, and the Nasdaq Index lost nearly 4% for the month.

In general, larger companies fared better in the month than their smaller counterparts. In addition, value-oriented companies outperformed their growth peers across all market capitalizations. For example, the Russell 1000 Value Index was approximately flat in February compared to a decline of nearly 7% for the Russell 2000 Growth Index in the same period.

Top-performing S&P 500 sectors in February included Consumer Staples, which rose an average of nearly 6%, followed by Real Estate and Energy, both of which rose around 4%. Consumer Discretionary was the worst-performing sector, with a loss of 9%, followed by the Communication Services' decline of 6%.

Despite the monthly market decline, stocks have still appreciated significantly over the past year. From February 2024 through February 2025, the S&P 500 has gained over 18%.

Importantly, underlying fundamentals along with the economy show continued strength. In January, the unemployment rate ticked slightly lower, at 4.0%,[1] and in February, the Conference Board's measure of CEO confidence increased to its highest level in three years, indicating that leaders have an optimistic outlook in their business.[2] In addition, large technology companies recently announced commitments to build plants in the U.S.: Apple announced it plans to spend more than $500 billion across several states over the next four years and Taiwan Semiconductor Manufacturing plans to spend $100 billion on U.S.-based chip-making facilities.[3]

At Jemma Financial, we encourage investors to focus on their long-term goals and maintain a diversified portfolio. Often, headlines can create market volatility so one effective strategy to combat this risk is to invest a certain dollar amount on a monthly or quarterly basis. The money comes directly from your checking or savings account and into your investment account. This strategy, known as dollar cost averaging, avoids timing the market and takes the emotion out of investing.

As always, Jemma Financial is here to help you accomplish your financial goals and address any questions you may have.

KATHARINE DUDLEY, AIF®
Vice President, Client Advisor
443.279.2007
jemmafinancial.com

1 Bureau of Labor Statistics, February 2025. 2 Conference Board. 3 Apple.com and Barrons.com.

Advisory services offered through Jemma Investment Advisors, LLC. Securities offered through Thurston Springer Financial, a registered Broker-Dealer (Member FINRA & SIPC). No content published here constitutes a recommendation of any particular investment, security, a portfolio of securities, transaction or investment strategy.

To the extent any of the content published may be deemed to be investment advice, such information is impersonal and not tailored to the investment needs of any specific person. Consult your advisor about what is best for you.

In addition, no content published here should be construed as professional, legal or tax advice. To determine your individual tax situation and specific needs, please consult a professional tax advisor.

Past performance is no guarantee of future results.

Jemma Financial Services | Copyright 2025