

Weekly Market Update



Market Data as of Week Ending: 6/14/2024 unless noted otherwise

Stock prices were mixed as inflation surprised to the downside, and the Fed left policy rates unchanged. Sentiment is supported by higher second-quarter earnings, which are expected to grow 9.0% for the S&P 500 in aggregate. That would be the largest growth rate since the first quarter of 2022. Large-cap stocks ended the week higher as both the S&P 500 Index and Nasdaq Composite reached new highs, while small and mid-cap stocks declined. Growth stocks outperformed value as information technology outperformed most sectors by a wide margin. Momentum is supported by enthusiasm from advanced technologies in the software and hardware industries. Cyclical sectors such as energy and financials lagged. Developed foreign markets declined as political unrest in France introduced a new level of uncertainty despite an improved growth outlook in Europe. Emerging markets narrowly advanced despite continued weakness in China.

Bond prices ended the week higher as yields declined across the curve. Weaker economic growth supported the downward trend in yields as they retreated sharply after inflation data was released on Wednesday. The 10-year Treasury ended the week at 4.20%, and the two-year Treasury fell to 4.67%. Given their higher duration, lower rates helped long-term bonds outperform short-term bonds, and government bonds outperformed across the curve. Corporate and high-yield bonds still delivered gains as yields ended the week at 5.34% and 8.09%, respectively.

Economic data for the week mostly revolved around inflation, and investors were paying special attention to how the Fed would respond to incoming data. Headline inflation came in lower than expected at 0.0% for the month of May, bringing down the year-over-year figure from 3.4% to 3.3%. Core (excluding food and energy) inflation was also lower than expected and came in at 0.2% for the month of May and, on a year-over-year basis, down to 3.4%, the lowest level since April 2021. As expected, the Fed left policy rates unchanged; however, they increased their median expectation for policy rates at the end of the year to 5.1%, which implies only one cut by the end of the year. Chair Powell noted that only some of the voting members changed their forecasts after the inflation data was released. However, in the official post-meeting statement, the Fed acknowledged that there has been "modest further progress" on inflation compared to "a lack of further progress" in the statement after the meeting in May. Producer price index (PPI) inflation, reported Thursday, also surprised on the downside, declining 0.2%. On a year-over-year basis, core PPI slowed to 2.3%, marking an end to five consecutive months of increases. Consumer sentiment dropped for a third straight month to 65.6 in June 2024, the lowest since November of last year.

U.S. Equity Returns (Size & Style - Russell)

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-1.11%	1.47%	3.48%	-1.92%	2.62%	6.29%	-3.13%	2.88%	7.87%	5.57%	13.47%	20.18%
Mid	-0.68%	-0.25%	0.80%	-2.32%	-1.45%	0.71%	-4.10%	-4.11%	-4.12%	3.78%	4.13%	4.98%
Small	-1.66%	-0.95%	-0.26%	-4.16%	-3.00%	-1.85%	-6.07%	-5.31%	-4.55%	-3.34%	-0.40%	2.68%

U.S. Fixed Income Returns (Quality & Duration - Bloomberg)

	Week			MTD			QTD			YTD		
	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long
Govt	0.63%	0.88%	3.10%	0.76%	1.08%	4.38%	0.82%	0.82%	0.83%	0.78%	0.47%	-2.44%
Corp	0.53%	0.81%	2.05%	0.63%	0.99%	2.80%	1.01%	1.04%	0.48%	1.61%	1.30%	-1.21%
HY	0.24%	0.27%	0.11%	0.62%	0.69%	0.75%	0.97%	0.89%	-1.80%	2.51%	2.37%	0.23%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	1.62%	3.00%	3.69%	14.63%
S&P MidCap 400	-0.80%	-2.82%	-4.66%	4.83%
Russell 2000	-0.95%	-3.00%	-5.31%	-0.40%
MSCI EAFE	-2.63%	-2.03%	-0.84%	4.89%
MSCI Emerging Markets	0.50%	2.87%	3.92%	6.38%
MSCI EAFE Small Cap	-2.02%	-2.95%	-1.75%	0.60%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.86%	1.05%	0.89%	0.74%
Bloomberg US Agg	1.31%	1.76%	0.87%	0.09%
Bloomberg US High Yield	0.26%	0.69%	0.84%	2.33%
Other				
Bloomberg Commodity	0.71%	-0.33%	4.15%	6.43%
S&P Dev Property	0.08%	-0.01%	-2.92%	-3.33%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	0.27%	1.86%	-2.26%	2.61%
Consumer Staples	-1.07%	-0.51%	1.02%	8.62%
Energy	-2.29%	-5.62%	-6.71%	6.06%
Financials	-1.97%	-2.36%	-3.49%	8.53%
Health Care	-0.36%	1.59%	-1.27%	7.46%
Industrials	-0.98%	-1.90%	-3.85%	6.71%
Info Technology	6.43%	10.51%	15.05%	29.64%
Materials	-0.89%	-2.74%	-4.21%	4.36%
Real Estate	1.48%	1.36%	-2.54%	-3.08%
Communication Svcs	0.96%	2.70%	7.19%	24.15%
Utilities	0.00%	-3.81%	6.54%	11.40%

Bond Yields

	6/14/24	5/31/24	3/31/24	12/31/23
3Mo Libor	5.61%	5.60%	5.56%	5.59%
SOFR 3Mo Swap	5.35%	5.34%	5.30%	5.33%
2Yr Treasury	4.67%	4.89%	4.59%	4.23%
10Yr Treasury	4.20%	4.51%	4.20%	3.88%
2-10 Slope	-0.47%	-0.38%	-0.39%	-0.35%

Commodities and Currency

	6/14/24	5/31/24	3/31/24	12/31/23
Oil (\$/barrel)	78.45	76.99	83.17	71.65
Gold (\$/oz.)	2333.04	2327.33	2229.87	2062.98

Past performance is not a guarantee of future results. We believe the information presented is reliable, but we do not guarantee its accuracy.