

Weekly Market Update



Market Data as of Week Ending: 7/5/2024 unless noted otherwise

Stock prices were mixed as the S&P 500 reached new highs despite a lack of market breadth. The earnings outlook remains optimistic, with forecasted earnings growth of 8.8% for the second quarter and 11.2% for the full year. Investors rotated back into large caps, which were the only size segment with gains for the week. From a style perspective, growth outperformed value across all size segments. Sector leadership for the week showed a clear investor preference for growth as information technology, communication services and consumer discretionary outperformed the rest of the market. Five major economic sectors declined, with the steepest losses in the energy and healthcare sectors. Developed foreign and emerging markets stocks traded higher with mixed results relative to domestic markets.

Bonds delivered solid gains for the week as yields declined across the curve. Investors increased expectations for a September Fed rate cut as economic data softened. The 10-year Treasury ended the week lower at 4.28% and the two-year declined to 4.60%. Long-term bonds outperformed with notable strength in higher quality corporate bonds across the curve. Yields on corporates and high yield ended the week at 5.34% and 8.05%, respectively.

Economic data came in generally weaker than expected, with signs pointing toward slower growth despite resilient demand from consumers and businesses. The week started off with an unexpected decline in ISM Manufacturing PMI, coming in at 48.5 for the month of June. ISM also released figures for the Services PMI, which fell sharply to 48.8 in June, the largest decline since April 2020. However, the S&P reported Manufacturing PMI with a reading of 51.6 and Services PMI rose to 55.3 in June, further illustrating some of the challenges with forward-looking survey data. Job openings came in higher than expected at 8.14 million, and quits increased for the second consecutive month, indicating no material weakness in the labor market. This was further solidified by non-farm payrolls that increased 206,000 in June despite revisions lower in April and May. The unemployment rate ticked up to 4.1%, the highest level since November 2021, despite a higher labor force participation increase. Growth in average hourly earnings decelerated to 3.9%. According to the Atlanta Fed's GDPNow forecast, estimates for real GDP growth in the second quarter declined from 2.2% to 1.5% last week.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-0.39%	1.81%	3.72%	-0.39%	1.81%	3.72%	-0.39%	1.81%	3.72%	6.21%	16.30%	25.19%
Mid	-0.96%	-0.58%	0.61%	-0.96%	-0.58%	0.61%	-0.96%	-0.58%	0.61%	3.54%	4.36%	6.62%
Small	-1.55%	-1.01%	-0.47%	-1.55%	-1.01%	-0.47%	-1.55%	-1.01%	-0.47%	-2.39%	0.71%	3.95%

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	0.38%	0.48%	0.99%	0.38%	0.48%	0.99%	0.38%	0.48%	0.99%	1.12%	0.72%	-4.04%
Corp	0.52%	0.71%	1.47%	0.52%	0.71%	1.47%	0.52%	0.71%	1.47%	2.09%	1.72%	-1.97%
HY	0.25%	0.27%	0.74%	0.25%	0.27%	0.74%	0.25%	0.27%	0.74%	3.05%	2.93%	-0.23%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	1.98%	1.98%	1.98%	17.57%
S&P MidCap 400	-1.15%	-1.15%	-1.15%	4.94%
Russell 2000	-1.01%	-1.01%	-1.01%	0.71%
MSCI EAFE	2.16%	2.16%	2.16%	7.62%
MSCI Emerging Markets	1.92%	1.92%	1.92%	9.55%
MSCI EAFE Small Cap	2.03%	2.03%	2.03%	2.55%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.55%	0.55%	0.55%	1.04%
Bloomberg US Agg	0.71%	0.71%	0.71%	0.00%
Bloomberg US High Yield	0.28%	0.28%	0.28%	2.87%
Other				
Bloomberg Commodity	1.60%	1.60%	1.60%	6.83%
S&P Dev Property	0.79%	0.79%	0.79%	-2.17%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	3.75%	3.75%	3.75%	9.63%
Consumer Staples	1.05%	1.05%	1.05%	10.12%
Energy	-1.27%	-1.27%	-1.27%	9.53%
Financials	1.00%	1.00%	1.00%	11.27%
Health Care	-0.93%	-0.93%	-0.93%	6.80%
Industrials	-0.54%	-0.54%	-0.54%	7.17%
Info Technology	3.86%	3.86%	3.86%	33.19%
Materials	-0.42%	-0.42%	-0.42%	3.61%
Real Estate	-0.25%	-0.25%	-0.25%	-2.69%
Communication Svcs	3.94%	3.94%	3.94%	31.67%
Utilities	0.56%	0.56%	0.56%	10.05%

Bond Yields

	7/5/24	6/30/24	6/30/24	12/31/23
3Mo Libor	5.57%	5.59%	5.59%	5.59%
SOFR 3Mo Swap	5.30%	5.32%	5.32%	5.33%
2Yr Treasury	4.60%	4.71%	4.71%	4.23%
10Yr Treasury	4.28%	4.36%	4.36%	3.88%
2-10 Slope	-0.32%	-0.35%	-0.35%	-0.35%

Commodities and Currency

	7/5/24	6/30/24	6/30/24	12/31/23
Oil (\$/barrel)	83.88	81.54	81.54	71.65
Gold (\$/oz.)	2392.16	2326.75	2326.75	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.