

Weekly Market Update



Market Data as of Week Ending: 9/20/2024 unless noted otherwise

Equities traded broadly higher as investors reacted to the beginning of the Federal Reserve rate-cutting cycle. Large-cap indexes pushed to record highs, while mid and small caps moved even higher, but still below previous peaks. Growth stocks continued to outperform value. Sector performance was mixed for the week, but cyclical stocks generally outperformed defensive stocks. Energy bounced back from the previous week's underperformance as oil prices ended the week higher. Only three sectors traded lower for the week, with consumer staples performing the worst. Developed foreign markets edged higher as some notable central banks (Bank of Japan, Bank of England) kept their rates unchanged. Emerging markets were higher despite continued negative economic data from China.

Fixed income traded lower during the week as the yield curve seemed to already have the Fed rate cut priced in. Money market rates (below 1 year) were lower for the week, but capital market rates ended the week slightly higher. The 2-year was relatively unchanged at 3.55%, while the 10-year increased to 3.73%. The 2-year to 10-year slope steepened further to 0.18%. Long-duration government bonds were the worst-performing sector, trading 1.19% lower for the week. Long-duration high yield outperformed, trading 0.88% higher. Investment-grade corporate bond yields were marginally lower at 4.68%, while high yield dropped to 7.21%.

Economic data for the week was squarely centered on the Federal Open Market Committee (FOMC) meeting on Wednesday, where the Federal Reserve dropped the target range for the federal funds rate by 0.50% to 4.75% - 5% and released the Summary of Economic Projections. Chair Powell cited that inflation remains somewhat elevated but continues to make progress toward the Committee's 2% objective, and the labor market is weakening but remains healthy. The tone of the following press conference was dovish and painted a picture of a healthy but slowing economy. The Summary of Economic Projections (SEP) indicated little change in the expected paths of GDP and inflation but projected a slight increase in the unemployment rate. The SEP also highlighted a more aggressive rate-cutting cycle than projected in June, with two more 0.25% cuts in 2024 and four more in 2025 before returning to a longer-run range of 2.75-3.0%. Other economic releases throughout the week were mostly overshadowed by the FOMC meeting and avoided any major surprises. Retail sales crept higher, increasing 0.1% month-over-month. Initial jobless claims remain low at 219k. Housing permits, starts, and applications are trending higher as mortgage rates continue to drop.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	1.37%	1.51%	1.63%	0.21%	1.11%	1.95%	8.16%	5.02%	2.31%	15.32%	19.97%	23.48%
Mid	1.46%	1.72%	2.57%	0.59%	1.06%	2.59%	8.68%	7.97%	5.78%	13.61%	13.33%	12.10%
Small	1.78%	2.10%	2.41%	0.07%	0.54%	1.01%	10.16%	9.10%	8.07%	9.22%	11.00%	12.87%

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	0.01%	-0.09%	-1.19%	0.98%	1.13%	2.71%	3.51%	4.10%	8.55%	4.27%	4.34%	3.13%
Corp	0.15%	0.11%	-0.02%	1.07%	1.37%	3.13%	3.78%	4.73%	8.66%	5.40%	5.78%	4.97%
HY	0.75%	0.82%	0.88%	1.44%	1.46%	1.97%	4.73%	5.07%	8.22%	7.66%	7.86%	7.18%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	1.39%	1.05%	4.76%	20.78%
S&P MidCap 400	2.30%	0.50%	6.25%	12.80%
Russell 2000	2.10%	0.54%	9.10%	11.00%
MSCI EAFE	0.43%	-1.23%	4.98%	10.58%
MSCI Emerging Markets	2.26%	0.75%	2.68%	10.37%
MSCI EAFE Small Cap	0.39%	0.03%	7.82%	8.37%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.03%	1.21%	4.29%	4.80%
Bloomberg US Agg	-0.22%	1.59%	5.45%	4.70%
Bloomberg US High Yield	0.82%	1.47%	5.13%	7.84%
Other				
Bloomberg Commodity	2.14%	2.45%	-1.64%	3.42%
S&P Dev Property	-0.82%	2.11%	15.31%	11.93%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	2.30%	5.54%	6.25%	12.26%
Consumer Staples	-1.18%	0.62%	8.65%	18.41%
Energy	3.80%	-2.68%	-2.31%	8.37%
Financials	2.36%	-0.35%	10.88%	22.15%
Health Care	-0.51%	-1.19%	6.60%	14.92%
Industrials	2.03%	1.28%	9.28%	17.76%
Info Technology	1.00%	0.76%	-0.11%	28.11%
Materials	1.56%	-0.15%	6.73%	11.05%
Real Estate	-1.15%	2.62%	16.39%	13.54%
Communication Svcs	3.73%	2.76%	-0.14%	26.51%
Utilities	2.00%	5.01%	17.58%	28.68%

Bond Yields

	9/20/24	8/31/24	6/30/24	12/31/23
3Mo Libor	4.95%	5.28%	5.59%	5.59%
SOFR 3Mo Swap	4.67%	5.01%	5.32%	5.33%
2Yr Treasury	3.55%	3.91%	4.71%	4.23%
10Yr Treasury	3.73%	3.91%	4.36%	3.88%
2-10 Slope	0.18%	0.00%	-0.35%	-0.35%

Commodities and Currency

	9/20/24	8/31/24	6/30/24	12/31/23
Oil (\$/barrel)	71.92	73.55	81.54	71.65
Gold (\$/oz.)	2621.88	2503.39	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.