

Weekly Market Update



Market Data as of Week Ending: 1/26/2024 unless noted otherwise

Stock prices finished the week with gains as the S&P 500 and Dow Jones Industrial Average once again reached new all-time highs. Earnings growth expectations for the S&P 500 improved last week, with 25% of companies reporting actual results, the most recent estimates coming in at a decline of -1.4% for the fourth quarter and just above 0% for the calendar year 2023. The size factor was mixed, but small companies ended the week outperforming their large and mid-cap peers. Value stocks rotated back into favor and outperformed growth. Sector results were mixed with outsized gains coming from cyclical sectors such as energy and the more growth-oriented communication services sector. Consumer discretionary, real estate, and health care were the only sectors with losses for the week. Developed foreign equities and emerging markets recovered with solid gains and outperformed domestic stocks.

Fixed income performance was generally positive even though yields were mixed across the curve. The 2-year treasury yield declined, ending the week at 4.34%, while the 10-year yield was unchanged at 4.15%. The inversion of the yield curve decreased to a slope of -0.19%. Long-duration high-yield bonds were the top-performing segment, while long-duration government bonds lagged. Yields on US Corporate and High Yield bonds declined, ending the week at 5.23% and 7.93%, respectively.

Economic data was generally favorable as GDP growth came in better than expected to an annualized rate of 3.3% in the fourth quarter. On a year-over-year basis, GDP accelerated for the fourth consecutive quarter. Taking a step back and evaluating GDP for the calendar year 2023, consensus forecasts were anticipating a mild recession, and instead, consumer strength fueled the economy to a solid gain of 2.5%, higher than the previous year at 1.9%. PCE and Core PCE (excludes food and energy) matched consensus expectations and advanced 0.2% in December. Core PCE increased by 2.9% compared to the previous year, notching the lowest year-over-year increase since March 2021, further evidence that will likely influence the Fed to begin cutting policy rates this year. Other notable economic data in the week included durable goods orders, excluding transportation, that beat consensus estimates and increased 0.6% in December 2023. The S&P Global US Composite PMI increased to 52.3 as output growth accelerated from 50.9 last month and reached the highest level in seven months.

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

	Value	Week Core	Growth	Value	MTD Core	Growth	Value	QTD Core	Growth	Value	YTD Core	Growth
Large	1.24%	1.04%	0.88%	0.41%	2.34%	3.98%	0.41%	2.34%	3.98%	0.41%	2.34%	3.98%
Mid	1.04%	0.94%	0.70%	-1.00%	-0.63%	0.26%	-1.00%	-0.63%	0.26%	-1.00%	-0.63%	0.26%
Small	1.93%	1.75%	1.57%	-2.58%	-2.37%	-2.15%	-2.58%	-2.37%	-2.15%	-2.58%	-2.37%	-2.15%

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

	Short	Week Interm	Long	Short	MTD Interm	Long	Short	QTD Interm	Long	Short	YTD Interm	Long
Govt	0.11%	0.10%	-0.28%	-0.13%	-0.46%	-4.87%	-0.13%	-0.46%	-4.87%	-0.13%	-0.46%	-4.87%
Corp	0.20%	0.23%	0.20%	0.03%	-0.40%	-2.40%	0.03%	-0.40%	-2.40%	0.03%	-0.40%	-2.40%
HY	0.50%	0.61%	0.80%	0.02%	-0.06%	-0.15%	0.02%	-0.06%	-0.15%	0.02%	-0.06%	-0.15%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	1.07%	2.62%	2.62%	2.62%
S&P MidCap 400	0.84%	-0.59%	-0.59%	-0.59%
Russell 2000	1.75%	-2.37%	-2.37%	-2.37%
MSCI EAFE	2.01%	-0.57%	-0.57%	-0.57%
MSCI Emerging Markets	1.47%	-3.74%	-3.74%	-3.74%
MSCI EAFE Small Cap	1.93%	-2.67%	-2.67%	-2.67%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.14%	-0.44%	-0.44%	-0.44%
Bloomberg US Agg	0.10%	-1.30%	-1.30%	-1.30%
Bloomberg US High Yield	0.61%	-0.07%	-0.07%	-0.07%
Other				
Bloomberg Commodity	2.15%	0.55%	0.55%	0.55%
S&P Dev Property	-0.08%	-3.84%	-3.84%	-3.84%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-1.38%	-2.83%	-2.83%	-2.83%
Consumer Staples	0.84%	1.13%	1.13%	1.13%
Energy	5.15%	0.63%	0.63%	0.63%
Financials	1.89%	2.74%	2.74%	2.74%
Health Care	-0.18%	2.17%	2.17%	2.17%
Industrials	0.87%	-0.42%	-0.42%	-0.42%
Info Technology	0.93%	5.95%	5.95%	5.95%
Materials	0.29%	-3.61%	-3.61%	-3.61%
Real Estate	-0.51%	-3.85%	-3.85%	-3.85%
Communication Svcs	4.51%	9.13%	9.13%	9.13%
Utilities	0.42%	-3.36%	-3.36%	-3.36%

Bond Yields

	1/26/24	12/31/23	12/31/23	12/31/23
3Mo Libor	5.58%	5.59%	5.59%	5.59%
SOFR 3Mo Swap	5.31%	5.33%	5.33%	5.33%
2Yr Treasury	4.34%	4.23%	4.23%	4.23%
10Yr Treasury	4.15%	3.88%	3.88%	3.88%
2-10 Slope	-0.19%	-0.35%	-0.35%	-0.35%

Commodities and Currency

	1/26/24	12/31/23	12/31/23	12/31/23
Oil (\$/barrel)	78.01	71.65	71.65	71.65
Gold (\$/oz.)	2018.52	2062.98	2062.98	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.