

Weekly Market Update



Market Data as of Week Ending: 5/24/2024 unless noted otherwise

U.S. equity markets were mixed over the week as NVIDIA's gain was a primary factor in the market's divergence, helping drive the Nasdaq to a record high while the Dow Jones Industrial Average experienced its worst week since early April. The S&P 500 ended the week roughly flat, up 0.05%, despite nine of the eleven sectors being in the red. With 96% of first-quarter earnings results in as of Friday, companies in the S&P 500 were recording an average earnings increase of 6.0% versus the same quarter a year earlier, according to FactSet. Growth stocks outperformed value for the week, driven by another strong week for information technology stocks. The tech sector is coming off a solid earnings season in which its earnings growth rate ranked third highest among the 11 S&P 500 sectors. Mixed earnings from a slate of retailers weighed on the consumer discretionary and staples sectors while rate-sensitive sectors lagged. Developed foreign markets and emerging markets ended the week lower, underperforming domestic equities, as better-than-expected economic activity led to questions about rate cuts for the BoE and ECB.

Yields rose last week after the Fed's meeting minutes pointed to a willingness to tighten policy further rather than loosen it. The 10-year treasury rose to 4.46%, while the 2-year treasury shot up to 4.93%. Fixed income performance was negative across the board, with short-duration bonds outperforming long-duration bonds. Yields on U.S. Corporates and High Yield moved out last week to 5.54% and 8.13%, respectively.

Economic data for the week was met with mixed responses. Existing home sales fell by 1.9% to an annual rate of 4.14 million in April, slightly below consensus expectations. May's FOMC meeting minutes were released on Wednesday and highlighted a willingness to raise interest rates again if inflation doesn't demonstrate progress towards the 2% target. The S&P flash PMI readings showed the economy accelerated in May. The S&P flash U.S. services PMI rose to a 12-month high of 54.8 in May, while the S&P Flash U.S. Manufacturing PMI increased above expectations to 50.9 as new orders rebounded. U.S. durable goods orders rose 0.7% in April, marking the third straight monthly gain, as much of the activity came from the defense sector. The University of Michigan Consumer Sentiment index fell to 69.1 in May, its lowest level in six months, as the mixed inflationary data seems to be weighing on consumers.

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

| | Week | | | MTD | | | QTD | | | YTD | | |
|-------|--------|--------|--------|-------|-------|--------|--------|--------|--------|-------|--------|--------|
| | Value | Core | Growth | Value | Core | Growth | Value | Core | Growth | Value | Core | Growth |
| Large | -1.40% | -0.10% | 0.96% | 2.96% | 5.31% | 7.26% | -1.43% | 0.83% | 2.71% | 7.42% | 11.21% | 14.43% |
| Mid | -1.07% | -0.99% | -0.80% | 3.64% | 3.56% | 3.36% | -1.79% | -2.04% | -2.64% | 6.29% | 6.39% | 6.61% |
| Small | -2.18% | -1.21% | -0.24% | 4.22% | 4.97% | 5.72% | -2.42% | -2.42% | -2.42% | 0.41% | 2.64% | 4.98% |

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 | -0.17% | -0.21% | -0.21% | 0.71% | 0.95% | 3.44% | -0.13% | -0.42% | -2.84% | -0.17% | -0.77% | -5.99% |
| Corp | -0.15% | -0.21% | -0.35% | 0.81% | 1.21% | 2.96% | 0.15% | -0.15% | -2.13% | 0.75% | 0.10% | -3.78% |
| HY | -0.10% | -0.21% | -0.45% | 0.94% | 1.10% | 1.59% | 0.35% | 0.21% | -2.02% | 1.89% | 1.67% | 0.01% |

Index Returns

| | Week | MTD | QTD | YTD |
|--------------------------|--------|-------|--------|--------|
| Equities (Stocks) | | | | |
| S&P 500 | 0.05% | 5.48% | 1.17% | 11.85% |
| S&P MidCap 400 | -1.28% | 4.16% | -2.11% | 7.63% |
| Russell 2000 | -1.21% | 4.97% | -2.42% | 2.64% |
| MSCI EAFE | -0.86% | 3.93% | 1.27% | 7.12% |
| MSCI Emerging Markets | -1.48% | 3.78% | 4.24% | 6.71% |
| MSCI EAFE Small Cap | -0.78% | 3.71% | 0.63% | 3.04% |
| Fixed Income (Bonds) | | | | |
| Bloomberg Int Gov/Credit | -0.21% | 1.03% | -0.33% | -0.48% |
| Bloomberg US Agg | -0.28% | 1.66% | -0.91% | -1.68% |
| Bloomberg US High Yield | -0.21% | 1.11% | 0.16% | 1.64% |
| Other | | | | |
| Bloomberg Commodity | -0.58% | 3.66% | 6.45% | 8.79% |
| S&P Dev Property | -3.36% | 1.90% | -4.02% | -4.42% |

S&P 500 Sector Returns

| | Week | MTD | QTD | YTD |
|--------------------|--------|--------|--------|--------|
| Consumer Disc | -1.84% | 0.56% | -3.80% | 1.00% |
| Consumer Staples | -1.31% | 2.34% | 1.43% | 9.06% |
| Energy | -3.82% | -2.37% | -3.12% | 10.14% |
| Financials | -1.96% | 3.07% | -1.24% | 11.07% |
| Health Care | -1.25% | 2.98% | -2.25% | 6.40% |
| Industrials | -0.65% | 2.48% | -1.18% | 9.66% |
| Info Technology | 3.44% | 11.70% | 5.64% | 19.04% |
| Materials | -0.82% | 3.07% | -1.66% | 7.14% |
| Real Estate | -3.65% | 3.21% | -5.56% | -6.08% |
| Communication Svcs | 0.25% | 7.21% | 4.99% | 21.60% |
| Utilities | -1.15% | 7.16% | 8.93% | 13.90% |

Bond Yields

| | 5/24/24 | 4/30/24 | 3/31/24 | 12/31/23 |
|---------------|---------|---------|---------|----------|
| 3Mo Libor | 5.60% | 5.59% | 5.56% | 5.59% |
| SOFR 3Mo Swap | 5.34% | 5.34% | 5.30% | 5.33% |
| 2Yr Treasury | 4.93% | 5.04% | 4.59% | 4.23% |
| 10Yr Treasury | 4.46% | 4.69% | 4.20% | 3.88% |
| 2-10 Slope | -0.47% | -0.35% | -0.39% | -0.35% |

Commodities and Currency

| | 5/24/24 | 4/30/24 | 3/31/24 | 12/31/23 |
|-----------------|---------|---------|---------|----------|
| Oil (\$/barrel) | 78.74 | 81.93 | 83.17 | 71.65 |
| Gold (\$/oz.) | 2333.83 | 2286.25 | 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.