

Weekly Market Update



Market Data as of Week Ending: 7/12/2024 unless noted otherwise

Stock prices were generally higher as the S&P 500 reached new highs and market breadth expanded. The earnings outlook improved as consensus earnings growth expectations increased to 9.3% for the second quarter. If realized, that would be the highest growth rate since the first quarter of 2022. The increase was mostly driven by higher expectations, as only 5% of companies in the S&P 500 have reported. Several of the largest banks reported mixed results as financials continue to manage a challenging rate environment and weaker demand. Investor sentiment improved for small caps, outperforming their larger-sized peers by more than 5%. From a style perspective, value outperformed growth across all size segments. Nearly all sectors delivered gains for the week, with sector leadership concentrated in more interest rate-sensitive sectors such as utilities and real estate. Communication services was the only sector in negative territory, followed by underperformance in consumer staples and discretionary. Developed foreign and emerging markets stocks traded higher, outperforming domestic markets.

Bonds delivered solid gains again for the week as yields declined across the curve. Investors significantly increased expectations for a September Fed rate cut as Chair Powell testified before Congress, and key inflation data came in lower than expected. The 10-year Treasury ended the week lower at 4.18%, and the two-year declined to 4.45%. Long-term bonds outperformed, led by long-term government bonds as the top-performing segment, but were more mixed across segments in other parts of the curve. Yields on corporates and high yield declined and ended the week at 5.22% and 7.89%, respectively.

Economic data was headlined by inflation data released on Thursday that showed another month of moderating prices. Both the headline Consumer Price Index (CPI) and core CPI (excluding food & energy) came in lower than expected, with notable softness in housing. Headline CPI declined 0.1% for the month of June and slowed to an annual increase of 3.0%. Core CPI narrowly advanced 0.1% in June, decelerating to a 3.3% growth rate compared to the same month last year, which is the slowest pace in more than three years. The Producer Price Index (PPI) on Friday was less encouraging, with a higher-than-expected increase in the month of June. However, both headline and Core PPI appear to be well contained, at or below 3%, for the last 12 months. Consumer inflation expectations also declined, according to the University of Michigan survey. However, the same report showed a decline in consumer sentiment, with the preliminary reading in July coming in at 66.0 compared to 68.2 in July.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	2.76%	1.04%	-0.39%	2.35%	2.87%	3.31%	2.35%	2.87%	3.31%	9.13%	17.51%	24.70%
Mid	3.89%	3.39%	1.87%	2.90%	2.80%	2.49%	2.90%	2.80%	2.49%	7.57%	7.90%	8.61%
Small	6.60%	6.01%	5.45%	4.94%	4.95%	4.95%	4.94%	4.95%	4.95%	4.05%	6.76%	9.61%

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	0.47%	0.55%	1.38%	0.85%	1.04%	2.39%	0.85%	1.04%	2.39%	1.59%	1.28%	-2.71%
Corp	0.46%	0.60%	1.27%	0.99%	1.31%	2.75%	0.99%	1.31%	2.75%	2.56%	2.32%	-0.73%
HY	0.71%	0.79%	1.05%	0.96%	1.07%	1.80%	0.96%	1.07%	1.80%	3.79%	3.75%	0.81%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	0.89%	2.88%	2.88%	18.61%
S&P MidCap 400	4.33%	3.13%	3.13%	9.49%
Russell 2000	6.01%	4.95%	4.95%	6.76%
MSCI EAFE	2.29%	4.50%	4.50%	10.08%
MSCI Emerging Markets	1.82%	3.78%	3.78%	11.55%
MSCI EAFE Small Cap	3.04%	5.13%	5.13%	5.67%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.57%	1.12%	1.12%	1.61%
Bloomberg US Agg	0.82%	1.54%	1.54%	0.82%
Bloomberg US High Yield	0.80%	1.08%	1.08%	3.69%
Other				
Bloomberg Commodity	-1.61%	-0.03%	-0.03%	5.11%
S&P Dev Property	4.18%	5.01%	5.01%	1.93%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	0.38%	4.15%	4.15%	10.05%
Consumer Staples	0.10%	1.14%	1.14%	10.22%
Energy	0.45%	-0.82%	-0.82%	10.02%
Financials	2.01%	3.03%	3.03%	13.50%
Health Care	2.65%	1.69%	1.69%	9.63%
Industrials	2.39%	1.83%	1.83%	9.73%
Info Technology	0.53%	4.41%	4.41%	33.89%
Materials	2.97%	2.54%	2.54%	6.69%
Real Estate	4.38%	4.12%	4.12%	1.57%
Communication Svcs	-3.45%	0.35%	0.35%	27.13%
Utilities	3.93%	4.52%	4.52%	14.38%

Bond Yields

	7/12/24	6/30/24	6/30/24	12/31/23
3Mo Libor	5.55%	5.59%	5.59%	5.59%
SOFR 3Mo Swap	5.29%	5.32%	5.32%	5.33%
2Yr Treasury	4.45%	4.71%	4.71%	4.23%
10Yr Treasury	4.18%	4.36%	4.36%	3.88%
2-10 Slope	-0.27%	-0.35%	-0.35%	-0.35%

Commodities and Currency

	7/12/24	6/30/24	6/30/24	12/31/23
Oil (\$/barrel)	82.21	81.54	81.54	71.65
Gold (\$/oz.)	2411.43	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.