

Weekly Market Update



Market Data as of Week Ending: 7/26/2024 unless noted otherwise

Stock prices were mixed as the S&P 500 declined following varied results from corporate earnings and economic data. As we near the halfway point of this earnings season, the outlook remains favorable as the blended earnings growth rate bumped higher to 9.8% for the second quarter. If realized, that would be the highest growth rate since the fourth quarter of 2021. The increase was primarily driven by earnings growth surprises reported by companies in the industrials and communication services sectors, partially offset by downward revisions in the healthcare sector. Small caps retained their leadership position last week, outperforming their mid and large-sized peers. From a style perspective, value outperformed growth across all size segments. Sector performance was also mixed for the week, with notable gains in utilities, health care and materials. Only four sectors declined, with notable losses in information technology, communication services and consumer discretionary. Developed foreign and emerging markets stocks traded lower, underperforming domestic markets.

Bond prices were mostly higher for the week as yields declined across the curve. Mixed economic data lowered expectations for a September Fed rate cut, but the probability remains well above 85%, with very little probability of a reduction following the July meeting. The 10-year Treasury ended the week lower at 4.20%, and the two-year declined to 4.36%. Intermediate-term bonds outperformed, led by government bonds as the top-performing segment. Corporate bond yields declined across the quality spectrum as investment grade bond yields and high yield ended the week lower at 5.26% and 7.89%, respectively.

Economic data was mixed last week, with inflation and GDP surprises to the upside offset by declining housing activity and lower consumer sentiment. Real GDP for the U.S. was a notable surprise to the upside, coming in at an annualized rate of 2.8% in the second quarter and back above the long-term trend of 2%. Durable goods, excluding transportation, surprised to the upside and increased 0.5%, matching its highest level over the past 12 months. The Fed's preferred measure of inflation, Core PCE, also came in higher than expected at 0.2% for the month of June. However, the year-over-year figure of 2.6% was unchanged. Other notable figures for the month of June released by the BEA included personal income, which came in lower than expected at 0.2%, and personal spending matched consensus at 0.3%. Both existing and new home sales declined to nearly their lowest levels in the last 12 months as higher borrowing costs and elevated prices continue to lower affordability. Consumer sentiment was revised higher for the month of July, but the current level of 66.4 has declined for the fourth consecutive month as high prices continue to drag down attitudes, particularly for those with lower incomes.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	1.23%	-0.67%	-2.37%	4.31%	0.32%	-3.11%	4.31%	0.32%	-3.11%	11.22%	14.61%	16.94%
Mid	1.47%	0.92%	-0.84%	5.02%	3.77%	-0.08%	5.02%	3.77%	-0.08%	9.79%	8.93%	5.89%
Small	4.00%	3.47%	2.95%	12.39%	10.42%	8.51%	12.39%	10.42%	8.51%	11.43%	12.34%	13.33%

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	0.29%	0.34%	0.15%	1.09%	1.25%	1.67%	1.09%	1.25%	1.67%	1.83%	1.49%	-3.40%
Corp	0.28%	0.30%	-0.09%	1.15%	1.39%	1.78%	1.15%	1.39%	1.78%	2.73%	2.40%	-1.68%
HY	0.23%	0.30%	0.07%	1.51%	1.68%	1.89%	1.51%	1.68%	1.89%	4.35%	4.38%	0.90%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-0.82%	0.05%	0.05%	15.35%
S&P MidCap 400	1.99%	5.00%	5.00%	11.48%
Russell 2000	3.47%	10.42%	10.42%	12.34%
MSCI EAFE	-0.95%	1.03%	1.03%	6.43%
MSCI Emerging Markets	-1.56%	-0.87%	-0.87%	6.55%
MSCI EAFE Small Cap	-0.77%	3.17%	3.17%	3.70%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.32%	1.29%	1.29%	1.79%
Bloomberg US Agg	0.27%	1.48%	1.48%	0.76%
Bloomberg US High Yield	0.30%	1.69%	1.69%	4.31%
Other				
Bloomberg Commodity	-1.46%	-4.59%	-4.59%	0.32%
S&P Dev Property	-0.51%	5.09%	5.09%	2.00%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-2.31%	-0.98%	-0.98%	4.63%
Consumer Staples	0.56%	2.74%	2.74%	11.96%
Energy	-0.24%	0.98%	0.98%	12.02%
Financials	1.29%	5.60%	5.60%	16.34%
Health Care	1.41%	2.85%	2.85%	10.88%
Industrials	1.16%	3.60%	3.60%	11.63%
Info Technology	-2.44%	-3.38%	-3.38%	23.91%
Materials	1.37%	3.49%	3.49%	7.68%
Real Estate	0.54%	6.06%	6.06%	3.47%
Communication Svcs	-3.76%	-6.20%	-6.20%	18.83%
Utilities	1.47%	4.41%	4.41%	14.26%

Bond Yields

	7/26/24	6/30/24	6/30/24	12/31/23
3Mo Libor	5.52%	5.59%	5.59%	5.59%
SOFR 3Mo Swap	5.25%	5.32%	5.32%	5.33%
2Yr Treasury	4.36%	4.71%	4.71%	4.23%
10Yr Treasury	4.20%	4.36%	4.36%	3.88%
2-10 Slope	-0.16%	-0.35%	-0.35%	-0.35%

Commodities and Currency

	7/26/24	6/30/24	6/30/24	12/31/23
Oil (\$/barrel)	77.16	81.54	81.54	71.65
Gold (\$/oz.)	2387.19	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.