

Weekly Market Update



Market Data as of Week Ending: 3/22/2024 unless noted otherwise

Stock prices rose last week as the Fed struck a dovish tone and the S&P 500 reached a new record high. Investors responded favorably to the Fed's decision to hold on rate cuts until they are more confident that inflation will not reaccelerate. Small and mid-cap stocks underperformed their large cap peers and growth generally outperformed value. Sector performance within the S&P 500 was mostly positive as ten of the eleven sectors delivered gains. Communication services was up nearly 5%, led by favorable reports that Alphabet's AI (Gemini) could be used in Apple's iPhone. Despite lower interest rates, the real estate sector declined and was the worst performing sector. Foreign stocks were also higher for the week as the Bank of England also left policy rates unchanged, but the MSCI EAFE lagged the S&P 500 by more than 1%. MSCI Emerging Markets delivered a small gain as both Brazil and Mexico announced cuts to their policy rates.

Interest rates declined as Fed Chair Powell indicated that recent inflation surprises were most likely seasonal, and the Committee expects three rate cuts by the end of this year. The 2-year and 10-year U.S. Treasury yields decreased to 4.59% and 4.22%, respectively. The yield curve remains inverted with the 2-10 slope narrowing to -0.37%. Fixed income delivered solid gains for the week as long-duration outperformed short-duration securities. Yields on U.S. Corporate and High Yield Bonds declined, ending the week at 5.30% and 7.84%, respectively.

Economic data for the week was light and investors were primarily focused on the Fed's policy rate decision. The most recent Summary of Economic Projections (SEP) indicated that when compared to December, Fed participants are more optimistic about GDP growth (+2.1% vs +1.4%), expect a lower unemployment rate (4.0% vs 4.1%), but are concerned about core inflation settling in above their 2% target (2.6% vs 2.4%). Housing data came in better than expected with a 10% increase in housing starts and a 9.5% increase in existing home sales. The S&P Global US Composite PMI remains in expansionary territory at 52.2 in March, narrowing from 52.5 last month. However, Manufacturing surprised to the upside beating consensus and increasing from 52.2 to 52.5.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	1.66%	2.31%	2.85%	3.12%	2.70%	2.37%	7.03%	9.76%	12.08%	7.03%	9.76%	12.08%
Mid	2.09%	2.05%	1.97%	3.12%	2.64%	1.51%	6.11%	6.83%	8.56%	6.11%	6.83%	8.56%
Small	2.21%	1.61%	1.03%	1.36%	0.96%	0.56%	-0.08%	2.52%	5.24%	-0.08%	2.52%	5.24%

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	0.45%	0.55%	1.15%	0.37%	0.43%	0.37%	-0.07%	-0.41%	-4.07%	-0.07%	-0.41%	-4.07%
Corp	0.50%	0.66%	1.03%	0.67%	0.89%	1.35%	0.58%	0.19%	-2.27%	0.58%	0.19%	-2.27%
HY	0.41%	0.58%	1.08%	0.85%	1.07%	1.53%	1.45%	1.36%	1.94%	1.45%	1.36%	1.94%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	2.31%	2.81%	10.11%	10.11%
S&P MidCap 400	2.32%	3.62%	7.89%	7.89%
Russell 2000	1.61%	0.96%	2.52%	2.52%
MSCI EAFE	1.21%	3.15%	5.64%	5.64%
MSCI Emerging Markets	0.51%	2.01%	1.90%	1.90%
MSCI EAFE Small Cap	1.31%	3.01%	1.70%	1.70%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.58%	0.57%	-0.22%	-0.22%
Bloomberg US Agg	0.73%	0.70%	-1.00%	-1.00%
Bloomberg US High Yield	0.60%	1.08%	1.37%	1.37%
Other				
Bloomberg Commodity	-0.39%	2.40%	1.30%	1.30%
S&P Dev Property	1.28%	1.77%	-2.34%	-2.34%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	2.79%	-0.60%	4.25%	4.25%
Consumer Staples	1.02%	2.51%	6.50%	6.50%
Energy	1.76%	8.21%	11.23%	11.23%
Financials	1.86%	2.99%	10.54%	10.54%
Health Care	0.40%	0.75%	7.12%	7.12%
Industrials	2.90%	3.76%	10.29%	10.29%
Info Technology	2.94%	3.27%	14.13%	14.13%
Materials	1.00%	4.73%	7.14%	7.14%
Real Estate	-0.38%	-0.61%	-2.87%	-2.87%
Communication Svcs	4.78%	5.13%	16.70%	16.70%
Utilities	1.49%	3.66%	1.66%	1.66%

Bond Yields

	3/22/24	2/29/24	12/31/23	12/31/23
3Mo Libor	5.57%	5.60%	5.59%	5.59%
SOFR 3Mo Swap	5.31%	5.33%	5.33%	5.33%
2Yr Treasury	4.59%	4.64%	4.23%	4.23%
10Yr Treasury	4.22%	4.25%	3.88%	3.88%
2-10 Slope	-0.37%	-0.39%	-0.35%	-0.35%

Commodities and Currency

	3/22/24	2/29/24	12/31/23	12/31/23
Oil (\$/barrel)	81.04	78.26	71.65	71.65
Gold (\$/oz.)	2165.44	2044.3	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.