

Weekly Market Update



Stocks declined for the third consecutive week as a combination of disappointing earnings, Fed policy outlook, and conflict in the Middle East weighed on sentiment. Less than 15% of companies have reported first quarter earnings, but growth has been disappointing thus far. Earnings growth expectations have been lowered from 3.4% at the end of March, down to 0.5% by the end of the week. Small and mid-cap stocks outperformed their large cap peers and the value style factor outpaced growth by a wide margin. Negative sentiment was most pronounced in growth sectors such as information technology and consumer discretionary. Several defensive sectors managed to deliver gains for the week, with positive contributions in consumer staples, utilities, and health care. Foreign stocks were also down for the week as developed foreign outperformed and emerging markets lagged relative to the S&P 500.

Interest rates continued to trend higher for most of the week as the 10-year treasury rose 0.12% to 4.62%. Yields on the front-end of the curve increased 0.09%, bringing the 2-year treasury to 4.97%. Investors responded to economic data and comments from the Fed that further reduced the likelihood of imminent interest rate cuts. Fixed income was negative across all segments along the curve last week as long-duration bonds lagged, while short-term bonds outperformed. Yields on U.S. Corporate and High Yield Bonds rose, ending the week at 5.71% and 8.40%, respectively.

Economic data for the week strengthened the case for those who believe reducing interest rates right now would be a policy mistake. Retail sales came in better than expected, increasing 0.7% for the month of March and up 4% on a year-over-year basis. Housing starts and existing home sales declined, which should continue to put upward pressure on prices due to a lack of supply. Industrial production rose 0.4% for the second consecutive month and was in line with expectations. Capacity utilization increased for the second consecutive month to 78.4% in March, following a downwardly revised 78.2% in the prior month. Fed chair Powell reiterated that policy decisions would be data dependent and had to pivot toward more uncertainty around policy cuts beginning this year. Policy divergence is brewing across the pond as inflation is slowing in England and the ECB is on track to begin cutting rates in June.

Market Data as of Week Ending: 4/19/2024 unless noted otherwise

| U.S. Equity Returns (Size & Style - Russell) | | | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Week | | | MTD | | | QTD | | | YTD | | |
| | Value | Core | Growth | Value | Core | Growth | Value | Core | Growth | Value | Core | Growth |
| Large | -0.70% | -3.04% | -4.93% | -4.76% | -5.52% | -6.15% | -4.76% | -5.52% | -6.15% | 3.79% | 4.21% | 4.57% |
| Mid | -1.83% | -2.39% | -3.74% | -6.14% | -6.50% | -7.36% | -6.14% | -6.50% | -7.36% | 1.58% | 1.54% | 1.44% |
| Small | -1.54% | -2.76% | -3.98% | -6.97% | -8.29% | -9.59% | -6.97% | -8.29% | -9.59% | -4.28% | -3.54% | -2.74% |

| 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 | -0.14% | -0.25% | -1.17% | -0.81% | -1.27% | -5.34% | -0.81% | -1.27% | -5.34% | -0.85% | -1.61% | -8.41% |
| Corp | -0.20% | -0.39% | -1.40% | -0.81% | -1.49% | -4.69% | -0.81% | -1.49% | -4.69% | -0.22% | -1.23% | -6.29% |
| HY | -0.43% | -0.55% | -2.09% | -1.17% | -1.60% | -3.45% | -1.17% | -1.60% | -3.45% | 0.34% | -0.17% | -1.45% |

| Index Returns | | | | |
|--------------------------|--------|--------|--------|--------|
| | Week | MTD | QTD | YTD |
| Equities (Stocks) | | | | |
| S&P 500 | -3.04% | -5.40% | -5.40% | 4.58% |
| S&P MidCap 400 | -2.16% | -6.84% | -6.84% | 2.43% |
| Russell 2000 | -2.76% | -8.29% | -8.29% | -3.54% |
| MSCI EAFE | -2.29% | -4.69% | -4.69% | 0.83% |
| MSCI Emerging Markets | -3.58% | -3.64% | -3.64% | -1.36% |
| MSCI EAFE Small Cap | -2.96% | -5.04% | -5.04% | -2.76% |
| Fixed Income (Bonds) | | | | |
| Bloomberg Int Gov/Credit | -0.29% | -1.34% | -1.34% | -1.48% |
| Bloomberg US Agg | -0.61% | -2.36% | -2.36% | -3.11% |
| Bloomberg US High Yield | -0.58% | -1.64% | -1.64% | -0.19% |
| Other | | | | |
| Bloomberg Commodity | 0.23% | 3.92% | 3.92% | 6.20% |
| S&P Dev Property | -2.96% | -7.22% | -7.22% | -7.62% |

| Commodities and Currency | | | | |
|--------------------------|---------|---------|---------|----------|
| | 4/19/24 | 3/31/24 | 3/31/24 | 12/31/23 |
| Oil (\$/barrel) | 83.14 | 83.17 | 83.17 | 71.65 |
| Gold (\$/oz.) | 2391.93 | 2229.87 | 2229.87 | 2062.98 |

| S&P 500 Sector Returns | | | | |
|------------------------|--------|--------|--------|--------|
| | Week | MTD | QTD | YTD |
| Consumer Disc | -4.52% | -6.95% | -6.95% | -2.32% |
| Consumer Staples | 1.55% | -2.31% | -2.31% | 5.04% |
| Energy | -1.19% | 0.69% | 0.69% | 14.47% |
| Financials | 0.81% | -4.12% | -4.12% | 7.83% |
| Health Care | 0.02% | -5.99% | -5.99% | 2.33% |
| Industrials | -2.00% | -4.39% | -4.39% | 6.10% |
| Info Technology | -7.26% | -8.37% | -8.37% | 3.26% |
| Materials | -1.09% | -4.27% | -4.27% | 4.29% |
| Real Estate | -3.64% | -9.25% | -9.25% | -9.75% |
| Communication Svcs | -3.23% | -1.19% | -1.19% | 14.44% |
| Utilities | 1.87% | -0.39% | -0.39% | 4.16% |

| Bond Yields | | | | |
|---------------|---------|---------|---------|----------|
| | 4/19/24 | 3/31/24 | 3/31/24 | 12/31/23 |
| 3Mo Libor | 5.59% | 5.56% | 5.56% | 5.59% |
| SOFR 3Mo Swap | 5.32% | 5.30% | 5.30% | 5.33% |
| 2Yr Treasury | 4.97% | 4.59% | 4.59% | 4.23% |
| 10Yr Treasury | 4.62% | 4.20% | 4.20% | 3.88% |
| 2-10 Slope | -0.35% | -0.39% | -0.39% | -0.35% |

Past performance is not a guarantee of future results. We believe the information presented is reliable, but we do not guarantee its accuracy.