

Weekly Market Update



Equities were mixed for the week as investors digested economic data to predict the pace of rate cuts. Technology-heavy indexes traded lower over the week after NVIDIA released Q2 earnings after hours on Thursday. Despite beating both top and bottom line estimates, the results were by a smaller magnitude than in recent quarters. Value stocks outperformed growth stocks during the week, and large-cap stocks mostly outperformed small and mid-cap. Eight out of eleven sectors ended the week positively. Financials notably outperformed other sectors, benefiting from a more favorable interest rate environment. NVIDIA led tech stocks lower, making technology the worst-performing sector. Developed foreign markets traded higher as many central banks are seeing inflation moderate and are preparing to cut interest rates. Emerging markets were flat, with Chinese stocks trading lower due to weak earnings and economic downgrades.

Fixed income traded lower as short-term rates dropped and long-term rates increased. After 788 days, the 2-year to 10-year yield curve is no longer inverted. The 10-year yield increased to 3.91%, while the 2-year yield remained flat, also finishing the week at 3.91%. Short and intermediate-duration bonds traded marginally lower, while long-duration bonds underperformed due to an increase in longer-term yields. Investment-grade corporate bond yields and high-yield bonds ended the week relatively unchanged at 4.94% and 7.52%, respectively.

Economic data for the week supported the narrative of a healthy consumer and a resilient economy. The Fed has signaled that it will cut rates in September, but investors are now dissecting economic releases to weigh the probabilities of a 25bps cut versus a 50bps cut. Although inflation remains above the Fed's target, it continues to move lower. Core PCE increased by 0.2% as expected, but the year-over-year increase of 2.5% was slightly lower than consensus. Second-quarter GDP was revised higher from 2.8% to 3.0%, primarily driven by an upward revision in consumer spending. Consumer reports continued to be encouraging. Consumer confidence, as measured by the Conference Board, increased to 103.3 from 101.9 as inflation fears subsided. Personal incomes increased by 0.3% month-over-month, while personal spending rose by 0.5%. Despite a resilient economy and a strong consumer, the housing market remains challenged. Pending home sales were 5.5% lower than the previous month and dropped 8.5% year-over-year, marking the lowest level in the index's history (2001).

Market Data as of Week Ending: 8/30/2024 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	1.32%	0.27%	-0.68%	2.68%	2.37%	2.08%	7.93%	3.86%	0.35%	15.08%	18.64%	21.12%
Mid	0.65%	0.34%	-0.65%	1.89%	2.03%	2.48%	8.04%	6.83%	3.11%	12.95%	12.14%	9.27%
Small	0.10%	-0.01%	-0.13%	-1.88%	-1.49%	-1.11%	10.08%	8.51%	6.99%	9.15%	10.39%	11.74%

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	-0.07%	-0.20%	-1.64%	0.99%	1.08%	2.03%	2.51%	2.93%	5.68%	3.25%	3.17%	0.41%
Corp	-0.01%	-0.20%	-1.36%	1.11%	1.30%	2.12%	2.68%	3.32%	5.36%	4.29%	4.35%	1.79%
HY	0.20%	0.21%	-0.38%	1.46%	1.61%	3.01%	3.24%	3.56%	6.13%	6.13%	6.31%	5.11%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	0.27%	2.43%	3.67%	19.53%
S&P MidCap 400	-0.13%	-0.08%	5.72%	12.24%
Russell 2000	-0.01%	-1.49%	8.51%	10.39%
MSCI EAFE	0.60%	3.25%	6.28%	11.96%
MSCI Emerging Markets	-0.05%	1.61%	1.92%	9.55%
MSCI EAFE Small Cap	0.36%	1.98%	7.79%	8.34%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.20%	1.15%	3.05%	3.55%
Bloomberg US Agg	-0.51%	1.44%	3.81%	3.07%
Bloomberg US High Yield	0.20%	1.63%	3.61%	6.28%
Other				
Bloomberg Commodity	-0.29%	0.05%	-3.99%	0.95%
S&P Dev Property	0.99%	6.25%	12.93%	9.61%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-0.17%	-0.97%	0.67%	6.37%
Consumer Staples	0.82%	5.94%	7.98%	17.68%
Energy	1.02%	-1.70%	0.38%	11.35%
Financials	2.95%	4.51%	11.26%	22.58%
Health Care	1.11%	5.10%	7.89%	16.31%
Industrials	1.71%	2.86%	7.90%	16.26%
Info Technology	-1.47%	1.25%	-0.86%	27.14%
Materials	1.67%	2.40%	6.89%	11.21%
Real Estate	0.36%	5.79%	13.42%	10.64%
Communication Svcs	-0.69%	1.24%	-2.82%	23.11%
Utilities	1.17%	4.86%	11.98%	22.55%

Bond Yields

	8/30/24	7/31/24	6/30/24	12/31/23
3Mo Libor	5.28%	5.50%	5.59%	5.59%
SOFR 3Mo Swap	5.01%	5.24%	5.32%	5.33%
2Yr Treasury	3.91%	4.29%	4.71%	4.23%
10Yr Treasury	3.91%	4.09%	4.36%	3.88%
2-10 Slope	0.00%	-0.20%	-0.35%	-0.35%

Commodities and Currency

	8/30/24	7/31/24	6/30/24	12/31/23
Oil (\$/barrel)	73.55	77.91	81.54	71.65
Gold (\$/oz.)	2503.39	2447.6	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.