

Weekly Market Update



Market Data as of Week Ending: 2/16/2024 unless noted otherwise

Stock prices pulled back slightly as the S&P 500 experienced its first weekly decline since the start of the year. The week did bring some favorable earnings surprises, with the estimated earnings growth rate now at 3.2%, up from 2.8% a week ago and 1.5% at the end of the fourth quarter. Small-cap stocks continued their comeback, posting a 1.17% gain for the week, outperforming their mid and large-cap peers. Growth stocks lagged their value peers as the declines were concentrated in large-cap growth stocks. Most sectors were positive, with seven of the eleven sectors ending the week higher. Information technology and communication services saw the sharpest drops, while, on the flip side, materials and energy recorded strong gains. Developed foreign equities and emerging markets posted positive results, outperforming domestic stocks.

Fixed income performance was once again negative as yields rose last week, and the hotter-than-expected CPI sent the probability of a rate cut in May lower. The 2-year and 10-year U.S. Treasury yields rose to 4.65% and 4.29%, respectively. Long-duration government bonds fared the worst, while long-duration high-yield bonds outperformed. Yields on U.S. Corporate and High Yield bonds moved slightly higher, with corporates ending the week at 5.40% and High Yield at 8.05%.

Investors digested what was largely a mixed economic week. The consumer price index rose a sharper-than-expected 0.3% in January, keeping the rate of inflation above 3%, while core inflation also rose at a surprising 0.4%. Two regional manufacturing activity indices showed positive improvement in February. The New York Empire State manufacturing index remained in negative territory for the third consecutive month after rising 41 points to -2.4, improving new orders and shipments. The Philadelphia Fed manufacturing index rose to 5.2 in February, marking the first positive reading since August. U.S. retail sales fell 0.8% in January, the largest drop in 10 months, as it seems consumers hit the pause button after the holiday season. Home builder confidence rose to a five-month high of 48 as expectations about a potential rate cut in the coming months will spur mortgage activity. The producer price index rose 0.3% in January, the fastest pace in five months, potentially signaling inflation is not abating as fast as the Fed had hoped. Consumer sentiment rose to a 31-month high as Americans are seeing a tight labor market and slowing inflation. Initial GDP reports show that Japan and the United Kingdom fell into a recession in late 2023, as they recorded negative growth for the second consecutive quarter.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	0.95%	-0.26%	-1.21%	1.95%	3.53%	4.85%	2.05%	4.97%	7.46%	2.05%	4.97%	7.46%
Mid	0.86%	0.67%	0.23%	2.51%	3.40%	5.53%	0.67%	1.93%	4.97%	0.67%	1.93%	4.97%
Small	1.40%	1.17%	0.94%	2.84%	4.46%	6.14%	-1.83%	0.40%	2.74%	-1.83%	0.40%	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	-0.32%	-0.44%	-1.14%	-0.91%	-1.29%	-3.55%	-0.61%	-1.07%	-5.67%	-0.61%	-1.07%	-5.67%
Corp	-0.16%	-0.26%	-0.85%	-0.58%	-1.01%	-3.16%	-0.19%	-0.82%	-4.00%	-0.19%	-0.82%	-4.00%
HY	-0.20%	-0.32%	-0.14%	0.06%	-0.15%	-0.08%	0.10%	-0.16%	0.20%	0.10%	-0.16%	0.20%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-0.35%	3.41%	5.15%	5.15%
S&P MidCap 400	0.75%	3.60%	1.82%	1.82%
Russell 2000	1.17%	4.46%	0.40%	0.40%
MSCI EAFE	1.47%	0.46%	1.04%	1.04%
MSCI Emerging Markets	2.11%	4.19%	-0.65%	-0.65%
MSCI EAFE Small Cap	1.23%	-0.60%	-2.24%	-2.24%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.38%	-1.20%	-0.99%	-0.99%
Bloomberg US Agg	-0.55%	-1.74%	-2.01%	-2.01%
Bloomberg US High Yield	-0.32%	-0.15%	-0.15%	-0.15%
Other				
Bloomberg Commodity	-0.62%	-2.11%	-1.72%	-1.72%
S&P Dev Property	0.33%	-0.41%	-4.26%	-4.26%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-0.73%	5.28%	1.56%	1.56%
Consumer Staples	0.20%	0.60%	2.15%	2.15%
Energy	2.71%	2.59%	2.20%	2.20%
Financials	1.46%	2.30%	5.41%	5.41%
Health Care	1.12%	3.74%	6.87%	6.87%
Industrials	0.94%	4.55%	3.63%	3.63%
Info Technology	-2.41%	3.51%	7.59%	7.59%
Materials	2.39%	3.53%	-0.52%	-0.52%
Real Estate	-0.15%	0.56%	-4.20%	-4.20%
Communication Svcs	-1.61%	4.97%	10.24%	10.24%
Utilities	1.60%	-0.32%	-3.32%	-3.32%

Bond Yields

	2/16/24	1/31/24	12/31/23	12/31/23
3Mo Libor	5.58%	5.58%	5.59%	5.59%
SOFR 3Mo Swap	5.32%	5.31%	5.33%	5.33%
2Yr Treasury	4.64%	4.27%	4.23%	4.23%
10Yr Treasury	4.30%	3.99%	3.88%	3.88%
2-10 Slope	-0.34%	-0.28%	-0.35%	-0.35%

Commodities and Currency

	2/16/24	1/31/24	12/31/23	12/31/23
Oil (\$/barrel)	79.19	75.85	71.65	71.65
Gold (\$/oz.)	2013.59	2039.52	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.