

Weekly Market Update



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

Stock prices continued their trek higher as economic data outweighed hawkish Fed rhetoric. The S&P 500 and Dow Jones Industrial Average climbed more than 1% overall, marking the 13th positive week out of 14 for the S&P 500. It was the busiest week for fourth-quarter earnings as several of the large tech giants released results, leading to mixed market reaction but ultimately driving the major indices higher. Small-cap stocks were an outlier in the week, posting negative results as size was a positive factor, further trailing their mid and large-sized peers. Value stocks rotated back out of favor and underperformed growth. Sector results were mainly positive, with nine of the eleven sectors recording positive results, with outsized gains coming from consumer-centric sectors in consumer discretionary and consumer staples. The rate-sensitive real estate sector and cyclical energy sector were the only sectors with losses for the week. Developed foreign equities and emerging markets posted mixed results and underperformed domestic stocks.

Fixed income performance was generally positive as yields fell across the curve early in the week. The 2-year treasury yield ended the week at 4.36%, while the 10-year yield fell slightly to 4.03%. In a reversal from last week, long-duration government bonds were the top-performing segment, while short-duration high-yield bonds lagged. Yields on U.S. Corporate and high-yield bonds moved slightly, with corporates ending the week lower at 5.18% while high-yield rose to 7.94%, respectively.

Economic data was generally favorable for the week, outweighing hawkish Fed rhetoric on Wednesday. Consumer confidence rose to a 2-year high of 114.8, reflecting slower inflation, a growing economy, and a record-high stock market. The employee cost index rose 0.9% in the fourth quarter, the smallest increase in two and a half years, but still above the 3.5% Fed target. As expected, Fed policymakers left short-term interest rates unchanged on Wednesday. However, Fed Chair Jerome Powell noted that the chances of a rate cut in March is not likely. Manufacturing data for the week was also promising, as both the S&P and ISM manufacturing index came in above expectations, rising to 50.7 and 49.1, respectively. The U.S. jobs report on Friday showed that employers added 353,000 nonfarm jobs in January, nearly double the estimates and underscoring the strength of the U.S. labor market. Average hourly earnings also surpassed expectations, rising by 0.6%, while the average workweek shrank from 34.3 to 34.1 hours. The unemployment rate stayed at 3.7%.

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

	Value	Week Core	Growth	Value	MTD Core	Growth	Value	QTD Core	Growth	Value	YTD Core	Growth
Large	0.54%	1.33%	1.99%	0.85%	2.28%	3.46%	0.95%	3.70%	6.04%	0.95%	3.70%	6.04%
Mid	0.26%	0.62%	1.49%	1.06%	1.43%	2.31%	-0.75%	-0.01%	1.76%	-0.75%	-0.01%	1.76%
Small	-1.96%	-0.77%	0.47%	0.06%	0.80%	1.57%	-4.49%	-3.12%	-1.69%	-4.49%	-3.12%	-1.69%

U.S. Fixed Income Returns (Quality & Duration - Bloomberg)

	Short	Week Interm	Long	Short	MTD Interm	Long	Short	QTD Interm	Long	Short	YTD Interm	Long
Govt	0.11%	0.27%	2.54%	-0.33%	-0.41%	-0.27%	-0.02%	-0.19%	-2.45%	-0.02%	-0.19%	-2.45%
Corp	0.10%	0.27%	1.20%	-0.25%	-0.32%	-0.36%	0.14%	-0.13%	-1.23%	0.14%	-0.13%	-1.23%
HY	0.08%	0.09%	0.48%	0.06%	0.04%	0.04%	0.10%	0.03%	0.32%	0.10%	0.03%	0.32%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	1.41%	2.34%	4.06%	4.06%
S&P MidCap 400	0.15%	1.30%	-0.44%	-0.44%
Russell 2000	-0.77%	0.80%	-3.12%	-3.12%
MSCI EAFE	0.02%	-1.11%	-0.54%	-0.54%
MSCI Emerging Markets	0.32%	1.27%	-3.43%	-3.43%
MSCI EAFE Small Cap	-0.32%	-1.35%	-2.98%	-2.98%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.27%	-0.38%	-0.17%	-0.17%
Bloomberg US Agg	0.65%	-0.38%	-0.66%	-0.66%
Bloomberg US High Yield	0.10%	0.04%	0.03%	0.03%
Other				
Bloomberg Commodity	-2.04%	-1.89%	-1.50%	-1.50%
S&P Dev Property	-0.34%	-0.32%	-4.17%	-4.17%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	3.77%	4.52%	0.83%	0.83%
Consumer Staples	2.15%	1.74%	3.31%	3.31%
Energy	-0.91%	0.10%	-0.28%	-0.28%
Financials	0.89%	0.60%	3.66%	3.66%
Health Care	1.98%	1.15%	4.19%	4.19%
Industrials	1.90%	2.37%	1.47%	1.47%
Info Technology	0.78%	2.72%	6.78%	6.78%
Materials	0.76%	1.08%	-2.87%	-2.87%
Real Estate	-0.47%	0.47%	-4.30%	-4.30%
Communication Svcs	1.64%	5.61%	10.91%	10.91%
Utilities	0.41%	0.06%	-2.96%	-2.96%

Bond Yields

	2/2/24	1/31/24	12/31/23	12/31/23
3Mo Libor	5.55%	5.58%	5.59%	5.59%
SOFR 3Mo Swap	5.32%	5.31%	5.33%	5.33%
2Yr Treasury	4.36%	4.27%	4.23%	4.23%
10Yr Treasury	4.03%	3.99%	3.88%	3.88%
2-10 Slope	-0.33%	-0.28%	-0.35%	-0.35%

Commodities and Currency

	2/2/24	1/31/24	12/31/23	12/31/23
Oil (\$/barrel)	72.28	75.85	71.65	71.65
Gold (\$/oz.)	2039.76	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.