

Weekly Market Update



Market Data as of Week Ending: 3/15/2024 unless noted otherwise

Equities were mostly lower on the week as inflation concerns drove yields higher. It was a risk-off week as small and mid-cap stocks underperformed. Value slightly outperformed growth, and large-cap stocks were only modestly lower. Large-value was the best-performing size and style. Sector performance within the S&P 500 was mixed. Real Estate was the worst-performing sector as interest rates increased and higher oil prices drove the outperformance in Energy. Foreign stocks were also lower for the week, with MSCI EAFE returning at -1.32% as Japanese stocks turned lower. MSCI Emerging Markets were only marginally lower, with Chinese stocks ending the week slightly higher.

Interest rates steadily increased throughout the week as inflation data was released. The 2-year and 10-year U.S. Treasury yields increased to 4.72% and 4.31%, respectively. The yield curve remains inverted, with the 2-10 slope widening to -0.41%. Fixed income was lower on the week as long-duration significantly underperformed short-duration securities. Yields on U.S. Corporate and High Yield Bonds were higher for the week, with corporates ending the week at 5.42% and high yield at 7.97%. High yield spreads remain historically tight.

Economic data for the week was focused on measures of inflation. Releases indicated that while inflation is lower, it is still above the Fed target and may be stickier than anticipated. Headline CPI was 0.4% higher in February, a 3.2% increase from a year prior. Core CPI was 0.4% higher, a 3.8% increase from a year prior. PPI, a wholesale measure of inflation, increased 0.6% in February. While PPI was above estimates, 70% of the broad-based increase was due to higher energy prices. February retail sales of 0.6% were weaker than expected. Gasoline and restaurant sales were higher, while online sales decreased. The previous month's retail sales were revised to be lower. The University of Michigan reported that sentiment was marginally lower but remained considerably higher than a year ago. Industrial production climbed 0.1% higher in February after a 0.5% decline in January.

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

| | Week | | | MTD | | | QTD | | | YTD | | |
|-------|--------|--------|--------|--------|--------|--------|--------|-------|--------|--------|-------|--------|
| | Value | Core | Growth | Value | Core | Growth | Value | Core | Growth | Value | Core | Growth |
| Large | -0.10% | -0.18% | -0.24% | 1.44% | 0.38% | -0.47% | 5.29% | 7.28% | 8.97% | 5.29% | 7.28% | 8.97% |
| Mid | -0.72% | -0.83% | -1.08% | 1.01% | 0.57% | -0.45% | 3.94% | 4.68% | 6.46% | 3.94% | 4.68% | 6.46% |
| Small | -1.95% | -2.02% | -2.09% | -0.83% | -0.65% | -0.46% | -2.24% | 0.89% | 4.17% | -2.24% | 0.89% | 4.17% |

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 | -0.62% | -0.86% | -2.75% | -0.07% | -0.12% | -0.77% | -0.51% | -0.96% | -5.15% | -0.51% | -0.96% | -5.15% |
| Corp | -0.44% | -0.69% | -1.61% | 0.18% | 0.23% | 0.32% | 0.08% | -0.47% | -3.26% | 0.08% | -0.47% | -3.26% |
| HY | -0.15% | -0.24% | -0.53% | 0.44% | 0.48% | 0.45% | 1.03% | 0.77% | 0.85% | 1.03% | 0.77% | 0.85% |

Index Returns

| | Week | MTD | QTD | YTD |
|--------------------------|--------|--------|--------|--------|
| Equities (Stocks) | | | | |
| S&P 500 | -0.09% | 0.48% | 7.63% | 7.63% |
| S&P MidCap 400 | -0.89% | 1.27% | 5.45% | 5.45% |
| Russell 2000 | -2.02% | -0.65% | 0.89% | 0.89% |
| MSCI EAFE | -1.32% | 1.92% | 4.38% | 4.38% |
| MSCI Emerging Markets | -0.12% | 1.49% | 1.38% | 1.38% |
| MSCI EAFE Small Cap | -1.42% | 1.68% | 0.39% | 0.39% |
| Fixed Income (Bonds) | | | | |
| Bloomberg Int Gov/Credit | -0.80% | -0.01% | -0.80% | -0.80% |
| Bloomberg US Agg | -1.23% | -0.04% | -1.72% | -1.72% |
| Bloomberg US High Yield | -0.24% | 0.48% | 0.77% | 0.77% |
| Other | | | | |
| Bloomberg Commodity | 1.31% | 2.80% | 1.69% | 1.69% |
| S&P Dev Property | -2.24% | 0.48% | -3.58% | -3.58% |

S&P 500 Sector Returns

| | Week | MTD | QTD | YTD |
|--------------------|--------|--------|--------|--------|
| Consumer Disc | -1.18% | -3.30% | 1.41% | 1.41% |
| Consumer Staples | 0.56% | 1.47% | 5.42% | 5.42% |
| Energy | 3.77% | 6.35% | 9.31% | 9.31% |
| Financials | 0.47% | 1.10% | 8.52% | 8.52% |
| Health Care | -0.70% | 0.35% | 6.69% | 6.69% |
| Industrials | -0.17% | 0.84% | 7.18% | 7.18% |
| Info Technology | -0.36% | 0.33% | 10.87% | 10.87% |
| Materials | 1.60% | 3.69% | 6.08% | 6.08% |
| Real Estate | -2.81% | -0.23% | -2.51% | -2.51% |
| Communication Svcs | 0.46% | 0.33% | 11.38% | 11.38% |
| Utilities | -0.46% | 2.13% | 0.17% | 0.17% |

Bond Yields

| | 3/15/24 | 2/29/24 | 12/31/23 | 12/31/23 |
|---------------|---------|---------|----------|----------|
| 3Mo Libor | 5.59% | 5.60% | 5.59% | 5.59% |
| SOFR 3Mo Swap | 5.33% | 5.33% | 5.33% | 5.33% |
| 2Yr Treasury | 4.72% | 4.64% | 4.23% | 4.23% |
| 10Yr Treasury | 4.31% | 4.25% | 3.88% | 3.88% |
| 2-10 Slope | -0.41% | -0.39% | -0.35% | -0.35% |

Commodities and Currency

| | 3/15/24 | 2/29/24 | 12/31/23 | 12/31/23 |
|-----------------|---------|---------|----------|----------|
| Oil (\$/barrel) | 81.04 | 78.26 | 71.65 | 71.65 |
| Gold (\$/oz.) | 2155.9 | 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.