

Weekly Market Update



Market Data as of Week Ending: 4/12/2024 unless noted otherwise

Stock prices retreated again last week as inflation surprised to the upside, significantly reducing the probability of a Fed rate cut in June. First-quarter earnings expectations have been lowered from 3.4% at the end of March, down to 0.9% by the end of the week. Small and mid-cap stocks underperformed their large-cap peers, and the growth style factor outperformed value. Sector performance within the S&P 500 was negative across the board, with all eleven sectors in negative territory. The financials, materials, and healthcare sectors were all down more than 3%, with some disappointing early season reporting in those sectors. Growth-oriented sectors such as information technology and communication services outperformed as investors demonstrated a preference for higher-quality companies with better growth prospects. Foreign stocks were also down for the week; however, both developed foreign and emerging markets outperformed the S&P 500.

Interest rates continued to trend higher for most of the week as the 10-year treasury rose 0.11% to 4.50%, which was higher than expected inflation data, putting further pressure on pushing out interest rate cuts. Yields on the front end of the curve rose faster as the 2-year treasury increased 0.15% to 4.88%, bringing the 2-10 year treasury spread to -0.38%. Fixed income was negative across all segments along the curve last week as long-duration government bonds lagged, while short-term government and corporate bonds outperformed. Yields on U.S. Corporate and High Yield Bonds rose, ending the week at 5.59% and 8.19%, respectively.

Economic data for the week was focused on inflation readings from both the consumer (CPI) and producer (PPI) perspectives. Both the headline and core CPI readings surprised the upside with monthly readings of 0.4%, bringing the year-over-year figures to 3.5% and 3.8%, respectively. Even when excluding housing, which the Fed has acknowledged is a lagging indicator of inflation trends, supercore (excludes housing and energy) CPI jumped 0.7% in March. On an annual basis, supercore CPI increased 4.8%, substantially higher than expectations and its biggest increase in 10 months. PPI data was a welcome sign of relief, advancing only 0.2% in March for both headline and core measures. Consumer confidence was lowered from 79.4 to 77.9, with inflation expectations rising. Inflation expectations for the next 12 months increased from 2.9% to 3.1%, advancing just above the 2.3-3.0% range over the two years prior to the pandemic. Long-run inflation expectations also increased from 2.8% to 3.0%.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-2.80%	-1.60%	-0.61%	-4.09%	-2.56%	-1.28%	-4.09%	-2.56%	-1.28%	4.53%	7.48%	9.99%
Mid	-2.86%	-2.64%	-2.11%	-4.39%	-4.21%	-3.76%	-4.39%	-4.21%	-3.76%	3.47%	4.03%	5.38%
Small	-2.95%	-2.91%	-2.87%	-5.52%	-5.68%	-5.84%	-5.52%	-5.68%	-5.84%	-2.78%	-0.80%	1.30%

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	-0.35%	-0.48%	-1.19%	-0.67%	-1.02%	-4.22%	-0.67%	-1.02%	-4.22%	-0.71%	-1.37%	-7.32%
Corp	-0.35%	-0.54%	-0.95%	-0.61%	-1.10%	-3.33%	-0.61%	-1.10%	-3.33%	-0.02%	-0.84%	-4.96%
HY	-0.42%	-0.58%	-0.48%	-0.75%	-1.06%	-1.39%	-0.75%	-1.06%	-1.39%	0.77%	0.38%	0.65%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-1.52%	-2.44%	-2.44%	7.86%
S&P MidCap 400	-2.98%	-4.78%	-4.78%	4.69%
Russell 2000	-2.91%	-5.68%	-5.68%	-0.80%
MSCI EAFE	-1.12%	-2.45%	-2.45%	3.20%
MSCI Emerging Markets	-0.34%	-0.06%	-0.06%	2.30%
MSCI EAFE Small Cap	-0.85%	-2.14%	-2.14%	0.21%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.50%	-1.04%	-1.04%	-1.19%
Bloomberg US Agg	-0.70%	-1.76%	-1.76%	-2.52%
Bloomberg US High Yield	-0.58%	-1.07%	-1.07%	0.39%
Other				
Bloomberg Commodity	0.13%	3.68%	3.68%	5.95%
S&P Dev Property	-1.65%	-4.39%	-4.39%	-4.80%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-0.68%	-2.55%	-2.55%	2.30%
Consumer Staples	-1.17%	-3.80%	-3.80%	3.44%
Energy	-1.92%	1.90%	1.90%	15.85%
Financials	-3.58%	-4.88%	-4.88%	6.97%
Health Care	-3.05%	-6.00%	-6.00%	2.31%
Industrials	-2.21%	-2.44%	-2.44%	8.27%
Info Technology	-0.21%	-1.19%	-1.19%	11.34%
Materials	-3.08%	-3.22%	-3.22%	5.44%
Real Estate	-2.96%	-5.82%	-5.82%	-6.33%
Communication Svcs	-0.39%	2.10%	2.10%	18.26%
Utilities	-1.49%	-2.22%	-2.22%	2.24%

Bond Yields

	4/12/24	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	4.88%	4.59%	4.59%	4.23%
10Yr Treasury	4.50%	4.20%	4.20%	3.88%
2-10 Slope	-0.38%	-0.39%	-0.39%	-0.35%

Commodities and Currency

	4/12/24	3/31/24	3/31/24	12/31/23
Oil (\$/barrel)	85.66	83.17	83.17	71.65
Gold (\$/oz.)	2344.37	2229.87	2229.87	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.