



### Weekly Recap

It was a holiday-shortened week, with equity and fixed-income markets closed for Good Friday. The main piece of economic data was Personal Consumption Expenditures (PCE), which came in line with the expectation of a 2.8% increase yearly. The Core PCE excludes volatile food and energy prices and was also on par with expectations up 2.5%, which will likely keep the Fed on hold regarding rate cuts until at least June. Initial jobless claims fell to 210,000 this month, the second lowest reading since early January, suggesting the unemployment rate will likely not move meaningfully higher in the near term. Equities were up slightly this week but continued the momentum following the dovish commentary from last week's Fed meeting. The first quarter was the strongest start for the S&P 500 since 2019 with a 10.16% gain. Double-digit gains for communication services, technology, energy, industrials, and financials lifted the market. The latter three gained momentum more recently, reflecting a broadening of market leadership compared to last year's tech-driven rally. Equity markets have been resilient in the face of higher bond yields year to date, likely a result of robust economic growth and strong corporate earnings. From a style standpoint, growth is again outperforming value thus far, with the Russell 1000 Growth index up 11% versus the Russell 1000 Value up 9%. However, over the last month, value stocks have gained 3.8% versus growth's 2.4% gain, reflecting a more balanced equity market. Bond yields have been trending higher year to date with the Bloomberg Aggregate Index down 0.78%. The 2-year and 10-year Treasury currently yield 4.6% and 4.2%, respectively.

### Key Thought for The Week

The equity market completed a surprisingly strong first quarter and was able to shrug off several headwinds. Rising bond yields have been an issue for equity valuations as recently as last year, but it has not been a problem in 2024. Equity investors have maintained enthusiasm due to a resilient economy and solid forward earnings expectations. A positive development over the quarter has been the broadening of the participation in the equity markets' move higher. All economic sectors contributed, but a handful of themes have dominated the market narrative. From a long-term perspective, the market factors that empirical research suggests provide outperformance over full market cycles are value and small-cap. Neither factor generated outperformance last quarter or even over the previous year. The factor that has been driving the market since the market's bottom last August is momentum. Investors are chasing performance and crowding into the best-performing names. The risks of following this investing strategy are numerous, and it is often difficult for investors to recognize the behavioral biases (herd mentality and overconfidence) that are inherent in being momentum driven. At some point in the process, momentum investing requires buying overvalued assets detached from underlying fundamentals. Overvalued assets are highly vulnerable when sentiment shifts suddenly, and volatility cuts the other way. As prices begin to fall, a lack of new buyers can cause liquidity risk, exacerbating volatility on the downside. Well-diversified portfolios that are focused on a client's long-term investment goals reduce the risk of a boom-bust scenario that many less nimble momentum investors experience.

	3/29/2024	Wk Net Change	Wk % Change	Div Yield	YTD % Change	12 Mos % Change
<b>STOCKS</b>	Close					
DJIA	39,807.37	331.47	0.84	1.81	5.62	21.67
S&P 500	5,254.35	20.17	0.39	1.36	10.16	30.45
NASDAQ	16,379.46	-49.36	-0.30	0.72	9.11	37.34
S&P MidCap 400	3,046.36	55.10	1.84	1.54	9.52	23.71
EAFE	2,346.84	-4.73	-0.20	2.91	4.95	13.81
Emerging Market	1,040.39	1.07	0.10	2.67	1.63	6.15

TREASURIES	Yield	FOREX	Price	Change
1-Year	5.03	USD/EUR	1.08	-0.12
2-Year	4.62	JPY/USD	151.25	0.11
5-Year	4.21	USD/GBP	1.26	0.31
10-Year	4.20	CAD/USD	1.35	0.44
30-Year	4.34			

Source: FactSet/Bloomberg

### Sector - Large Cap

	Close	Wk Net Change	WTD	MTD	QTD	YTD
<b>Defensive</b>						
Staples	814.23	7.48	0.9%	3.2%	6.8%	6.8%
Health Care	1,723.97	27.16	1.6%	2.2%	8.4%	8.4%
CommServices	284.29	-2.15	(0.8%)	4.3%	15.6%	15.6%

### Eco Sensitive

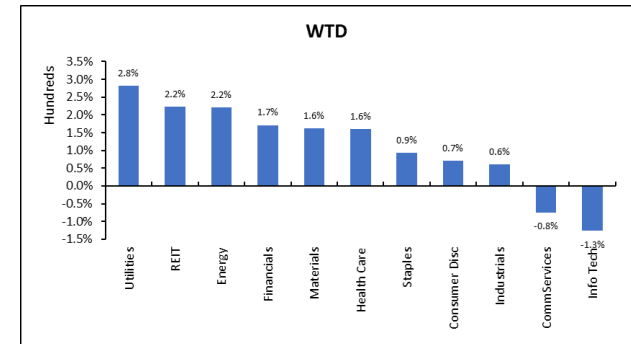
Consumer Disc	1,485.49	10.36	0.7%	0.0%	4.8%	4.8%
Energy	721.24	15.58	2.2%	10.4%	12.7%	12.7%
Industrials	1,066.71	6.40	0.6%	4.3%	10.6%	10.6%
Info Tech	3,821.05	-48.90	(1.3%)	1.9%	12.5%	12.5%
Materials	585.16	9.33	1.6%	6.2%	8.4%	8.4%

### Interest Rate Sensitive

Financials	701.32	11.80	1.7%	4.7%	12.0%	12.0%
Utilities	333.49	9.15	2.8%	6.3%	3.6%	3.6%
REIT	248.16	5.42	2.2%	1.1%	(1.4%)	(1.4%)

### COMING UP NEXT WEEK

		Consensus	Prior
04/01	Markit PMI Manufacturing SA (Final)	(Mar)	52.5
04/01	ISM Manufacturing SA	(Mar)	48.5
04/02	Durable Orders SA M/M (Final)	(Feb)	1.4%
04/02	Factory Orders SA M/M	(Feb)	1.0%
04/02	JOLTS Job Openings	(Feb)	8,700K
04/03	Markit PMI Services SA (Final)	(Mar)	52.1
04/03	ISM Services PMI SA	(Mar)	52.5
04/05	Hourly Earnings Y/Y (Preliminary)	(Mar)	4.1%
04/05	Nonfarm Payrolls SA	(Mar)	180.0K
04/05	Unemployment Rate	(Mar)	3.8%
04/05	Consumer Credit SA	(Feb)	\$20.0B
			\$19.5B



### Russell Style Return

	WTD	Value	Blend	Growth
Large	1.82%	0.49%	(0.59%)	
Medium	1.99%	1.66%	0.86%	
Small	2.98%	2.60%	2.22%	

	YTD	Value	Blend	Growth
Large	8.99%	10.29%	11.41%	
Medium	8.23%	8.60%	9.49%	
Small	2.90%	5.17%	7.58%	