



Weekly Recap

The U.S. stock market, after a phenomenal six-month surge, appears to have taken a breather. Comments from Fed Governors expressing that inflation remains too high and noting the early 2024 data gives the Fed reason to be patient, rattled investors. Rising Treasury yields, reflecting expectations of future interest rates, amplified these concerns with the 10-year treasury yield finishing the week at 4.40%. The headline nonfarm payrolls report on Friday saw the U.S. economy added a robust 303,000 jobs in March, exceeding expectations. The unemployment rate dropped to 3.8%, while the participation rate rose to 62.7% from 62.5%. This strong jobs data suggests a firm labor market. Additionally, the Middle East situation escalated this week, driving oil prices higher. This not only intensified inflation worries, but also directly impacted sectors reliant on oil. Next week, the March CPI report will be released supplying more inflation data for the Fed to analyze. Energy stocks were the strongest performers with the sector up 3.9%. The S&P 500 finished the week down 0.95%, with the Nasdaq and Dow Jones down 0.80% and 2.27%, respectively. The future trajectory of the rally also hinges on strong earnings reports. Companies will need to deliver solid financial results to justify their current valuations and keep the investor enthusiasm going.

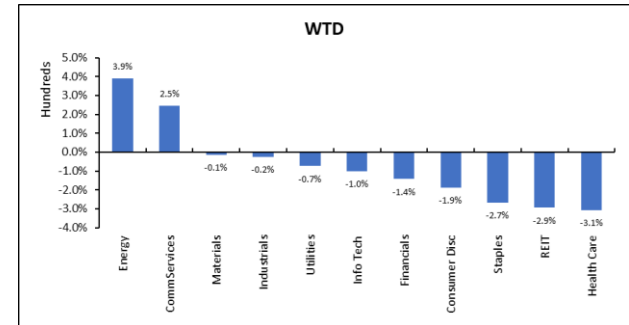
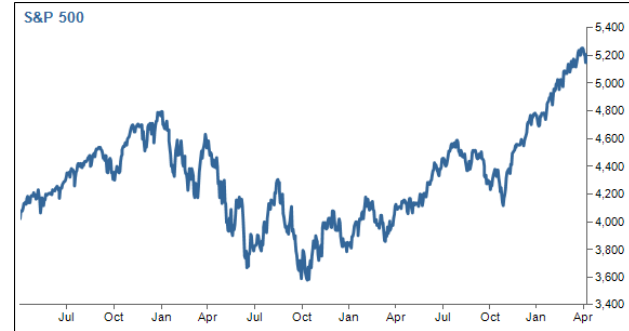
Key Thought for The Week

On Friday, the much-anticipated March employment report was released. Nonfarm payrolls increased by 303,000 during the month, coming in stronger than the consensus expectations for 214,000 additional jobs. Revisions to prior months were lower for February (by 5,000 to 270,000) and higher for January (by 27,000 to 256,000). Wage growth was solid – average hourly earnings grew by 0.3%, in line with expectations, for a 4.1% year-on-year gain. The workweek rose 0.3% to 34.4 hours, recovering from its December levels after the January setback. Aggregate hours climbed 0.5% in March, resulting in a 5.2% annual rate in the first quarter, consistent with strong GDP growth. This data reflects a firm labor market, especially as unemployment declines. The Fed has said it will not hold off from cutting rates even if job growth is strong, provided that the inflation rate is moving toward 2%. Nevertheless, with recent inflation data less compelling than the data from the second half of last year, this report does not push the Fed to cut more quickly either. Prior to the release of the March employment figure, Fed Funds futures forecast a 94% probability that the Fed will keep its funds target at 5.25%-5.50% when it meets later this month. Following the report, the chance that the funds rate will be lower after the June meeting (either by 20 or 50 basis points) dropped to 57% from 64%.

4/5/2024	Wk Net Change	Wk % Change	Div Yield	YTD % Change	12 Mos % Change	
STOCKS						
DJIA	38,904.04	-903.33	-2.27	1.86	3.22	16.19
S&P 500	5,204.34	-50.01	-0.95	1.37	9.11	27.23
NASDAQ	16,248.52	-130.94	-0.80	0.73	8.24	35.44
S&P MidCap 400	2,989.16	-57.20	-1.88	1.57	7.46	21.93
EAFE	2,345.86	-3.56	-0.15	2.91	4.91	11.62
Emerging Market	1,048.76	5.56	0.53	2.65	2.44	6.17
					Wk %	
TREASURIES	Yield		FOREX	Price	Change	
1-Year	5.06		USD/EUR	1.08	0.44	
2-Year	4.75		JPY/USD	151.62	-0.18	
5-Year	4.39		USD/GBP	1.26	0.11	
10-Year	4.40		CAD/USD	1.36	-0.36	
30-Year	4.55					

Sector - Large Cap	Close	Wk Net Change	WTD	MTD	QTD	YTD
Defensive						
Staples	792.47	-21.76	(2.7%)	(2.7%)	(2.7%)	4.0%
Health Care	1,671.01	-52.96	(3.1%)	(3.1%)	(3.1%)	5.1%
CommServices	291.30	7.01	2.5%	2.5%	2.5%	18.4%
Eco Sensitive						
Consumer Disc	1,457.52	-27.97	(1.9%)	(1.9%)	(1.9%)	2.8%
Energy	749.39	28.15	3.9%	3.9%	3.9%	17.1%
Industrials	1,064.12	-2.59	(0.2%)	(0.2%)	(0.2%)	10.3%
Info Tech	3,782.91	-38.14	(1.0%)	(1.0%)	(1.0%)	11.4%
Materials	584.35	-0.81	(0.1%)	(0.1%)	(0.1%)	8.3%
Interest Rate Sensitive						
Financials	691.31	-10.01	(1.4%)	(1.4%)	(1.4%)	10.4%
Utilities	331.02	-2.47	(0.7%)	(0.7%)	(0.7%)	2.8%
REIT	240.85	-7.31	(2.9%)	(2.9%)	(2.9%)	(4.3%)

COMING UP NEXT WEEK	Consensus	Prior
04/10 CPI ex-Food & Energy SA M/M	(Mar) 0.30%	0.40%
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04/10 Hourly Earnings SA M/M (Final)	(Mar) 0.30%	-
04/10 Hourly Earnings Y/Y (Final)	(Mar) 4.1%	-
04/11 PPI ex-Food & Energy SA M/M	(Mar) 0.30%	0.30%
04/11 PPI SA M/M	(Mar) 0.50%	0.60%
04/12 Michigan Sentiment NSA (Preliminary)	(Apr) 81.0	79.4



Russell Style Return

	WTD	Value	Blend	Growth	YTD	Value	Blend	Growth
Large	(1.33%)	(0.97%)	(0.67%)	7.53%	9.22%	10.66%		
Medium	(1.58%)	(1.61%)	(1.69%)	6.51%	6.85%	7.65%		
Small	(2.65%)	(2.86%)	(3.07%)	0.17%	2.17%	4.28%		