



U.S. equities digested the final inflation data for 2024 with the release of the Producer Price Index (PPI) and Consumer Price Index (CPI). PPI rose less than expected in December with a monthly increase of 0.2% and the annual rate totaling 3.3% for the full year. Similarly, the annual rate of core CPI came in at 3.2%, modestly lower than the 3.3% expected and down from the prior month. Markets interpreted the lower-than-expected inflation readings as favorable sending U.S. equities soaring with the Dow Jones, S&P 500, and Nasdaq jumping 1.6%, 1.8%, and 2.5%, respectively on Wednesday. Coinciding with the rise in equities, Treasury yields pulled back significantly with the 10-Year yield falling by .13% bps to 4.653%. Adding to the positive sentiment, U.S. banks began to report earnings this week with JPMorgan (JPM), Bank of America (BAC), and Morgan Stanley (MS) topping earnings expectations and showcasing a stellar year regardless of the restrictive interest rate environment. The labor market remains healthy with Nonfarm Payrolls increasing by 256,000 jobs in December, continuing jobless claims decreasing by 18,000 to 1.859 million, and the unemployment rate falling to 4.1%. In return, retail sales for the month of December increased by 0.4% on the heels of strong demand for motor vehicles and other household goods. Analysts are optimistic over the aforementioned economic data, but the strong demand among consumers further reinforces the Federal Reserve's cautious approach to cutting interest rates this year. The probability of an interest rate cut in January remains unlikely and markets are now forecasting only one cut from the Federal Reserve over the course of this year. The S&P 500 and Dow finished the week up +2.9% and +3.7%, respectively, the largest weekly advance since the presidential election in November.

Stocks	Wk		Div Yield	YTD % Change	12 Mos % Change	
	Close	Net Change				% Change
DJII-USA	43,487.83	1549.38	3.69	1.73	2.22	16.69
S&P 500	5,996.66	169.62	2.91	1.32	1.96	26.53
NASDAQ	19,630.20	468.57	2.45	0.73	1.65	32.14
S&P MidCap 400	3,239.76	140.29	4.53	1.49	3.81	20.36
EAFE	76.78	1.72	2.29	3.35	1.55	5.02
Emerging Markets	52.38	1.19	2.32	2.94	0.31	10.04

Sector - Large Cap	Wk		WTD	MTD	QTD	YTD
	Close	Net Change				
Defensive						
Staples	845.02	10.48	1.3%	(1.0%)	(1.0%)	(1.0%)
Health Care	1,634.14	4.93	0.3%	1.8%	1.8%	1.8%
CommServices	348.66	4.49	1.3%	2.0%	2.0%	2.0%

Eco Sensitive	Wk		WTD	MTD	QTD	YTD
	Close	Net Change				
Consumer Disc	1,880.80	72.23	4.0%	2.7%	2.7%	2.7%
Energy	714.95	41.35	6.1%	9.2%	9.2%	9.2%
Industrials	1,166.14	53.62	4.8%	4.5%	4.5%	4.5%
Info Tech	4,601.21	71.41	1.6%	(0.2%)	(0.2%)	(0.2%)
Materials	556.14	31.51	6.0%	5.0%	5.0%	5.0%

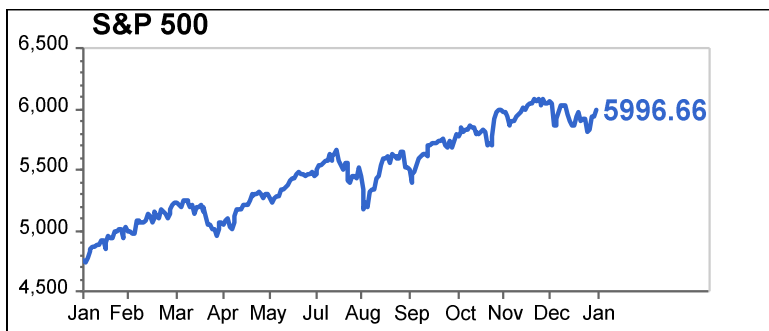
Interest Rate Sensitive	Wk		WTD	MTD	QTD	YTD
	Close	Net Change				
Financials	835.19	48.03	6.1%	3.8%	3.8%	3.8%
Utilities	400.76	16.40	4.3%	4.1%	4.1%	4.1%
REIT	256.29	11.54	4.7%	0.8%	0.8%	0.8%

Russell Style Returns

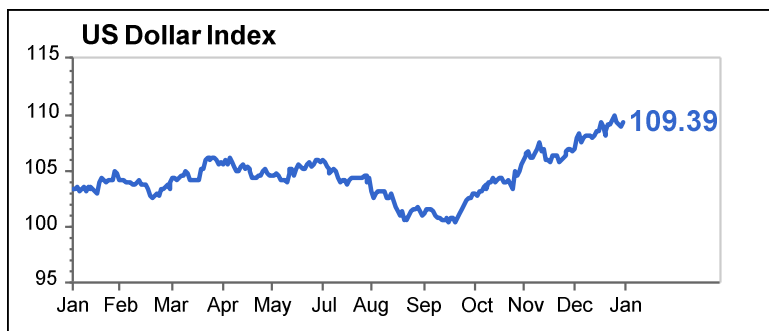
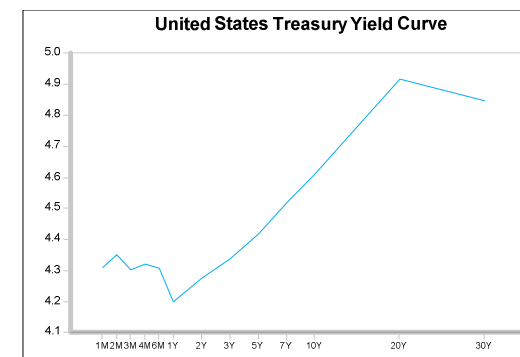
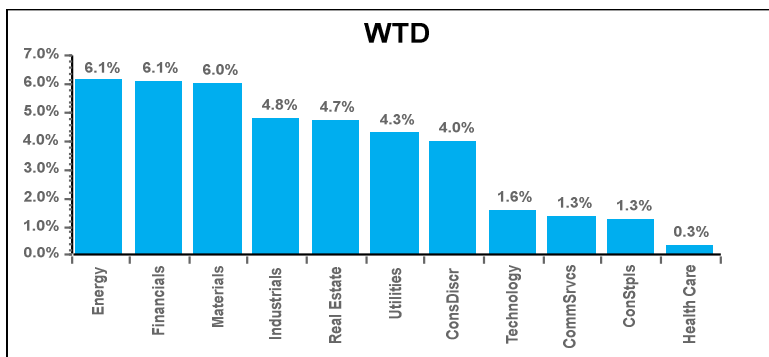
WTD	Value	Blend	Growth	YTD	Value	Blend	Growth
Large	4.31%	3.09%	2.22%	Large	3.43%	2.24%	1.34%
Medium	4.64%	4.52%	4.21%	Medium	3.32%	3.62%	4.38%
Small	4.38%	3.98%	3.45%	Small	1.69%	2.04%	2.38%

Commodity	Price	Wk % Change	FOREX	Price	Wk % Change
Copper	4.35	1.12	EUR/USD	1.03	0.15
Gold	2,739.60	0.91	USD/JPY	156.13	-0.87
WTI	77.44	1.14	GBP/USD	1.22	-0.33
Brent	80.80	1.30	USD/CAD	1.44	0.35
Natural Gas	3.46	1.91			

Source: FactSet



Treasuries	Current Yield	12/31/24 Yield
1 - Year	4.20	4.15
2 - Year	4.27	4.24
5 - Year	4.42	4.38
10 - Year	4.61	4.57
30 - Year	4.85	4.78



COMING UP NEXT WEEK	Consensus	Prior	
01/22 Leading Indicators SA M/M	(Dec)	-0.10%	0.30%
01/23 Initial Claims SA	(1/18)	217.0K	217.0K
01/24 Markit PMI Manufacturing SA (Preliminary)	(Jan)	48.7	49.4
01/24 Markit PMI Services SA (Preliminary)	(Jan)	58.5	56.8
01/24 Existing Home Sales SAAR	(Dec)	4,150K	4,150K
01/24 Michigan Sentiment NSA (Final)	(Jan)	73.0	73.2

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