



The labor market ended last year on a robust note with the economy creating 256k new jobs in December compared to consensus estimates of 160k. The unemployment rate also ticked lower to 4.1%. The US economy generated over 2.2 million jobs in 2024 and appears to have momentum heading into the new year. The surprisingly strong employment report pushed Treasury yields higher while dragging equity markets lower opening the door for a more hawkish outlook on monetary policy. The uncertainty caused by a potential shift in the US trade policy, sticky inflation and deficit worries could hinder the Federal Reserve's ability for future rate cuts. Markets now anticipate only 30 bps of cuts in 2025 with a first rate cut this year coming in October, which is a significant shift in expectations from just a few months ago. Chicago Fed President Austin Goolsbee reassured markets that the labor market is not showing signs of overheating after the print and that wage growth is consistent with 2% inflation. Higher rates pressured small cap stocks causing the Russell 2000 to sell off over 3% for the week offsetting most of their post-election rally. All major indexes have experienced back-to-back weekly declines and are now in negative territory for the year. Concerns over stretched valuations and market concentrations remain as investors turn their focus to fourth quarter earnings reports as major banks beginning to report next week.

Stocks	Wk			Div Yield	YTD % Change	12 Mos % Change
	Close	Net Change	% Change			
DJII-USA	41,938.45	-793.68	-1.86	1.74	-1.42	11.26
S&P 500	5,827.04	-115.43	-1.94	1.32	-0.93	21.82
NASDAQ	19,161.63	-460.05	-2.34	0.72	-0.77	28.00
S&P MidCap 400	3,099.47	-52.67	-1.67	1.53	-0.69	13.24
EAFE	75.06	-0.62	-0.82	3.30	-0.73	0.39
Emerging Markets	51.19	-1.41	-2.68	2.86	-1.97	4.43

Sector - Large Cap	Wk					
	Close	Net Change	WTD	MTD	QTD	YTD
<b>Defensive</b>						
Staples	834.54	-16.31	(1.9%)	(2.2%)	(2.2%)	(2.2%)
Health Care	1,629.21	8.39	0.5%	1.5%	1.5%	1.5%
CommServices	344.17	-2.41	(0.7%)	0.7%	0.7%	0.7%

Eco Sensitive	Wk					
	Close	Net Change	WTD	MTD	QTD	YTD
Consumer Disc	1,808.57	-43.24	(2.3%)	(1.2%)	(1.2%)	(1.2%)
Energy	673.60	6.00	0.9%	2.9%	2.9%	2.9%
Industrials	1,112.52	-11.35	(1.0%)	(0.3%)	(0.3%)	(0.3%)
Info Tech	4,529.80	-144.98	(3.1%)	(1.7%)	(1.7%)	(1.7%)
Materials	524.63	0.74	0.1%	(1.0%)	(1.0%)	(1.0%)

Interest Rate Sensitive	Wk					
	Close	Net Change	WTD	MTD	QTD	YTD
Financials	787.16	-21.95	(2.7%)	(2.1%)	(2.1%)	(2.1%)
Utilities	384.36	-7.67	(2.0%)	(0.2%)	(0.2%)	(0.2%)
REIT	250.72	-4.37	(1.7%)	(1.4%)	(1.4%)	(1.4%)

### Russell Style Returns

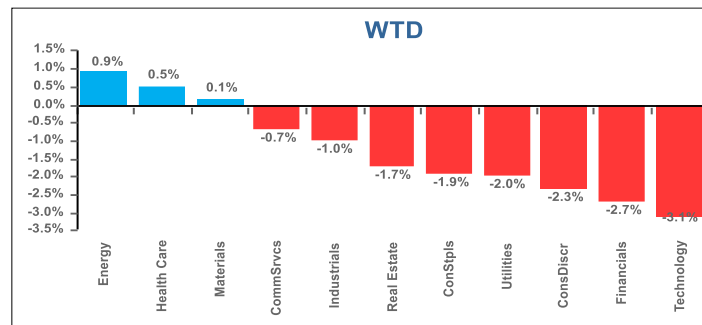
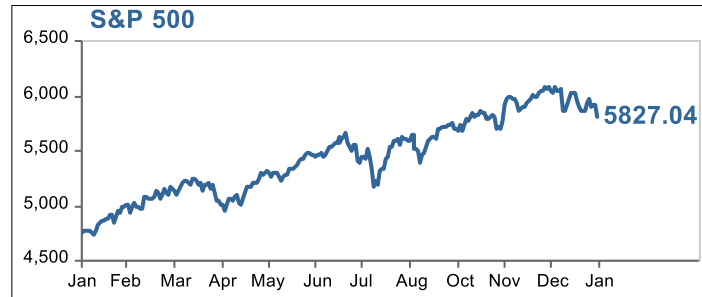
WTD	Value	Blend	Growth	YTD	Value	Blend	Growth
Large	-1.58%	-1.91%	-2.22%	Large	-0.84%	-0.82%	-0.85%
Medium	-1.94%	-2.03%	-2.26%	Medium	-1.26%	-0.86%	0.16%
Small	-3.48%	-3.39%	-3.37%	Small	-2.57%	-1.87%	-1.04%

Commodity	Price	Wk % Change	FOREX	Price	Wk % Change
Copper	4.29	5.36	EUR/USD	1.02	-0.65
Gold	2,717.40	2.36	USD/JPY	157.58	0.25
WTI	76.64	3.62	GBP/USD	1.22	-1.75
Brent	79.73	4.21	USD/CAD	1.44	-0.08
Natural Gas	3.39	15.09			

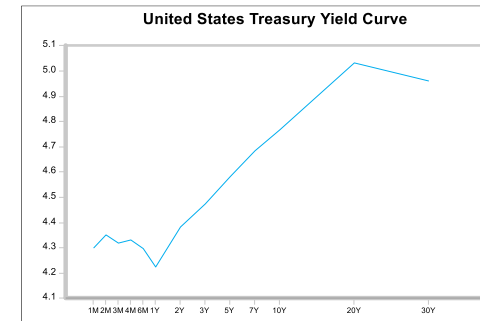
Source: FactSet

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Treasuries	Current Yield	12/31/24 Yield
1 - Year	4.22	4.15
2 - Year	4.38	4.24
5 - Year	4.58	4.38
10 - Year	4.76	4.57
30 - Year	4.95	4.78



COMING UP NEXT WEEK		Consensus	Prior
01/14 PPI SA M/M	(Dec)	0.30%	0.40%
01/14 PPI NSA Y/Y	(Dec)	3.4%	3.0%
01/15 CPI ex-Food & Energy SA M/M	(Dec)	0.20%	0.30%
01/15 CPI ex-Food & Energy NSA Y/Y	(Dec)	3.3%	3.3%
01/15 CPI SA Y/Y	(Dec)	2.8%	2.7%
01/15 Empire State Index SA	(Jan)	-2.0%	0.20
01/16 Philadelphia Fed Index SA	(Jan)	-8.0	-10.9
01/16 Retail Sales ex-Auto SA M/M	(Dec)	0.50%	0.20%
01/16 Retail Sales SA M/M	(Dec)	0.60%	0.70%
01/17 Housing Starts SAAR	(Dec)	1,320K	1,289K
01/17 Capacity Utilization NSA	(Dec)	77.0%	76.8%
01/17 Industrial Production SA M/M	(Dec)	0.40%	-0.10%