

# Monthly Newsletter

## June 2024



### Monthly Market Recap

They say, "sell in May and go away," but investors didn't seem to do that this year. May brought another month of volatility in the markets, but overall positive returns across all indexes. The S&P 500 increased by 5%. The DJIA also increased by 2.6% and the NASDAQ moved higher by 7%. It's important to note that all three indexes also reached all-time highs this month. The S&P 500 reached above 5,300, the DJIA surpassed 40,000 and the NASDAQ closed over 17,000 points.

The unemployment rate came in at 3.9% for April, against expectations it would hold steady at 3.8%. Although the unemployment rate increased slightly from March, it remains under the 4% mark. With the addition of 175,000 jobs, the U.S. economy had the slowest jobs gain in six months and below market expectations. These numbers indicate that we are still in an economic climate where growth continues but not at such a rapid pace to force the Fed to tighten policy further. Everyone expected to see the labor market slow down, but it remains at pretty high levels, lifting hopes that the Federal Reserve will be able to cut interest rates in the coming months.

Inflation continued to grow higher in April, with the CPI increasing 0.3% for the month and 3.4% from a year ago. The monthly gain was slightly below estimates, while the annual rate was in line with expectations, together showing an ease in inflation but not enough to suggest interest rate cuts are imminent. Excluding food and energy prices, the core CPI rose 0.3% in April, showing the smallest monthly increase since December, and was up 3.6% from a year ago, the lowest since April 2021. Energy and shelter costs remain the main source of the increase, specifically shelter, which remains a trouble spot for getting inflation to the 2% Fed target.

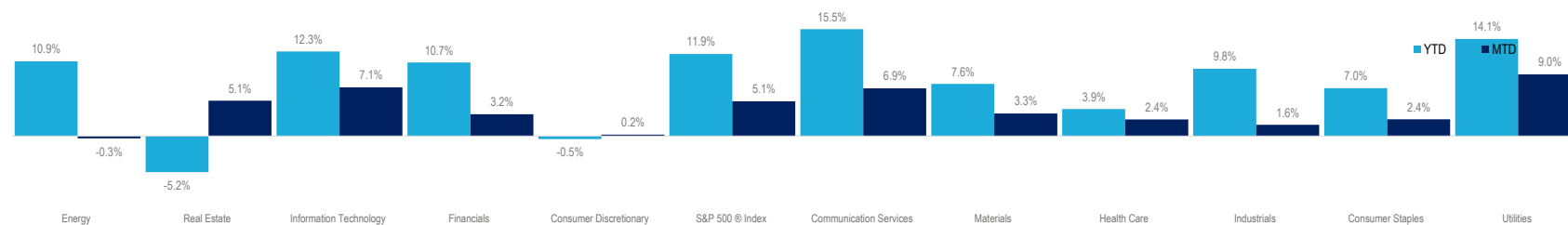
Earnings season for the first quarter of 2024 is winding down, with 97% of the S&P 500 companies reporting results. So far, they have beat EPS projections by 3%, with earnings up by 7% since this time last year. At the sector level, all 11 S&P 500 sectors, except for healthcare, beat estimates. Overall, corporate profits are accelerating while the economy is softening – a backdrop that has been historically the best environment for stocks. Analysts believe that this could point to a strong second half of the year for the markets.

According to stock-market performance dating back to 1950, after a positive May, stocks have returned 5.4% on average for the rest of the year and a median gain of 6.8%. With many factors that continue to be uncertain, our team remains cautiously optimistic that the market still has room to grow but will likely experience more volatility along the way. As we move into June, we hope to continue to see a positive trend in the markets.

	Index Return %	
	MTD	YTD
<b>Equities</b>		
S&P 500	5.0%	11.3%
Russell 3000	4.7%	10.1%
Nasdaq	7.0%	11.8%
Dow Jones	2.6%	3.5%
<b>Fixed Income</b>		
US Aggregate	1.7%	-1.6%
US Corporate High Yield	1.1%	1.6%
<b>Economic Metrics</b>		
	Rate %	
	Apr-24	
US Unemployment Rate	3.90%	
US Inflation Rate	3.36%	
<b>Commodities</b>		
	Levels	
	Apr-24	May-24
Oil (WTI)	83.49	80.90
Gold	2,307.00	2,342.70
DowJ. Commodity Index	1,019.15	1,038.24
<b>Interest Rates</b>		
	Rate %	
	Apr-24	May-24
10 Year Treasury Rate	4.68%	4.55%
30 Year Treasury Rate	4.79%	4.69%
30 Year Mortgage Rate	7.17%	7.03%
US Corp. AAA Effective Yield	5.22%	5.05%

*All numbers reported are as of May 31 2024*

Major Economic Events	Date
Employment Situation	7-Jun
Inflation Rate	12-Jun
FOMC Meeting	12-Jun



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### Sources

S&P 500 Performance	<a href="https://ycharts.com/indices/%5ESPXTR/level">https://ycharts.com/indices/%5ESPXTR/level</a>
Russell 3000 Performance	<a href="https://ycharts.com/indices/%5ERUATR/level">https://ycharts.com/indices/%5ERUATR/level</a>
Nasdaq Performance	<a href="https://ycharts.com/indices/%5ENA100TR/level">https://ycharts.com/indices/%5ENA100TR/level</a>
Dow Jones Performance	<a href="https://ycharts.com/indices/%5EDJITR">https://ycharts.com/indices/%5EDJITR</a>
US Aggregate Performance	<a href="https://ycharts.com/indices/%5EBBUSATR">https://ycharts.com/indices/%5EBBUSATR</a>
US Corporate High Yield Performance	<a href="https://ycharts.com/indices/%5EBBUSCOHYTR">https://ycharts.com/indices/%5EBBUSCOHYTR</a>
US Unemployment Rate	<a href="https://ycharts.com/indicators/us_unemployment_rate">https://ycharts.com/indicators/us_unemployment_rate</a>
US Inflation Rate	<a href="https://ycharts.com/indicators/us_inflation_rate">https://ycharts.com/indicators/us_inflation_rate</a>
10 Year Treasury Rate	<a href="https://ycharts.com/indicators/10_year_treasury_rate">https://ycharts.com/indicators/10_year_treasury_rate</a>
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US Corp. AAA Effective Yield	<a href="https://ycharts.com/indicators/us_coporate_aaa_effective_yield">https://ycharts.com/indicators/us_coporate_aaa_effective_yield</a>
European Markets Performance	<a href="https://russellinvestments.com/middle-east/global-market-outlook#ColorBoxesRoot_5c2d1932-eb2f-4ad5-a377-5c496b847736">https://russellinvestments.com/middle-east/global-market-outlook#ColorBoxesRoot_5c2d1932-eb2f-4ad5-a377-5c496b847736</a>
Sectors & Industries Performance	<a href="https://ycharts.com">https://ycharts.com</a>
Dow Jones Commodity Index	<a href="https://ycharts.com/indices/%5EDJCI">https://ycharts.com/indices/%5EDJCI</a>
Gold Price	<a href="https://ycharts.com/indicators/gold_price_in_us_dollar">https://ycharts.com/indicators/gold_price_in_us_dollar</a>
Crude Oil Price	<a href="https://ycharts.com/indicators/wti_crude_oil_spot_price">https://ycharts.com/indicators/wti_crude_oil_spot_price</a>

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