

# Monthly Newsletter

## July 2024



### Monthly Market Recap

Since 1950, the S&P 500 has averaged a 1.3% gain in June during U.S. election years. This June, we experienced another month of positive returns across all major indexes. The S&P 500 increased by 3.6%, the DJIA rose by 1.2%, and the NASDAQ advanced by 6.0%.

For the first time since January 2022, the unemployment rate rose to 4% in May, up from 3.9% in April, defying expectations. Although slightly higher, 4% remains historically low. Importantly, this increase did not hinder the labor market, as the U.S. economy added 272,000 jobs in May, significantly surpassing expectations. With the labor market staying strong, the Federal Reserve is likely to be less inclined to lower interest rates quickly.

Inflation showed signs of cooling, with the CPI increasing by 0.3% for the month and declining to a 3.3% annual rate, down from 3.4% in April. These numbers came in below expectations, suggesting an improvement in inflation. Excluding food and energy, core CPI rose by 0.2% in May and was up 3.4% year-over-year. Energy prices dropped by 2%, providing consumers with some relief as gas prices fell by 3.6%. However, shelter costs remain high, increasing by 0.4% for the month and 5.4% year-over-year. Despite some improvements, the Fed will need more sustained positive data before considering easing policy.

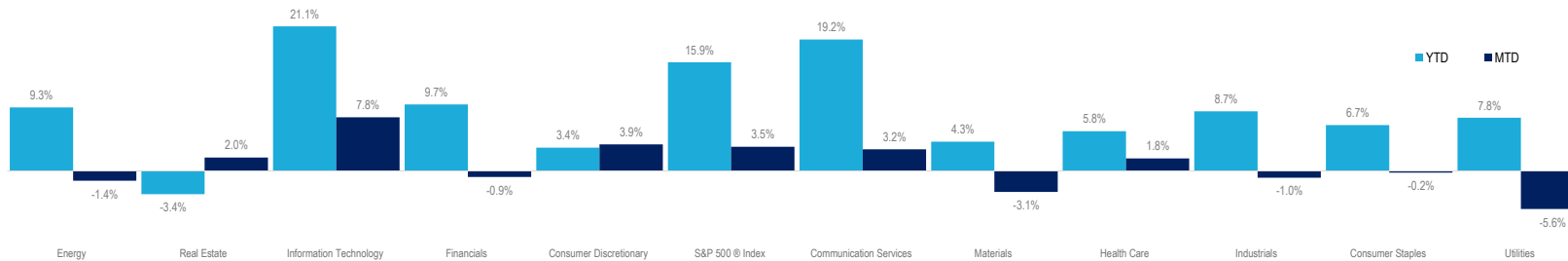
With inflation pressures easing slightly, consumer spending remained robust, driving economic activity. The Federal Reserve maintained current interest rates, reflecting confidence in the economy's strength and stability. Corporate earnings reports were generally positive, and stock market performance reflected investor optimism. Overall, June's market conditions indicate a stable economic environment with continued cautious optimism.

As we move into the second half of the year, we anticipate further market gains. Historically, summer election year stock market strength has continued through August before cooling off in September and October leading up to Election Day. We hope this trend continues, bringing more positive momentum in the coming months.

Equities	Index Return %	
	MTD	YTD
S&P 500	3.6%	15.3%
Russell 3000	3.1%	13.6%
Nasdaq	6.0%	18.6%
Dow Jones	1.2%	4.8%
Fixed Income		
US Aggregate	0.9%	-0.7%
US Corporate High Yield	0.9%	2.6%
Economic Metrics		
	Rate %	
	May-24	
US Unemployment Rate	3.90%	
US Inflation Rate	3.27%	
Commodities		
	Levels	
	May-24	Jun-24
Oil (WTI)	78.96	No Data
Gold	2,348.30	2,330.90
Dow.J. Commodity Index	1,038.24	1,023.52
Interest Rates		
	Rate %	
	May-24	Jun-24
10 Year Treasury Rate	4.51%	4.29%
30 Year Treasury Rate	4.65%	4.43%
30 Year Mortgage Rate	7.03%	6.86%
US Corp. AAA Effective Yield	5.05%	4.92%

All numbers reported are as of June 30 2024

Major Economic Events	Date
Employment Situation	5-Jul
Inflation Rate	11-Jul
FOMC Meeting	31-Jul



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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/%5EDJC">https://ycharts.com/indices/%5EDJC</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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