
MARKET COMMENTARY

April 1, 2024

Equity markets began the year with a strong start. The advance was broad based among technology small and mid-cap stocks. Also gaining were gold, oil and other commodities. Geopolitical events abroad affected the price of oil and gold rose with inflation reports remaining at high levels.

The Dow Jones Industrial Average finished the quarter with a gain of 5.6%, resting at 39,807.37. The S&P 500 Index increased 10.2% ending at 5,254.35. The NASDAQ advanced 9.1%, closing at 16,379.46. The Russell 2000 small cap index, after years of underperformance, rebounded in late October, ending the quarter up 4.8% at 2,124.55.

There are expectations for interest rate cuts by the Federal Reserve. Fed Chairman Jerome Powell understands that inflation remains an issue throughout the economy and has maintained that rates will remain higher for longer to keep rising prices in check. Although the market anticipated rate cuts as early as May, early fall may be a more reasonable assumption for the first interest rate reductions. As this year is an election year, expect some volatility as we head into the fall. Events globally can also cause short term market fluctuations.

Overseas, the war between Russia and Ukraine continues. Russia has made some progress on the ground in recent weeks by taking massive casualties to achieve limited objectives. They are also using large bombs fired from aircraft out of range from Ukrainian air defenses. Ukraine is now able to strike deeper into Russian territory deploying drones using artificial intelligence. In the middle East, Israel and Hamas continue to fight in the southern end of the Gaza Strip. The United Nations Security Council passed a cease fire resolution, with the United States abstaining from the vote. It is likely that Israeli forces will continue to fight until all the territory in Gaza is under their control.

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Vice President