

Weekly Market Recap

The week in review

- Headline CPI fell 0.1% m/m (3.0% y/y) in June
- Consumer sentiment dropped to 66.0 in June
- Headline PPI was up 0.2% m/m (2.6% y/y) in June

The week ahead

- Retail sales
- Industrial production
- 2Q earnings

Thought of the week

The Misery Index, a gauge of economic health calculated by summing the year-over-year CPI inflation rate and the unemployment rate, fell to 7.1% in June. By this measure, the economy today is stronger than it has been 70% of the time since 1948. Despite this, consumer sentiment remains notably glum.

Investors are pondering the divergence between economic sentiment and aggregate economic statistics, and, while there is no single answer, growing wealth and income inequality could be partly to blame. This week's chart shows the share of pre-tax income received and wealth owned by the richest 10% of households between 1966 and 2022, according to the Federal Reserve. Both series have risen sharply over the decades and, by 2022, the richest 10% owned 71% of all wealth and received 48% of all income in the U.S. This growing inequality impacts both consumer spending and investing in financial markets since the richest 10% of households proportionately save a much larger portion of their income, and often devote those savings to buying stocks and bonds while spending proportionately less on goods and services.

A continuation of this trend of increasing inequality into 2024 may be one reason why the first half of the year has seen a further surge in the stock market even as spending on non-durable goods has slowed, a sign of mounting stress on lower income consumers.

Please see important disclosures on next page.

Weekly Data Center

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	5615	0.89	2.88	18.61	27.46	34.20
Dow Jones 30	40001	1.61	2.32	7.22	18.86	21.53
Russell 2000	5339	6.01	4.95	6.76	12.80	-1.76
Russell 1000 Growth	2507	-0.39	3.31	24.70	37.26	38.78
Russell 1000 Value	1085	2.76	2.35	9.13	14.51	19.05
MSCI EAFE	2418	2.29	4.50	10.51	15.92	14.00
MSCI EM	1124	1.84	3.83	11.80	15.03	-7.02
NASDAQ	18398	-0.38	3.12	22.27	32.37	27.07

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.75	0.82	1.54	0.82	4.19	-7.78
U.S. Corporates	5.22	0.82	1.79	1.29	6.50	-7.62
Municipals (10yr)	3.37	0.48	0.51	-1.07	2.54	-2.53
High Yield	7.89	0.80	1.08	3.69	10.80	5.66

Key Rates	Levels (%)					
	7/12/24	7/5/24	6/28/24	12/29/23	7/12/23	7/12/21
2-yr U.S. Treasuries	4.45	4.60	4.71	4.23	4.72	0.23
10-yr U.S. Treasuries	4.18	4.28	4.36	3.88	3.86	1.38
30-yr U.S. Treasuries	4.39	4.47	4.51	4.03	3.96	2.00
10-yr German Bund	2.49	2.56	2.47	2.00	2.56	-0.30
SOFR	5.34	5.32	5.33	5.38	5.05	0.05
3-mo. EURIBOR	3.66	3.71	3.71	3.91	3.66	-0.54
6-mo. CD rate	N/A	2.31	2.38	2.23	2.13	0.15
30-yr fixed mortgage	7.00	7.00	7.03	6.76	7.07	3.09
Prime Rate	8.50	8.50	8.50	8.50	8.25	3.25

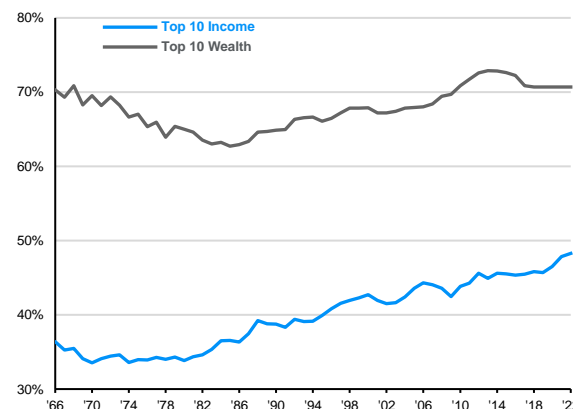
Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
21.51	4.66	1.24	47152	
18.24	4.83	1.77	14845	
23.92	1.86	1.35	2550	
30.28	12.23	0.51	27680	
15.84	2.51	2.05	23682	
14.33	1.85	2.70	17273	
12.64	1.69	2.18	7805	
29.03	6.38	0.62	29601	

Currencies	Levels		
	7/12/24	12/29/23	7/12/23
\$ per €	1.09	1.10	1.11
\$ per £	1.30	1.27	1.30
¥ per \$	157.72	140.98	138.42

Commod.	Levels		
	7/12/24	12/29/23	7/12/23
Oil (WTI)	82.62	71.89	75.77
Gasoline	3.49	3.12	3.55
Natural Gas	2.27	2.58	2.55
Gold	2407	2078	1953
Silver	30.72	23.79	23.16
Copper	9673	8476	8367
Corn	4.05	4.59	5.63
BBG Idx	238.01	226.43	231.41

Chart of the Week

Top 10% share of wealth and income
Share of total wealth and income, yearly



Style Returns

	V	B	G
L	2.8	0.9	-0.4
M	3.9	3.4	1.9
S	6.6	6.0	5.4
	V	B	G
L	9.1	18.6	24.7
M	7.6	7.9	8.6
S	4.1	6.8	9.6

S&P 500 Sector Returns

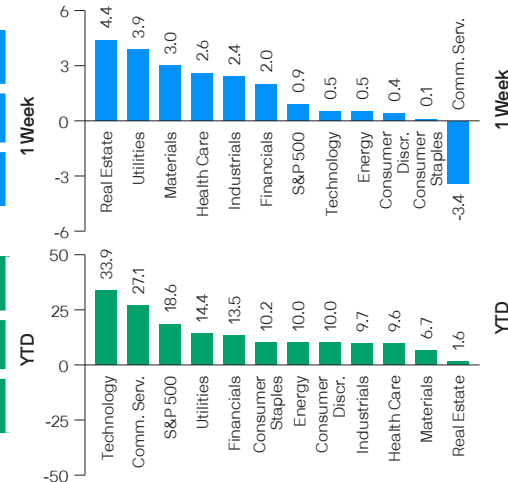




Chart of the Week: BLS, World Inequality Database, J.P. Morgan Asset Management.

Thought of the week: BLS, World Inequality Database, J.P. Morgan Asset Management.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.); provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI - EAFE; provided by: MSCI - gross official pricing. Index: MSCI - EM; provided by: MSCI - gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Bloomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period.

Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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