



Weekly Market Recap

The week in review

- Flash Mfg./Services PMI: 49.5/56.0
- 2Q24 GDP accelerated to 2.8% ann.
- Core PCE eased to 2.6% y/y

The week ahead

- House price index
- JOLTS
- FOMC

Thought of the week

While the recent political developments in Washington have grabbed headlines, it is important for investors not to lose sight of the fundamentals. The 2Q24 earnings season is underway, and by the end of last week, nearly half of the S&P 500's market cap had already reported their earnings.

Analysts are tracking pro-forma earnings per share (EPS) of \$59.46 for 2Q24. If realized, this would represent a 5.3% q/q and 9.1% y/y growth. Of this annual change, most of the EPS growth (around 7.8% out of 9.1%) is projected to be driven by margin expansion (from 11.8% a year ago to 12.7%), while sales are expected to contribute 1.8%. Net buybacks are expected to have a negative contribution of 0.6%.

As the chart of the week shows, 8 out of 11 sectors are expected to contribute positively to EPS growth. Technology leads yet again, with most of the earnings growth coming from increased sales as aggressive AI-related capex spending still dominates margin expansion. On the flip side, EPS growth in financials, the second largest contributor, is projected to stem from margin expansion, primarily on the back of a rebound in investment banking and trading revenues. Of the remaining three sectors expected to drag down the EPS, energy is projected to have the most negative impact, as lower refining margins are expected to erode profitability of the sector.

Looking ahead, if the trend of above-average earnings beats and upward revisions witnessed in 1Q24 continues, the 2Q24 earnings season could end with double-digit EPS growth for the quarter.

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	5459	-0.82	0.05	15.35	21.35	29.35
Dow Jones 30	40589	0.77	3.86	8.84	16.62	22.80
Russell 2000	5617	3.47	10.42	12.34	15.85	6.38
Russell 1000 Growth	2350	-2.37	-3.11	16.94	26.56	27.54
Russell 1000 Value	1105	1.23	4.31	11.22	13.81	21.91
MSCI EAFE	2338	-0.95	1.04	6.85	10.59	11.12
MSCI EM	1072	-1.56	-0.80	6.81	6.98	-8.07
NASDAQ	17358	-2.08	-2.10	16.08	23.82	19.76

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.77	0.27	1.48	0.76	3.89	-8.19
U.S. Corporates	5.26	0.17	1.52	1.02	5.72	-8.31
Municipals (10yr)	3.35	0.10	0.75	-0.84	1.95	-2.49
High Yield	7.83	0.29	1.69	4.31	11.03	6.39

Key Rates	Levels (%)					
	7/26/24	7/19/24	6/28/24	12/29/23	7/26/23	7/26/21
2-yr U.S. Treasuries	4.36	4.49	4.71	4.23	4.82	0.22
10-yr U.S. Treasuries	4.20	4.25	4.36	3.88	3.86	1.29
30-yr U.S. Treasuries	4.45	4.45	4.51	4.03	3.94	1.93
10-yr German Bund	2.40	2.47	2.47	2.00	2.47	-0.41
SOFR	5.35	5.34	5.33	5.38	5.06	0.05
3-mo. EURIBOR	3.66	3.70	3.71	3.91	3.71	-0.54
6-mo. CD rate	2.30	2.33	2.38	2.23	2.17	0.15
30-yr fixed mortgage	6.82	6.82	7.03	6.76	6.87	3.01
Prime Rate	8.50	8.50	8.50	8.50	8.25	3.25

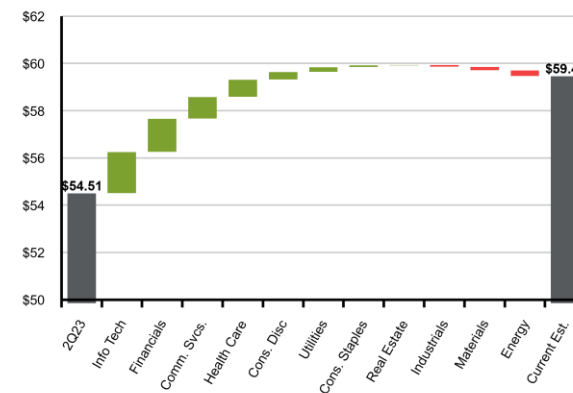
Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
20.82	4.59	1.28	45846	
18.42	4.87	1.74	14480	
25.10	1.90	1.28	2676	
28.16	11.80	0.55	25957	
16.10	2.54	2.02	24128	
13.82	1.81	2.83	16697	
2.06	1.25	2.30	7453	
27.16	6.18	0.67	28116	

Currencies	Levels		
	7/26/24	12/29/23	7/26/23
\$ per €	1.09	1.10	1.11
\$ per £	1.29	1.27	1.29
¥ per \$	153.54	140.98	140.39

Commod.	Levels		
	7/26/24	12/29/23	7/26/23
Oil (WTI)	78.28	71.89	79.11
Gasoline	3.47	3.12	3.60
Natural Gas	2.04	2.58	2.60
Gold	2386	2078	1966
Silver	27.76	23.79	24.67
Copper	9019	8476	8534
Corn	3.99	4.59	5.95
BBG Idx	227.15	226.43	241.19

Chart of the Week

Pro-forma EPS contribution by sector 2Q24



Style Returns

	V	B	G
L	1.2	-0.8	-2.4
M	1.5	0.9	-0.8
S	4.0	3.5	2.9
	V	B	G
L	11.2	15.3	16.9
M	9.8	8.9	5.9
S	11.4	12.3	13.3

S&P 500 Sector Returns

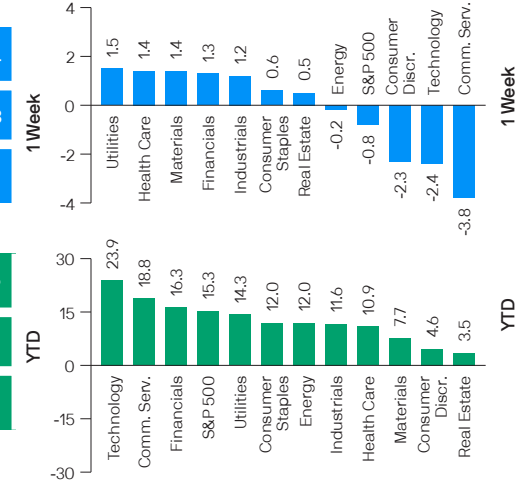




Chart of the Week: Source: FactSet, J.P. Morgan Asset Management. Thought of the week: Source: FactSet, J.P. Morgan Asset Management.

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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