

# Weekly Market Recap

## The week in review

- JOLTS job openings rose to 8.1m
- Nonfarm payrolls rose by 256k, beating expectations of 165k

## The week ahead

- CPI & PPI
- Retail sales

## Thought of the week

With different data sources telling different stories, last year was confusing for labor market observers. The closely watched Jobs report, for example, leverages two surveys: the establishment survey and the household survey. While both surveys showed impressive job growth in December 2024, the longer-term trends diverge. Since March 2022, the U.S. has added 8.2m jobs according to the establishment survey, but just 3.5m based on the household survey.

Methodology is to blame for this divergence. The establishment survey counts jobs based on business and agency payrolls, allowing it to capture the impacts of immigration. That said, statistical techniques used to estimate the impact of business formations and closures can sway these figures. The household survey, however, weights sample responses from households using population data from the Census Bureau. Unfortunately, the Census Bureau has struggled to accurately capture the surge in immigration, leading it to understate population growth. Fortunately, annual benchmark revisions in February should help clear some confusion. The 2Q24 Quarterly Census of Employment and Wages, which informs the establishment survey revisions, showed 790k fewer jobs were created in the year ending March 2024 compared to current figures. Moreover, Vintage 2024 Census estimates, which will be applied to this month's household survey data, not only revised net immigration estimates higher by 1.8m for the two-years ending June 2023, but also showed that net immigration totaled a higher-than-expected 2.8m for the year ending June 2024.

As immigration's impacts crystalize, so too should our view of the labor market. It might look modestly softer, but investors should remember it still supported solid growth in 2024. This should remain the case in 2025 as solid corporate earnings and steady economic activity allow employers to add an average of 150k jobs each month. *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	5827	-1.91	-0.89	-0.89	23.51	30.72
Dow Jones 30	41938	-1.83	-1.38	-1.38	13.33	23.57
Russell 2000	5441	-3.49	-1.82	-1.82	12.65	5.35
Russell 1000 Growth	2651	-2.20	-0.79	-0.79	31.58	40.66
Russell 1000 Value	1117	-1.54	-0.77	-0.77	13.76	16.22
MSCI EAFE	2245	-0.43	-0.72	-0.72	4.85	7.24
MSCI EM	1057	-1.49	-1.62	-1.62	10.00	-5.95
NASDAQ	19162	-2.34	-0.76	-0.76	28.93	31.36

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	5.09	-0.87	-1.00	-1.00	1.18	-6.47
U.S. Corporates	5.52	-0.96	-1.10	-1.10	1.99	-5.73
Municipals (10yr)	3.62	-0.63	-0.35	-0.35	-0.49	-0.98
High Yield	7.67	-0.28	0.04	0.04	8.74	10.32

Key Rates	Levels (%)					
	1/10/25	1/3/25	12/31/24	12/31/24	1/10/24	1/10/22
2-yr U.S. Treasuries	4.40	4.28	4.25	4.25	4.37	0.92
10-yr U.S. Treasuries	4.77	4.60	4.58	4.58	4.04	1.78
30-yr U.S. Treasuries	4.96	4.82	4.78	4.78	4.20	2.11
10-yr German Bund	2.55	2.41	2.35	2.35	2.21	-0.04
SOFR	4.30	4.31	4.49	4.49	5.31	0.05
3-mo. EURIBOR	2.77	2.73	2.71	2.71	3.94	-0.57
6-mo. CD rate	N/A	2.30	2.29	2.29	2.24	0.14
30-yr fixed mortgage	N/A	7.26	7.28	7.28	7.06	3.49
Prime Rate	7.50	7.50	7.50	7.50	8.50	3.25

Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
21.21	4.89	1.23	49343	
19.08	5.28	1.67	18410	
23.68	1.04	1.29	2604	
28.62	12.75	0.53	29124	
15.99	2.62	2.05	24298	
13.76	1.81	3.06	15987	
11.84	1.72	2.30	7535	
27.30	6.72	0.64	31189	

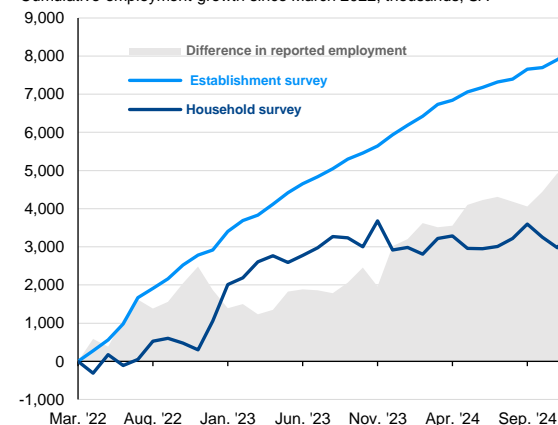
Currencies	Levels		
	1/10/25	12/31/24	1/10/24
\$ per €	1.02	1.04	1.10
\$ per £	1.22	1.25	1.27
¥ per \$	157.58	157.16	145.62

Commod.	Levels		
	1/10/25	12/31/24	1/10/24
Oil (WTI)	73.93	72.44	71.57
Gasoline	3.05	3.01	3.07
Natural Gas	3.71	3.40	3.25
Gold	2687	2609	2027
Silver	30.36	28.91	22.97
Copper	8996	8706	8285
Corn	4.65	4.53	4.55
BBG Idx	247.92	238.62	224.17

## Chart of the Week

### Employment growth by survey

Cumulative employment growth since March 2022, thousands, SA



## Style Returns

	V	B	G
L	-1.5	-1.9	-2.2
M	-2.0	-2.0	-2.2
S	-3.6	-3.5	-3.3
	V	B	G
L	-0.8	-0.9	-0.8
M	-1.2	-0.8	0.3
S	-2.7	-1.8	-1.0

## S&P 500 Sector Returns

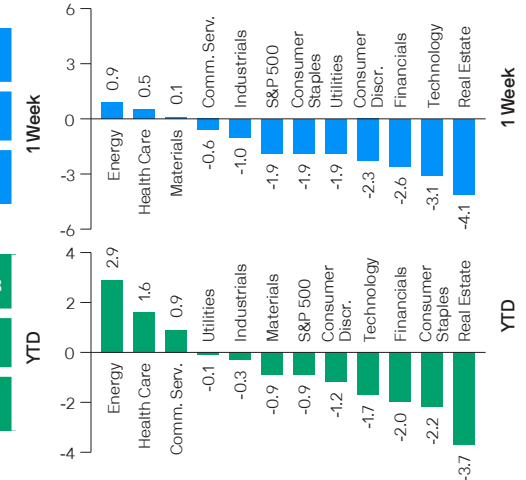




Chart of the Week: BLS, FactSet, J.P. Morgan Asset Management.

Thought of the week: BLS, Census Bureau, 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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**Diversification does not guarantee investment returns and does not eliminate the risk of loss.**

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