

Weekly Market Update

Week of April 1-April 5

| Returns | 5 Day Return | QTD Total Return | YTD Total Return |
|--------------------|--------------|------------------|------------------|
| S&P 500 | -0.89% | -0.89% | 9.41% |
| 40/60 SPY/AGG | -1.02% | -1.02% | 2.47% |
| 15/85 SPY/AGG | -1.04% | -1.04% | -0.19% |
| FTSE Europe | -0.86% | -0.86% | 4.11% |
| Emerging Markets | 0.41% | 0.41% | 2.59% |
| US Aggregate Bonds | -0.99% | -0.99% | -1.72% |
| US Dollar Index | -0.11% | -0.11% | 4.61% |

| Levels | Latest | 1 Month Ago | 1 Year Ago |
|-----------------------|--------|-------------|------------|
| 2-Year Treasury Rate | 4.78 | 4.49 | 4.01 |
| 10-Year Treasury Rate | 4.43 | 4.09 | 3.42 |
| 30-Year Treasury Rate | 4.56 | 4.26 | 3.65 |
| Oil | 86.10 | 78.01 | 79.74 |
| Natural Gas | 1.84 | 1.81 | 2.11 |

PREVIEW TEXT: Market growth slows but stocks react positively to strong unemployment numbers

Weekly Summary

The bull run in equity markets showed signs of slowing last week though little changed in other markets. Most of the week was spent waiting for US payroll and unemployment metrics released Thursday, which were even stronger than the already optimistic forecasts. Oil prices continue to rise and the trend looks unlikely to reverse as economic data released indicating the US manufacturing industry is expanding. Futures markets continue to predict the first rate cuts coming in June, with three rate cuts in total coming by the end of the year.

Economic Data

On Monday the ISM Manufacturing PMI released at 50.3 versus a forecast of 48.4, with any reading above 50 indicating the US manufacturing industry is expanding. On Wednesday the Euro Area released core inflation at 2.9%, slightly under the forecast of 3.0% and the first time the metric has released at under 3.0% in over two years. The same day ISM services PMI released at 51.4 versus a forecast of 52.7, indicating that the US services industry is also expanding though at a slightly lower rate than expected. The most significant pieces of data released at the end of the week, with US Non Farm payrolls indicating that the economy gained 303,000 jobs in the month of March. This was significantly higher than the expected 200,000 jobs. Unemployment also released slightly lower than the expected 3.9%, at 3.8%

Equities

The S&P 500 began a slight pullback last week after extremely strong performance throughout the first quarter. The index fell slightly on Tuesday and Wednesday, before falling over 2.0% in the final hours of trading on Thursday afternoon. There was no clear catalyst for this minor price crash though it is not uncommon to see high volatility in markets just before and after major economic releases like US employment rate. The market

then appeared satisfied with strong unemployment data and a large gain in US payrolls, with the S&P 500 gaining back about 1.1% throughout Friday. The Nasdaq 100 continued the trend of struggling to keep up with the S&P, with many of the tech megacaps now trading sideways after extremely strong performance last year.

Fixed Income

Treasury yields moved little in the first half of last week until falling on Thursday, and then reversing close to previous levels on Friday. Bond yields move inversely to prices, meaning a higher demand for bonds increases prices and decreased yields. The large moves in both equity and fixed income markets could therefore indicate that some institutional investors shifted investments from stocks into bonds Thursday afternoon in anticipation of the earnings report, allowing others to take advantage of lower equity prices and higher bond yields on Friday. Futures markets are still predicting an extremely low chance of a rate cut at the next Federal Reserve meeting on May 1st. However, markets still predict a 57% chance of a rate cut being announced at the following meeting on July 31st.

Commodities

Crude oil prices continued to rise last week spurred by expansion in the manufacturing industry. Prices of Western Texas Intermediate broke above \$85.00 a barrel on Tuesday for the first time since last November. Prices continued to rise through the week, hitting highs of around \$84.50, before moderating slightly on Friday. Little changed in the Natural Gas market with prices falling about 2% in the first half of last week before returning to previous levels by Friday. Gold prices continued to steadily rise. Gold has now gained 13.5% since the start of this year alone, outperforming even the S&P's abnormally high gains of 9.7% over the same period.

Interesting Articles

- [Wall Street Journal: Four Questions Retired Couples Should Ask Themselves About Their Finances — Today](#)
- [CNBC: 'Proceed with caution' before tapping AI chatbots to file your tax return, experts warn](#)
- [Bloomberg: US Consumer Borrowing Rises, Driven by Credit-Card Balances](#)

All data and figures in this article were collected from YCharts, Inc. on 4/8/2024 by Zach Hill of Blue Ridge Wealth Planners unless otherwise cited.

*This material represents an assessment of the market and economic environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. Forward-looking statements are subject to certain risks and uncertainties. Actual results, performance, or achievements may differ materially from those expressed or implied. Information is based on data gathered from what we believe are reliable sources. It is not guaranteed as to accuracy, does not purport to be complete and is not intended to be used as a primary basis for investment decisions. It should also not be construed as advice meeting the particular investment needs of any investor. **Past performance does not guarantee future results.***

Investments in emerging markets may be more volatile and less liquid than investing in developed markets and may involve exposure to economic structures that are generally less diverse and mature and to political systems which have less stability than those of more developed countries

Investments in commodities may have greater volatility than investments in traditional securities, particularly if the instruments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Use of leveraged commodity-linked derivatives creates an opportunity for increased return but, at the same time, creates the possibility for greater loss.

An index is an unmanaged portfolio of specific securities, the performance of which is often used as a benchmark in judging the relative performance of certain asset classes. Investors cannot invest directly in an index. An index does not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown.

The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. It is a market value weighted index with each stock's weight in the index proportionate to its market value.

The Financial Times Stock Exchange 100 Index, also called the FTSE 100 Index, FTSE 100, FTSE, or, informally, the "Footing" is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalization. It is seen as a gauge of prosperity for businesses regulated by UK company law.

The FTSE Developed Europe Index is an index of European stocks, part of the FTSE Global Equity Index Series. It is a subset of the FTSE Europe Index. The FTSE Eurobloc Index is a subset of it.

The MSCI Emerging Markets Index is a float-adjusted market capitalization index that consists of indices in 21 emerging economies: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

The Bloomberg Barclays US Aggregate Bond Index, or the Agg, is a broad base, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the United States. Investors frequently use the index as a stand-in for measuring the performance of the US bond market.

The US Dollar Index (USDX, DXY) is an index (or measure) of the value of the United States dollar relative to a basket of foreign currencies, often referred to as a basket of US trade partners' currencies.

The Consumer Price Index (CPI) is a measure of inflation compiled by the US Bureau of Labor Studies.

West Texas Intermediate (WTI), also known as Texas light sweet, is a grade of crude oil used as a benchmark in oil pricing. This grade is described as light because of its relatively low density, and sweet because of its low sulfur content.

The Producer Price Index (PPI) is a family of indexes that measures the average change over time in selling prices received by domestic producers of goods and services. PPIs measure price change from the perspective of the seller.

This report was prepared by Blue Ridge Wealth Planners, a federally registered investment adviser under the Investment Advisers Act of 1940. Registration as an investment adviser does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser. Blue Ridge Wealth Planners Form ADV Part 2A & 2B can be obtained by going to www.adviserinfo.sec.gov and searching the firms name. Neither the information nor any opinion expressed it so be construed as solicitation to buy or sell a security of personalized investment, tax, or legal advice.