Weekly Market Update

Week of April 22-April 26

Returns	5 Day Return	QTD Total Return	YTD Total Return
S&P 500	2.65%	-2.83%	7.27%
40/60 SPY/AGG	1.00%	-2.63%	0.80%
15/85 SPY/AGG	0.33%	-2.51%	-1.66%
FTSE Europe	2.64%	-1.41%	3.53%
Emerging Markets	3.68%	0.22%	2.39%
US Aggregate Bonds	-0.05%	-2.37%	-3.09%
US Dollar Index	-0.03%	1.83%	6.64%

Levels	Latest	1 Month Ago	1 Year Ago
2-Year Treasury Rate	4.98	4.63	4.14
10-Year Treasury Rate	4.63	4.21	3.57
30-Year Treasury Rate	4.75	4.35	3.82
Oil	83.08	83.17	75.66
Natural Gas	1.97	1.84	2.14

PREVIEW TEXT: Markets are optimistic heading into the next Fed meeting

Weekly Summary

Markets were calm last week across the board despite higher than expected inflation data releasing on Friday. Equity markets rallied on the back of strong earnings calls by several major companies. Interest rates increased only slightly, with investors now appearing to be less concerned about lingering and higher than average inflation. The Federal Reserve is set to meet this Wednesday, but this meeting is expected to be largely uneventful with the Fed maintaining its previous position. That rates will eventually come down, but only when unemployment or inflation data signal these rate cuts are becoming necessary.

Economic Data

The most anticipated piece of Economic data of the week released on Friday. The Personal Consumption Expenditures Price Index measure of inflation released at 2.7%, slightly higher than the expected 2.6%. The core version of this metric, which excludes food and energy prices and is followed more closely by the Federal Reserve, released slightly higher at 2.8% compared to a forecast of 2.6%. The University of Michigan's consumer sentiment survey released at 77.2, lower than the expected 77.8 and down from 79.4 in March. One important thing to keep in mind though is that consumer confidence often drops as election seasons approach regardless of the current state of the economy.

Equities

Equity markets performed well last week after several major banks and tech companies announced better than expected earnings calls. The S&P-500 gained 3.01% from the previous Friday's closing price and higher than expected inflation did not seem to be a major concern to markets, with the index increasing 0.95% on Friday alone despite the pessimistic PCE release. This seems to be part of a continuing shift in equity markets which previously displayed extreme fear of high interest rates. Now that interest rates are not expected to increase investors appear to be placing a higher emphasis on the strong quarterly performance of companies that have already weathered the worst of the storm.

Fixed Income

Fixed income markets were also far less volatile than in previous weeks containing inflation releases. Interest rates for treasuries one year or shorter inched higher but the rest of the yield curve was largely unchanged. Futures markets lowered expectations of rate cuts by the end of the year but moved far less than they did following the CPI inflation release earlier this month. This implies that higher for longer interest rates have already been "priced in" by the market to some degree. Futures markets are still betting on at least one rate cut by September but are but are also projecting a 25% chance of no rate cuts through the rest of the year.

Commodities

Oil prices were largely unchanged last week with prices advancing close to $84.00 a barrel but falling back to the previous Monday's levels over the weekend. The extreme rally in gold appears to be over in the short term with prices of the precious metal increasing only 0.28% through the week, compared to an increase of over 8.6% in the month of March. Natural gas prices increased but remain significantly lower than seasonal averages. U.S. natural-gas inventories in storage are currently more than 30% above their five-year seasonal average.

Interesting Articles

- Wall Street Journal: Retire at 65? It's More Like 62.
- CNBC: How one nonprofit is turning to AI to help boost women's financial literacy
- Financial Times: Dodgy data: what not to trust

All data and figures in this article were collected from YCharts, Inc. on 4/29/2024 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 "Footsie" 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.