Weekly Market Update

Week of April 29-May 3

Returns	5 Day Return	QTD Total Return	YTD Total Return
S&P 500	0.60%	-2.25%	7.91%
40/60 SPY/AGG	0.92%	-1.74%	1.73%
15/85 SPY/AGG	1.07%	-1.46%	-0.61%
FTSE Europe	0.60%	-0.82%	4.16%
Emerging Markets	3.16%	3.38%	5.62%
US Aggregate Bonds	1.21%	-1.19%	-1.92%
US Dollar Index	-0.83%	0.99%	5.76%

Levels	Latest	1 Month Ago	1 Year Ago
2-Year Treasury Rate	4.79	4.79	4.01
10-Year Treasury Rate	4.47	4.42	3.52
30-Year Treasury Rate	4.63	4.55	3.83
Oil	78.78	86.43	73.16
Natural Gas	2.19	1.84	2.24

PREVIEW TEXT: First quarter earnings end strong, unemployment slightly higher than expected

Weekly Summary

Markets spent most of last week waiting for employment data releasing Friday, hoping the unemployment rate might shed more information on the Federal Reserve's next move. The first quarter earnings season is coming to a close with most companies announcing higher than expected increases in revenue and net income. Treasury yields reversed course after a period of increases for most of April. Oil prices fell, implying that fears of disruption in the middle east are less likely. Natural gas followed the reverse trend and increased to a fourteen-week high.

Economic Data

There were several pieces of worldwide inflation date released last week. Most notably, Germany reported an inflation rate of 2.2%. This was the same rate as March but slightly more optimistic than the 2.3% forecast. The Eurozone overall announced year over year inflation of 2.4% as expected and the same rate as March. The most significant piece of economic data last week came on Friday. The United States gained 175,000 jobs in April, significantly lower than the prediction of 243,000 and March's increase of 315,000. The unemployment rate for April came in at 3.9%, up 0.1% from the previous month and slightly higher than the same forecasted rate.

Equities

The S&P 500 fell on Tuesday and Wednesday but rebounded on Thursday and Friday for a total gain of 0.6% for the week on the back of positive sentiment now that nearly all companies in the index have reported first quarter earnings. Earnings reports were extremely strong overall last quarter, increasing 5.0% from the first quarter of last year. The unemployment rate releasing slightly higher than expected actually boosted the equity market because of an expectation that the Federal Reserve may more seriously consider decreasing interest rates if unemployment crosses above 4.0%.

Fixed Income

Treasury rates fell last week on the back of slightly higher than expected unemployment, breaking a four week streak of increases that brought ten-year yields to the highest levels since last November. Perhaps most notably the ten-year rate fell below 4.5% after increasing to over 4.7% the week before. Unemployment data also increased optimism that there may still be rate cuts coming this year. Futures markets are now predicting a 67% chance of a rate cut by September and only a 10% chance that rates will end the year at current levels.

Commodities

Oil prices fell over the weekend and continued this trend continued throughout the week. As of this Monday Western Texas Intermediate is trading at a price of slightly under $79.00 a barrel. This is the lowest price oil has traded at since early March. Gold prices seemingly confirmed that the rally seen earlier this year is over for now, falling 0.45% throughout the week. Despite this gold has still appreciated 12.3% in price since the beginning of this year. The period of low natural gas prices may now be over as well, increasing to over $2.00 for the first time since January.

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- Wall Street Journal: Capital-Gains Tax Hits More Home Sellers
- Financial Times: Friendshoring, nuclear buttons and a space race: what geopolitics is telling investors

All data and figures in this article were collected from YCharts, Inc. on 5/6/2024 by Zach Hill of Blue Ridge Wealth Planners unless otherwise cited.

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.

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