



Weekly Market Recap

The week in review

- Flash Mfg./Services PMI: 49.9/50.9
- Initial claims edged lower to 207K
- New home sales increased to 693K saar

The week ahead

- JOLTS job openings
- Nonfarm payrolls
- FOMC meeting

Thought of the week

Last week's initial estimates of 1Q24 GDP revealed a complex picture. At the start of the year, expectations were set for gradual declines in growth and inflation. However, the data showed a sharp deceleration in headline growth while inflation, as measured by the personal consumption expenditures price index (PCE), accelerated on a quarter-to-quarter basis. This has raised concerns about potential stagflation and its implications on interest rates and markets.

Looking at the details, first-quarter real GDP grew at an annualized rate of 1.6%, roughly half the pace of the previous quarter and below the Fed's forecasts for 2024 and the longer term. However, volatile components like trade and inventories, which often swing up and down in consecutive quarters, significantly impacted this slowdown. As the chart of the week highlights, excluding those components, the economy grew at a healthy 3.1% rate — slightly above last year's average. This growth was supported by a strong labor market, evident from fewer jobless claims, which in turn bolstered consumer spending — rising by 2.5%, nearly aligning with its 20-year trend. This suggests that concerns over economic stagnation may be exaggerated, as the headline figure masked the underlying strength.

However, while recent reports remain consistent with falling inflation, it has turned into a very slow decline, tempering market expectations for rate cuts this year. Next week's FOMC statement will be pivotal in revealing whether the Fed is also leaning toward reducing its rate cut projections. Such a shift could pressure the multiple expansion, which fueled much of the equity market gains in the first quarter.

Please see important disclosures on next page.

Weekly Data Center

		Index Returns (%)				
Equities	Level	1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	5100	2.68	-2.87	7.38	27.71	27.62
Dow Jones 30	38240	0.67	-3.85	2.05	17.26	19.61
Russell 2000	4975	2.80	-5.72	-0.84	17.50	-9.20
Russell 1000 Growth	2183	3.69	-2.68	8.43	37.68	28.39
Russell 1000 Value	1052	1.44	-3.39	5.29	17.62	17.83
MSCI EAFE	2275	1.98	-2.66	3.00	10.01	8.84
MSCI EM	1042	3.77	0.28	2.45	10.98	-16.28
NASDAQ	15928	4.23	-2.73	6.32	35.43	15.33

Fixed Income	Yield	1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	5.28	-0.08	-2.43	-3.19	-1.25	-10.27
U.S. Corporates	5.71	0.03	-2.53	-2.92	1.22	-9.15
Municipals (10yr)	3.38	-0.38	-1.40	-1.94	1.08	-2.61
High Yield	8.27	0.60	-1.05	0.41	9.37	4.59

		Levels (%)				
Key Rates	4/26/24	4/19/24	3/28/24	12/29/23	4/26/23	4/26/21
2-yr U.S. Treasuries	4.96	4.97	4.59	4.23	3.90	0.18
10-yr U.S. Treasuries	4.67	4.62	4.20	3.88	3.43	1.58
30-yr U.S. Treasuries	4.78	4.72	4.34	4.03	3.70	2.24
10-yr German Bund	2.55	2.52	2.29	2.00	2.35	-0.26
SOFR	5.31	5.31	5.34	5.38	4.80	0.01
3-mo. EURIBOR	3.87	3.89	3.89	3.91	3.24	-0.54
6-mo. CD rate	2.33	2.33	2.33	2.23	1.89	0.17
30-yr fixed mortgage	7.24	7.24	6.91	6.76	6.55	3.17
Prime Rate	8.50	8.50	8.50	8.50	8.00	3.25

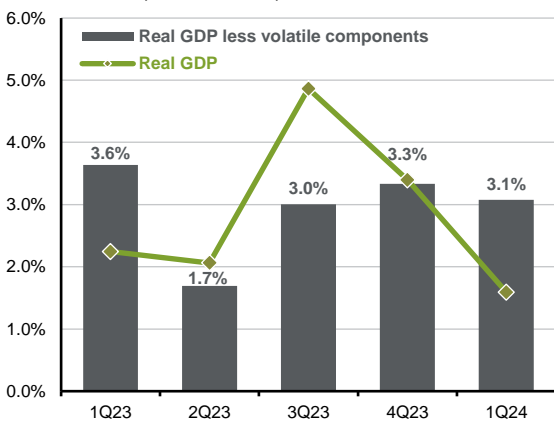
Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
20.12	4.50	1.38	42773
17.66	4.83	1.87	13321
22.01	1.90	1.36	2481
26.56	11.71	0.69	25526
15.45	2.42	2.16	21060
14.03	1.83	2.94	16383
12.19	1.62	2.83	7188
26.50	6.07	0.73	25827

Levels			
Currencies	4/26/24	12/29/23	4/26/23
\$ per €	1.07	1.10	1.10
\$ per £	1.25	1.27	1.25
¥ per \$	157.28	140.98	133.35

Levels			
Commod.	4/26/24	12/29/23	4/26/23
Oil (WTI)	83.56	71.89	74.33
Gasoline	3.67	3.12	3.66
Natural Gas	1.64	2.58	2.19
Gold	2343	2078	2003
Silver	27.63	23.79	24.85
Copper	9869	8476	8579
Corn	4.32	4.59	6.38
BBG Idx	240.39	226.43	228.99

Chart of the Week

Excluding volatile components reveals still-strong growth
Real final sales to private domestic purchasers vs. Real GDP, saar



Style Returns

	V	B	G
L	1.4	2.7	3.7
M	2.0	2.3	3.1
S	2.2	2.8	3.4

	V	B	G
L	5.3	7.4	8.4
M	3.6	3.9	4.6
S	-2.2	-0.8	0.6

S&P 500 Sector Returns

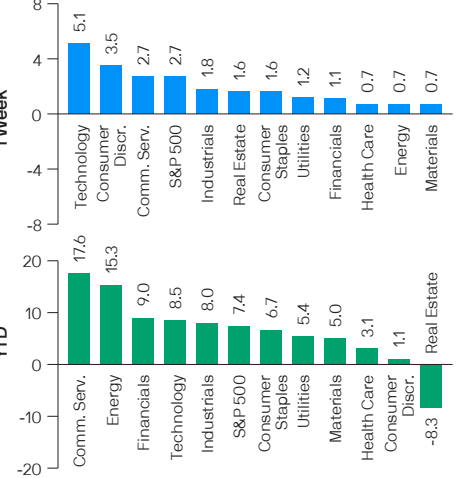




Chart of the Week: Source: BEA, FactSet, J.P. Morgan Asset Management.

Thought of the week: Source: BEA, 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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