



WEEK OF APRIL 29, 2024

Market Update

Earnings from Microsoft and Alphabet helped lift the tech-oriented Nasdaq Composite more than 4 percent. Longer-dated bond yields rose as persistent inflation remained a concern.

Quick Hits

- 1. Report releases:** GDP growth slowed more than expected in the first quarter.
- 2. Financial market data:** The Nasdaq rebounded sharply amid earnings.
- 3. Looking ahead:** The Federal Open Market Committee (FOMC) hosts its May meeting on Tuesday and Wednesday.

Report Releases: April 22–26, 2024

S&P Global US Composite Purchasing Managers Index April (Tuesday)

The US Composite PMI fell from 52.1 in March to 50.9. U.S. manufacturing unexpectedly fell to 49.9, indicating some contraction. Service also surprised to the downside, falling to 50.9.

- Expected/prior US Composite PMI: 52.1/52.1
- Actual US Composite PMI: 50.9



Preliminary Durable Goods Orders March (Wednesday)

Durable goods orders continued to improve, signaling solid business investment during the month.

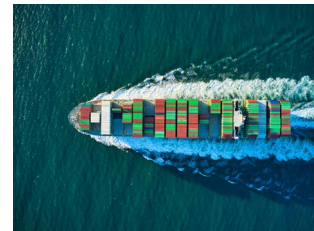
- Expected/prior durable goods orders monthly change: +2.5%/+1.3%
- Actual durable goods orders change: +2.6%
- Expected/prior core durable goods orders monthly change: +0.2%/+0.3%
- Actual core durable goods orders change: +0.2%



Advance GDP Estimate (Annualized) First Quarter (Thursday)

Economic growth slowed during the first quarter, with annualized GDP growth of 1.6 percent. Personal consumption growth remained healthy during the quarter, but international trade and a fall in business inventories led to slower-than-expected economic growth.

- Expected/prior quarter GDP growth: +2.5%/+3.4%
- Actual GDP growth: +1.6%



Personal Spending and Personal Income March (Friday)

Personal income and spending continued to rise. The larger-than-expected increase in personal spending was in line with similar improvements in retail sales growth during the month.

- Expected/prior personal income monthly change: +0.5%/+0.3%
- Actual personal income change: +0.5%
- Expected/prior personal spending monthly change: +0.8%/+0.6%
- Actual personal spending change: +0.8%



>> The Takeaway

- Economic growth in the first quarter was weaker than expected on higher import levels.
- Durable goods orders remained strong but there are signs of slowing sentiment.

Financial Market Data

Equity

Index	Week-to-Date	Month-to-Date	Year-to-Date	12-Month
S&P 500	2.68%	-2.87%	7.38%	25.25%
Nasdaq Composite	4.23%	-2.73%	6.32%	32.22%
DJIA	0.67%	-3.85%	2.05%	15.44%
MSCI EAFE	1.92%	-2.85%	2.77%	9.54%
MSCI Emerging Markets	3.77%	-0.01%	2.36%	10.03%
Russell 2000	2.80%	-5.72%	-0.84%	16.09%

Source: Bloomberg, as of April 26, 2024

Global equities rebounded after declines in prior weeks. The Nasdaq Composite led the way, with earnings reports from Microsoft and Alphabet helping lift the index higher. Microsoft beat on strong cloud performance. In addition to performing well across cloud, search, and YouTube, Alphabet initiated its first dividend. Finally, Tesla rose more than 14 percent despite missing earnings after displaying a taxi app and discussing the release of a cheaper vehicle. Meta Platforms was down on increased spending ahead.

Fixed Income

Index	Month-to-Date	Year-to-Date	12-Month
U.S. Broad Market	-2.43%	-3.19%	-0.82%
U.S. Treasury	-2.31%	-3.24%	-2.21%
U.S. Mortgages	-2.71%	-3.72%	-1.38%
Municipal Bond	-1.31%	-1.69%	2.07%

Source: Bloomberg, as of April 26, 2024

Treasury yields picked up slightly on the longer end of the curve as the potential for a Fed rate cut amid slower GDP growth led to concerns of a reacceleration in inflation. The 10- and 30-year yields rose 5 and 7 basis points (bps), closing the week at 4.67 percent and 4.78 percent, respectively.

>> The Takeaway

- The Nasdaq Composite rebounded sharply in the height of earnings season.
- Long-term yields rose amid concerns inflation will remain more resilient.

Looking Ahead

It will be a busy week for economic data and policy.

- The week kicks off Tuesday with the **preliminary release of the Conference Board Consumer Confidence Index** for April. Consumer confidence is expected to fall modestly, which would mark three consecutive months with falling confidence.
- On Wednesday, the May **FOMC meeting** concludes. The Federal Reserve (Fed) is expected to keep the federal funds rate unchanged after the meeting; however, Fed chair Jerome Powell may hint at a future rate cut in the post-meeting news conference.
- On Thursday, we expect the release of the **international trade balance** for March. The trade deficit is set to increase modestly due to a rise in imports.
- Finally, Friday will see the release of the April **employment report**. Economists expect to see a strong 250,000 jobs added after an unexpected hiring surge in March.





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companies and then dividing that total by an adjusted value, one which has been adjusted over the years to account for the effects of stock splits on the prices of the 30 companies. Dividends are reinvested to reflect the actual performance of the underlying securities. The MSCI EAFE Index is a float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a market capitalization-weighted index composed of companies representative of the market structure of 26 emerging market countries in Europe, Latin America, and the Pacific Basin. The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index. The Bloomberg US Aggregate Bond Index is an unmanaged market value-weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. The U.S. Treasury Index is based on the auctions of U.S. Treasury bills, or on the U.S. Treasury's daily yield curve. The Bloomberg US Mortgage Backed Securities (MBS) Index is an unmanaged market value-weighted index of 15- and 30-year fixed-rate securities backed by mortgage pools of the Government National Mortgage Association (GNMA), Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (FHLMC), and balloon mortgages with fixed-rate coupons. The Bloomberg US Municipal Index includes investment-grade, tax-exempt, and fixed-rate bonds with long-term maturities (greater than 2 years) selected from issues larger than \$50 million. One basis point is equal to 1/100th of 1 percent, or 0.01 percent.

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