

Weekly Market Update



Stock prices struggled in the first week of the year as investors digested economic data and rising bond yields. Investors will soon begin to parse through a bevy of quarterly earnings with high expectations. Analysts anticipate that the S&P 500 will experience an approximate 12% increase in earnings per share (EPS) during the fourth quarter. If realized, that will mark the highest EPS growth rate reported by the index since the fourth quarter of 2021. Large companies outperformed their small and mid-sized counterparts while the style factor was mixed. Most sectors declined, with notable weakness in the real estate and information technology sectors. Energy, health care, and materials were the only three sectors with gains. Oil prices rose again last week and are up nearly 7% so far this year. Foreign developed and emerging markets ended the week lower with mixed economic data and rising uncertainty.

Bond yields advanced across the globe, and the U.S. was no exception. The 10-year Treasury yield ended the week at 4.77% and the 2-year Treasury increased to 4.40%. Performance was negative across all bond segments, with notable weakness in long government bonds that declined by nearly 2%. Lower credit quality outperformed, and breakeven inflation rates rose, indicating that investors are more concerned about inflation expectations and fiscal uncertainty. Investment-grade and high-yield corporate bond yields rose, ending the week at 5.52% and 7.67%, respectively.

Economic data for the week was mostly positive and headlined by the December jobs report (non-farm payrolls) that surprised to the upside with a gain of 256,000. Other notable figures from that report included a decline in the unemployment rate to 4.1% and average hourly earnings that declined to 3.9% on a year-over-year basis. Earlier in the week, both S&P and ISM reported better than expected Services PMI figures for the month of December at 56.8 and 54.1, respectively. Job openings unexpectedly rose to 8.1 million, and the Fed released minutes from the December FOMC meeting, which indicates a high likelihood of no rate cuts in January. The preliminary Consumer Sentiment figure for January came in slightly lower at 73.2 after five consecutive gains in December.

Market Data as of Week Ending: 1/10/2025 unless noted otherwise

U.S. Equity Returns (Size & Style - Russell)												
	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-1.54%	-1.90%	-2.20%	-0.77%	-0.78%	-0.79%	-0.77%	-0.78%	-0.79%	-0.77%	-0.78%	-0.79%
Mid	-1.98%	-2.04%	-2.22%	-1.21%	-0.83%	0.26%	-1.21%	-0.83%	0.26%	-1.21%	-0.83%	0.26%
Small	-3.65%	-3.49%	-3.33%	-2.69%	-1.82%	-1.00%	-2.69%	-1.82%	-1.00%	-2.69%	-1.82%	-1.00%

U.S. Fixed Income Returns (Quality & Duration - Bloomberg)												
	Week			MTD			QTD			YTD		
	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long
Govt	-0.27%	-0.47%	-1.95%	-0.30%	-0.51%	-2.30%	-0.30%	-0.51%	-2.30%	-0.30%	-0.51%	-2.30%
Corp	-0.27%	-0.58%	-1.74%	-0.28%	-0.63%	-2.07%	-0.28%	-0.63%	-2.07%	-0.28%	-0.63%	-2.07%
HY	-0.22%	-0.28%	-0.12%	0.06%	0.03%	0.17%	0.06%	0.03%	0.17%	0.06%	0.03%	0.17%

Index Returns				
	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-1.91%	-0.89%	-0.89%	-0.89%
S&P MidCap 400	-1.66%	-0.66%	-0.66%	-0.66%
Russell 2000	-3.49%	-1.82%	-1.82%	-1.82%
MSCI EAFE	-0.43%	-0.73%	-0.73%	-0.73%
MSCI Emerging Markets	-1.50%	-1.63%	-1.63%	-1.63%
MSCI EAFE Small Cap	-2.17%	-2.21%	-2.21%	-2.21%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.50%	-0.54%	-0.54%	-0.54%
Bloomberg US Agg	-0.87%	-1.00%	-1.00%	-1.00%
Bloomberg US High Yield	-0.28%	0.04%	0.04%	0.04%
Other				
Bloomberg Commodity	4.15%	3.90%	3.90%	3.90%
S&P Dev Property	-3.53%	-3.17%	-3.17%	-3.17%

S&P 500 Sector Returns				
	Week	MTD	QTD	YTD
Consumer Disc	-2.33%	-1.23%	-1.23%	-1.23%
Consumer Staples	-1.90%	-2.20%	-2.20%	-2.20%
Energy	0.90%	2.86%	2.86%	2.86%
Financials	-2.61%	-2.04%	-2.04%	-2.04%
Health Care	0.52%	1.55%	1.55%	1.55%
Industrials	-1.01%	-0.28%	-0.28%	-0.28%
Info Technology	-3.10%	-1.71%	-1.71%	-1.71%
Materials	0.14%	-0.93%	-0.93%	-0.93%
Real Estate	-4.09%	-3.70%	-3.70%	-3.70%
Communication Svcs	-0.57%	0.86%	0.86%	0.86%
Utilities	-1.90%	-0.10%	-0.10%	-0.10%

Bond Yields				
	1/10/25	12/31/24	12/31/24	12/31/24
SOFR 3Mo Swap	4.30%	4.30%	4.30%	4.30%
2Yr Treasury	4.40%	4.25%	4.25%	4.25%
10Yr Treasury	4.77%	4.58%	4.58%	4.58%
2-10 Slope	0.37%	0.33%	0.33%	0.33%

Commodities and Currency				
	1/10/25	12/31/24	12/31/24	12/31/24
Oil (\$/barrel)	76.57	71.72	71.72	71.72
Gold (\$/oz.)	2689.76	2624.5	2624.5	2624.5

Past performance is not a guarantee of future results. We believe the information presented is reliable, but we do not guarantee its accuracy.