Weekly Market Recap

April 1, 2024

Market Commentary

Last Week's Highlights: Equities again made new highs last week, but the leadership was different. The Dow was up 0.89% last week, while the S&P 500 gained 0.44%, the Nasdaq was down 0.33%, while the Russell 2000 gained 2.59%. Bond yields were slightly higher last week. The BBgBarc Agg Bond Index was up 0.14% for the week and short-term bonds moved lower by 0.02%. The US dollar was relatively flat, which didn't hurt or help international equities much. The MSCI EAFE Index gained 0.03%, while the MSCI Emerging Markets Index added 0.19%. **Economic Data:** Given Powell's comments last week, the labor market numbers will be the focus this week. The key economic data releases this week are S&P Manufacturing PMI, Construction Spending, ISM Manufacturing PMI, Redbook Sales (YoY), Factory Orders, JOLTs Job Openings, Vehicle Sales, ADP Private Payrolls, S&P Services PMI, ISM Non-manufacturing PMI, Initial Jobless Claims, Continuing Claims, Average Hourly Earnings, Nonfarm Payrolls, & Unemployment Rate. **Earnings Releases:** First quarter earnings season doesn't really kick into full gear until next week. The key earnings releases this week are PAYX, AYI, LEVI, BB, CAG, & SMPL. **Takeaways:** Tech stocks took a back seat to other sectors, such as Healthcare and Energy. Large caps also stepped aside as Small caps and Mid-caps led the market higher. The market continues to price in a June rate cut by the Fed, but Chairman Powell's comments on Good Friday indicated a "balanced" approach by the Fed. Meanwhile, the Fed's favorite measure of inflation, the PCE Price Index, was lower than expected on a month-over-month basis and flat year-over-year. The U.S. consumer is alive and well according to Personal Spending data released on Good Friday. Spending increased 0.8% last month, which was higher than expected and 4 times higher than the previous month. Housing data continues to improve as Pending Home Sales recovered nicely in February and the weakness seems to have bottomed. The emergence of other sectors and asset classes within equities moving higher continues to point to a broadening of the market. Nearly three-fourths of S&P 500 stocks are within 10% of their 52-week highs. More than half the index is within 5% of their respective 52-week highs. As long as leadership continues to rotate within equities, markets may remain higher for longer.

Market Returns

Sectors	1 Week Return	YTD Return
Technology	-0.71%	13.07%
Industrials	0.57%	10.94%
Energy	1.97%	13.25%
Communication Svcs	0.12%	14.80%
Basic Materials	1.13%	8.06%
Consumer Cyclical	0.04%	4.09%
Financial Svcs	0.50%	12.23%
Real Estate	1.07%	-0.70%
Consumer Defensive	0.40%	7.52%
Healthcare	1.49%	8.36%
Utilities	2.94%	4.94%

Key Indices	1 Week Return	YTD Return
S&P 500	0.44%	10.56%
Dow Jones Industrial Average	0.89%	6.14%
Russell 2000	2.59%	4.81%
Nasdaq	-0.33%	9.11%
MSCI EAFE	0.03%	5.67%
BBgBarc Agg Bond	0.14%	-0.75%
60% S&P / 40% BB Agg Bond	0.32%	6.04%

Key Rates—as of 3/28/2024	
3mth T-bills	5.39%
2yr U.S. Treasury	4.61%
10yr U.S. Treasury	4.21%
Fed Funds	5.25%-5.50%

Investment Styles—1 Week Returns

	Value	Blend	Growth
Large	1.26%	0.20%	-1.60%
Mid	1.80%	1.00%	0.19%
Small	1.82%	1.59%	0.85%

Investment Styles—YTD Returns

	Value	Blend	Growth
Large	8.89%	12.04%	9.59%
Mid	8.19%	7.79%	10.56%
Small	4.64%	7.13%	5.29%

See important disclosures on last page.

Recession Indicator

The current score of our Recession Indicator suggests that there is a moderate probability of a recession in the next 6-12 months. The Indicator was unchanged last week. It now stands at a level of 23. NAAIM, ANCFI, and the Financial Stress Index are at a positive levels. GDP, Housing Starts, CPI (inflation), and the Savings Rate are at moderate levels. The Yield Curve, Consumer Sentiment, Unemployment, & Wages are at levels that are typically associated with recessions. After remaining unchanged for more than 3 months, the indicator is approaching the low probability level.

Probability of Recession	
Low	30-24
Moderate	23-17
High	16-10

Source: Eudaimonia Asset Management

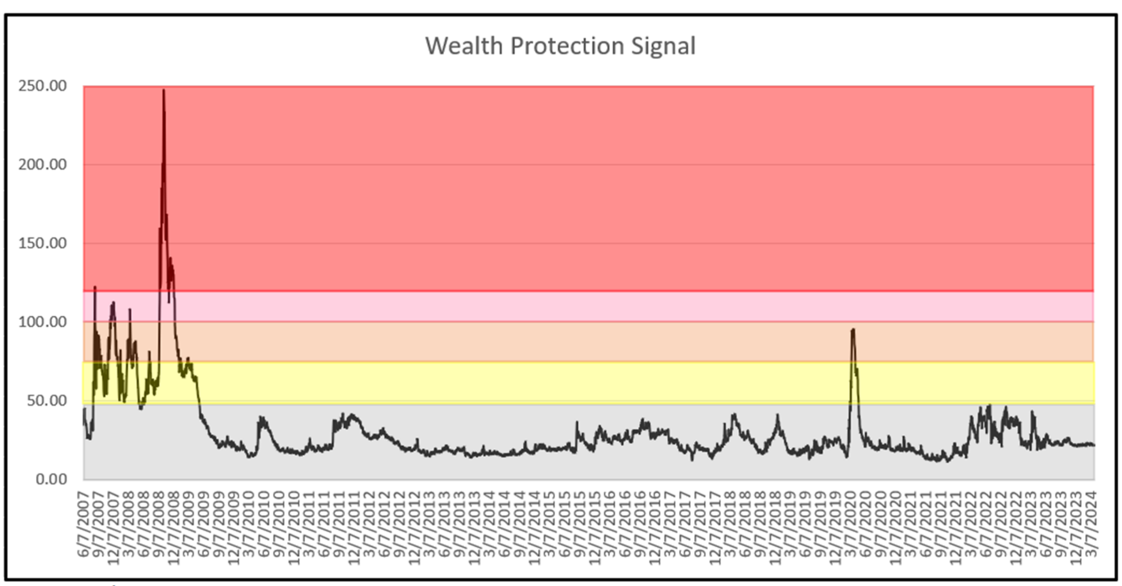
Wealth Protection Signal

Description

The Wealth Protection Signal measures panic or "fear" among investors, as well as, "volatility" in the market. The Signal is comprised of a proprietary weighting to the VIX Index (volatility) and to the TED Spread (fear). When these indices spike, major market meltdowns tend to follow. The Signal is also measured against the Yield Curve. When the 1st Cash Raise Level is reached, the Yield Curve (2yr Treasury Bond Yields > than 10yr Treasury Bond Yields) must also be inverted or have been inverted within the past 90 days in order for the 1st Cash Raise to trigger.

Current Level

The current level of the Wealth Protection Signal is at 21.97 as of Thursday's close on March 28th, 2024. The Signal was relatively unchanged from the previous week's close. The Signal has been calm over the past 120 trading says staying between 21 and 23. The Signal would need to increase 105% to reach the 1st trigger point. The Wealth Protection Signal is currently indicating that investors should have a 0% cash-weighting as a defensive position within their respective asset allocation at this time.



Cash Raise Level
40%
30%
20%
10%
0%

Current Level
21.97
3/28/2024

Source: Eudaimonia Asset Management

See important disclosures on last page.

Disclosures

Sources: Investment Style returns are derived from Morningstar, Inc. (https://indexes.morningstar.com/indexdata#). Key Rates table derived from Bloomberg. (https://www.bloomberg.com/markets/rates-bonds/government-bonds/us). Sectors and Key Indices tables are derived from Charles Schwab Advisor Center.

Recession Indicator is comprised of 10 economic measurements including, the Yield Curve, GDP, Inflation, Wage Growth, Unemployment, Housing Starts, Consumer Sentiment, Adjusted National Financial Conditions Index, the Fed's Financial Stress Index, U.S. Savings Rate, and the NAAIM (National Association of Active Investment Managers) Index.

Wealth Protection Signal is comprised of the VIX and the TED Spread Indices. The VIX Index is the Chicago Board of Options Exchange (CBOE) Volatility Index, which shows the market's expectation of 30-day volatility. The TED Spread is the price difference between 3-month futures contracts for U.S. Treasuries and 3-month futures contracts for Eurodollars having identical expiration months.

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