Weekly Market Recap

April 22, 2024

Market Commentary

Last Week's Highlights: Equities seemed to ultimately shake off a poor GDP report and higher rates for longer concerns. The Dow was up 0.68% last week, while the S&P 500 gained 2.80%, the Nasdaq was up 4.31%, while the Russell 2000 advanced 2.68%. Bond yields were higher last week, but the bond indices were mixed. The BBgBarc Agg Bond Index was down 0.07% for the week, while short-term bonds moved higher by 0.06%. The US dollar just slightly down last week, but international equities performed well versus domestic equities. The MSCI EAFE Index gained 2.01%, while the MSCI Emerging Markets Index added 3.73%. **Economic Data:** All eyes will be on the Fed's rate decision and the Jobs Report this week. The key economic data releases this week are Dallas Fed Manufacturing Index, Redbook Sales, Case-Shiller Home Price Index, Chicago PMI, CB Consumer Confidence, ADP Private Employment, S&P Manufacturing PMI, Construction Spending, ISM Manufacturing PMI, JOLTs Job Openings, FOMC Meeting (Rate Decision), Initial Jobless Claims, Continuing Claims, Factory Orders, Total Vehicle Sales, Average Hourly Earnings, Nonfarm Payrolls, Unemployment Rate, S&P Services PMI, ISM Non-manufacturing PMI, . **Earnings Releases:** More Mag 7 names and Big Pharma report earnings this week. The key earnings releases this week are SONY, RIG, NYCB, SBNY, AMZN, LLY, MCD, SBUX, MDLZ, PYPL, CZR, MA, PFE, ADP, KKR, DASH, YUM, GOLD, MRO, ALB, Z, AAPL, NVO, CI, AMGN, SO, COIN, MUR, WEN, & HSY. **Takeaways:** Markets have been reeling ever since the Fed first floated the idea of fewer rate cuts and a delay in the first cut. Despite a 1st quarter GDP number that came in well below the expectation (+1.6% vs +2.9%), equities were able to turn in a positive week for the first time in 4 weeks. While the headline GDP is expected to be revised higher (according to Treasury Secretary Yellen), the Fed's games of double-speak have caught up to them. This week's FOMC meeting and press conference will go a long way to determining where we go from here. Meanwhile, the consumer, job market, and general economic conditions are sound. The Fed's own National Financial Conditions Index points to "loose" financial conditions. You will hear a lot about the "Sell In May" investment moniker. However, the data shows that it's not a winning investment strategy historically. Expect some choppy trading this week with tech earnings, Fed speak, and the Jobs Report.

Market Returns

Sectors	1 Week Return	YTD Return
Technology	5.01%	8.66%
Industrials	2.00%	7.92%
Energy	0.99%	14.90%
Communication Svcs	2.91%	16.49%
Basic Materials	0.29%	3.61%
Consumer Cyclical	3.49%	-0.77%
Financial Svcs	1.16%	8.60%
Real Estate	1.39%	-8.09%
Consumer Defensive	1.61%	6.32%
Healthcare	0.76%	2.41%
Utilities	1.29%	5.71%

Key Indices	1 Week Return	YTD Return
S&P 500	2.80%	7.38%
Dow Jones Industrial Average	0.68%	2.05%
Russell 2000	2.68%	-1.24%
Nasdaq	4.31%	6.11%
MSCI EAFE	2.01%	3.00%
BBgBarc Agg Bond	-0.07%	-3.07%
60% S&P / 40% BB Agg Bond	1.65%	3.20%

Key Rates—as of 4/26/2024	
3mth T-bills	5.41%
2yr U.S. Treasury	5.00%
10yr U.S. Treasury	4.66%
Fed Funds	5.25%-5.50%

Investment Styles—1 Week Returns

	Value	Blend	Growth
Large	0.78%	2.45%	3.68%
Mid	1.06%	2.59%	3.12%
Small	1.90%	1.97%	3.56%

Investment Styles—YTD Returns

	Value	Blend	Growth
Large	5.28%	9.76%	5.03%
Mid	4.03%	4.46%	4.63%
Small	-0.94%	1.62%	-0.28%

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

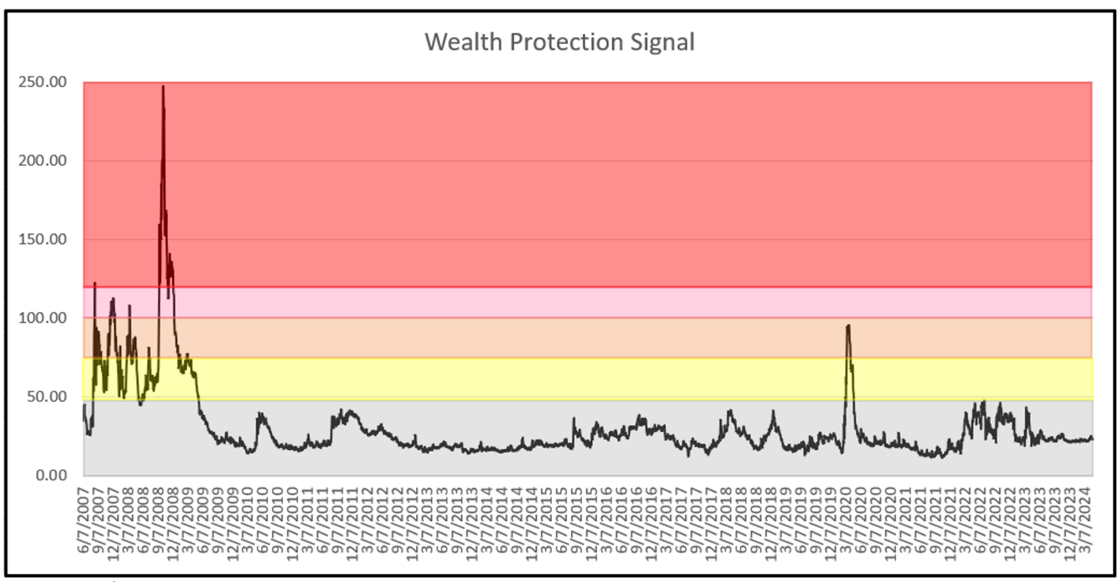
Wealth Protection Signal

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 23.07 as of Friday's close on April 26th, 2024. The Signal decreased 8.2% from the previous week's close as markets were able to fend off disappointing inflation and growth reports. The Signal would need to increase 95% 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
23.07
4/26/2024

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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