PHOENIX
ASSET ADVISORS, LLC

Weekly Market Recap

April 8, 2024

Market Commentary

Last Week's Highlights: Markets were turned upside down over Fed speakers' inconsistent statements last week. The Dow was down 2.37% last week, while the S&P 500 lost 1.03%, the Nasdaq was down 0.87%, while the Russell 2000 declined by 3.01%. Bond yields were higher last week, causing bonds to decline. The BBgBarc Agg Bond Index was down 0.96% for the week and short-term bonds moved lower by 0.09%. The US dollar declined slightly last week, which helped international equities. The MSCI EAFE Index declined 1.31%, while the MSCI Emerging Markets Index added 0.56%. **Economic Data:** There are multiple Fed speakers this week, which will coincide with the inflation data. The key economic data releases this week are CB Employment Trends Index, NFIB Small Business Optimism, Redbook Sales, Consumer Price Index (inflation), Wholesale Inventories, Fed Meeting Minutes, Producer Price Index (inflation), Initial Jobless Claims, Continuing Claims, & UoM Consumer Sentiment (P). **Earnings Releases:** First quarter earnings season kicks into gear this week with the major banks reporting at the end of the week.. The key earnings releases this week are PLCE, DAL, STZ, FAST, JPM, C, WFC, BLK, & STT. **Takeaways:** Despite the fact that Fed Chairman Powell stated earlier in the week that "3 rate cuts are our intention" in 2024, Minnesota Fed President Kashkari decided to offer up the notion that the Fed may not cut rates at all this year. This caused equities to drop more than 1% last Thursday. Fed futures for June's rate decision, a point most analysts have held for the first rate cut, declined slightly from 56% one week ago to 51% as of this morning. The debate over inflation will likely heat up this week as both CPI and PPI are expected to have increased slightly in March. Meanwhile, the economic picture remains steady. Friday's Job Report last week showed a healthy 300,000+ jobs created in March, which stands in stark contrast to other pre-recessionary periods that exhibited job weakness. Wages also were shown in last week's report to have remained steady and higher than inflation. The Big Banks will begin reporting first quarter earnings on Friday, which always makes things interesting. It's not unreasonable to expect some additional choppiness in trading as Tax Day usually presents weakness as investors sell shares to pay their tax bill to Uncle Sam. However, that has proven to be temporary in the past.

Market Returns

Sectors	1 Week Return	YTD Return
Technology	-1.09%	11.84%
Industrials	-0.22%	10.70%
Energy	3.69%	17.42%
Communication Svcs	2.33%	17.47%
Basic Materials	-0.14%	7.90%
Consumer Cyclical	-2.88%	1.09%
Financial Svcs	-1.46%	10.59%
Real Estate	-2.95%	-3.63%
Consumer Defensive	-2.70%	4.62%
Healthcare	-3.00%	5.10%
Utilities	-0.61%	4.31%

Key Indices	1 Week Return	YTD Return
S&P 500	-1.03%	9.53%
Dow Jones Industrial Average	-2.37%	3.77%
Russell 2000	-3.01%	1.80%
Nasdaq	-0.87%	8.24%
MSCI EAFE	-1.31%	4.36%
BBgBarc Agg Bond	-0.96%	-1.71%
60% S&P / 40% BB Agg Bond	-1.01%	5.03%

Key Rates—as of 4/05/2024	
3mth T-bills	5.39%
2yr U.S. Treasury	4.76%
10yr U.S. Treasury	4.42%
Fed Funds	5.25%-5.50%

Investment Styles—1 Week Returns

	Value	Blend	Growth
Large	-1.25%	-0.76%	-1.23%
Mid	-1.25%	-1.77%	-1.62%
Small	-3.17%	-2.14%	-2.86%

Investment Styles—YTD Returns

	Value	Blend	Growth
Large	-1.25%	11.19%	8.24%
Mid	6.84%	5.87%	8.76%
Small	1.32%	4.83%	2.28%

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

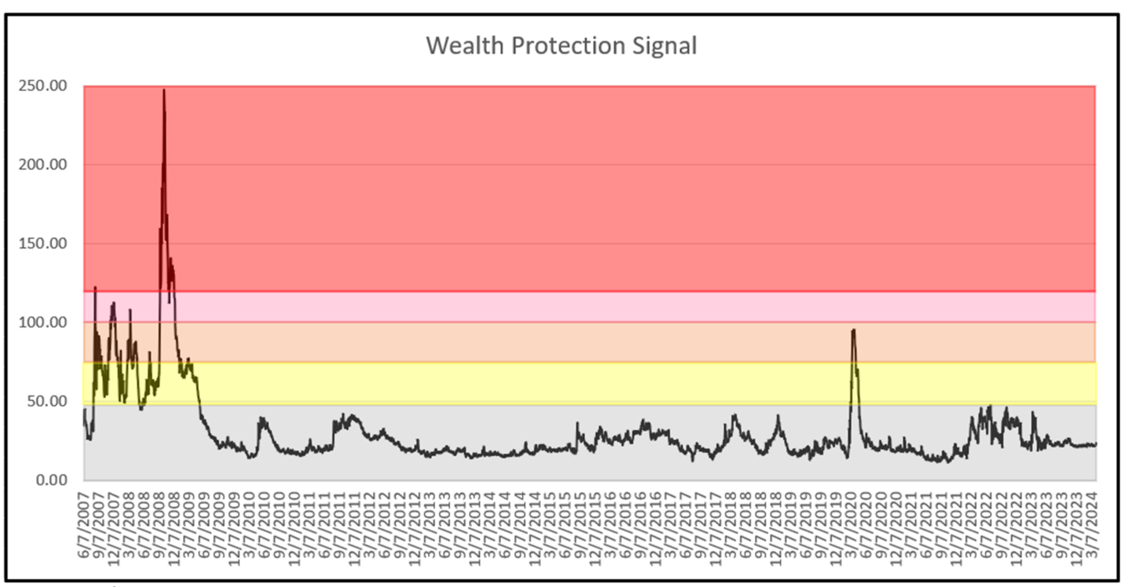
Wealth Protection Signal

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 23.62 as of Friday's close on April 5th, 2024. The Signal increased 7.5% from the previous week's close as markets were whipsawed by Fed speakers. The Signal would need to increase 91% 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
23.62
4/5/2024

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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Risk Disclosure

No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

All investments include a risk of loss that clients should be prepared to bear.