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| **RESOURCE LOG – April 2024** |
| **Article Title** | **Detail** | **Publication** | **Date** | **Author** |
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| Wall Street’s Magnificent Seven Narrows to Become the Fab Four | The Magnificent Seven trade is beginning to fizzle-and yet, the stock market is still heading higher.The S&P 500 climbed 10% in the first quarter, its best start to a year since 2019, even though two of its biggest constituents suffered double-digit percentage declines. Apple shares fell 11% in the first three months of the year, while Tesla dropped almost 30%. Alphabet shares sputtered for much of the period before making a run in the past three weeks and ending up 8%.The other four big tech stocks in the group known as the Magnificent Seven-Nvidia, Meta Platforms, Microsoft, Amazon.com-continued their runs and outpaced the broader market.Some investors said it is a bullish signal that the market is still rallying without the likes of Apple and Tesla because it means other groups are taking part. All of the S&P 500’s sectors, except real estate, logged gains in the first quarter. Small-caps, industrial and financial-services stocks are among those that jumped, fueling bets that the broader market might have more room to run.Some investors worry the divergence in the big tech stocks is a sign of exhaustion in the rally and question whether future gains will be harder to achieve from here. | The Wall Street Journal | 04/01/2024 | Hardika Singh |
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| Stocks Drop on Strong Economic Report | Stocks fell broadly Monday after new economic data prompted investors to dial back bets on interest-rate cuts this year.The broad market index finished down 0.2% and the Dow Jones Industrial Average dropped 0.6% after both closed out last week at record highs. Strength in large technology stocks helped the Nasdaq Composite eke out a 0.1% gain. | The Wall Street Journal | 04/02/2024 | Sam Goldfarb |
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| Inflation, Rate Worries Propel Market Lower | The S&P 500 fell for the second straight day on Tuesday, weighed down by growing doubts that the Federal Reserve has fully tamed inflation.Climbing oil prices and bond yields pressured all three major U.S. stock indexes lower. The benchmark S&P 500 slid 0.7%, while the tech-heavy Nasdaq Composite lost 1%. The Dow Jones Industrial Average dropped 397 points, or 1%.Benchmark Brent crude futures rose 1.7% to $88.92 a barrel…The Bloomberg Commodity Index-boosted by oil and gold’s rise to a record at $2,261 a troy ounce-closed at its highest level since November.Fed policymakers in March reaffirmed their forecast for three interest-rate cuts this year, but resurgent inflationary pressures are casting doubt on whether that will come to pass.Analysts are beginning to chatter about the possibility that the Fed doesn’t cut interest rates at all this year. | The Wall Street Journal | 04/03/2024 | Eric Wallerstein |
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| Is China’s Economy Bottoming Out? | Better late than never: After a rough 2023 and early 2024, the first read on China’s economy in March points to a tentative rebound heading into the second quarter.The good news is the improvement is probably real: exports and the global electronics sector seem to be on the mend again, and looser Chinese credit markets are helping support investment. The bad news is that Beijing still seems very nervous about letting the yuan fall too far, and U.S. rates re rebounding again.That could make further significant monetary stimulus much trickier. And China’s job market and property sector still look weak. Growth of around 5% for 2024, the official target, still looks like a big reach. | The Wall Street Journal | 04/03/2024 | Nathaniel Taplin |
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| What’s News | ♦ Stronger-than-anticipated economic activity this year hasn’t changed the Fed’s broad expectation that declining inflation will allow for interest-rate cuts this year, Powell said. | The Wall Street Journal | 04/04/2024 |  |
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| What’s News | ♦ U.S. stocks ended mixed after the Fed chairman’s remarks, with the S&P 500 and Nasdaq gaining 0.1% and 0.2%, respectively, and the Dow slipping 0.1%. | The Wall Street Journal | 04/04/2024 |  |
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| What’s News | ♦ U.S. stocks fell sharply after Fed officials cooled talk of interest-rate cuts this year. The S&P 500 dropped 1.2% while the Dow and Nasdaq both slid 1.4%. | The Wall Street Journal | 04/05/2024 |  |
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| $100 of Food After five Years Of Inflation | Grocery prices were up 1% in February from a year earlier, Labor Department data sow. They were up 10.2% in February 2023 versus a year earlier, and were up 1.2% in February 2019 from a year earlier.Prices for hundreds of grocery items have increased more than 50% since 2019 as food companies raised their prices. Executives have said that higher prices were needed to offset their own rising costs for ingredients, transportation and labor.The price of food and household staples continues to weigh heavier on consumers’ minds than other economic concerns, although survey data indicate that those fears are ebbing. | The Wall Street Journal | 04/05/2024 | Stephanie Stamm and Jesse Newman |
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| Indexes Fall as Fed Officials Cool Talk Of Easing | Major stock indexes fell sharply Thursday after Federal Reserve officials suggested interest-rate cuts may not be imminent.Investors had already been skittish this week over economic data suggesting that rate cuts may still be far off, with the S&P 500 dropping the first two days of the week.“The big debate for the remainder of this year will really be how many rate cuts we get and how quickly does inflation come down, if it continues to,” said Michael Sheldon, an executive director at RDM Financial Group. | The Wall Street Journal | 04/05/2024 | Karen Langley |
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| What’s News | ♦ Jobs grew at a brisk pace in March, but wage growth was contained, confirming a belief among economists that the U.S. can continue to expand employment without fanning inflation. | The Wall Street Journal | 04/06-07/2024 |  |
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| Market’s Story Keeps Changing | As the Magnificent Seven are down-graded to the Fab four, perhaps the list of leading tech stocks should include an old-school name: Exxon Mobil.The oil company’s shares would come in fourth in the septet this year with a rise of 21%, after Nvidia and Meta and very close to Amazon. Behind Exxon’s surge to a new high on Friday is an important shift in the market, a new narrative that investors would be wise to pay close attention to-in case it changes again.Exxon is at the heart of two stories: Strong demand for oil because the global economy is stronger than expected, and supply problems because of wars in Ukraine and the Middle East. Both were on show this week, as oil rose…Shamik Dhar, chief economist of BNY Mellon Investment Management, thinks the big change in narrative will come if markets switch from pricing fewer rate cuts by the Fed to preparing for actual rate rises. “Then you geta major narrative change,” he says. “Markets like relatively simple stories to hang their hat on.”It is too soon to know which way the narrative is headed. My bet continues to be on sticky inflation pushing central banks to hold back on rate cuts, which should eventually slow the economy. For now, oil stocks offer an alternative way to be on growth-and some protection if geopolitics brings the growth story to an end. | The Wall Street Journal | 04/06-07/2024 | James Mackintosh |
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| Gold Strikes Another Record | The price of gold has hit another all-time high. This time, inflation concerns appear to be the cause.Gold has advanced in 10 of its past 12 trading sessions and is now up $263.30, or 12.77% this year.Gold’s climb over the last two years has been fueled by a surge in central bank buying.But gold has rallied more recently against the growing prospect that rates might stay higher for longer, including on Friday after a strong employment report. | The Wall Street Journal | 04/06-07/2024 | Bob Henderson |
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| What’s News | ♦ More traders are betting the Fed may cut the benchmark federal-funds rate just once or twice this year, fewer than officials’ last median forecast, and a handful are starting to wager that the central bank will leave rates where they are. | The Wall Street Journal | 04/08/2024 |  |
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| What’s News | ♦ the coming earnings season will show investors whether corporate profits are backing up a stock-market rally that has seen the S&P 500 increase 9.1% year to date. | The Wall Street Journal | 04/08/2024 |  |
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| SEC Gains Ground In Battle To Regulate Crypto | Crypto’s fight with Regulators is starting to pay dividends-for the government.Crypto firms have pushed back against the SEC’s campaign, saying it would hamper innovation if they were forced to comply with securities laws that date to the 1930s. | The Wall Street Journal | 04/08/2024 | Dave Michaels and Alexander Osipovich |
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| Yields Rise to Highest Level Since 2023*Major stock indexes barely budge ahead of inflation data due out Wednesday* | While stock markets were muted, the yield on two-, 10- and 30-year benchmark Treasurys rose to their highest levels since November. The yield on the 10-year note rose to 4.422% from 4.377% Friday. Yields rise when prices fall.Inflation has cooled significantly from 40-year highs. More recently, two months of hotter-than-expected readings have reinforced the Fed’s wait-and-see approach to cuts.In commodities, front-month gold futures hit a record, rising 0.3% to $2,331.70 a troy ounce. | The Wall Street Journal | 04/09/2024 | Caitlin Ostroff |
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| Dimon Warns of Sharp Rate Rise | JPMorgan Chase Chief Executive Jamie Dimon warned that U.S. interest rates could soar to 8% or more in coming year, reflecting the risk that record-high deficit spending and geopolitical stress will complicate the fight against inflation.He said investors and traders expect the Federal Reserve to engineer a soft landing…Dimon said such an outcome, which implies that inflation quickly returns to the Fed’s 2% target from higher levels now, is less likely than subdued bond yields are record stock indexes would seem to imply.“these markets seem to be pricing in a 70% to 80% chance of a soft landing,” Dimon wrote. “I believe the odds are a lot lower than that.” | The Wall Street Journal | 04/09/2024 | Alexander Saeedy  |
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| Commodities Rally Poses Inflation Risks | A surge in prices for the raw materials that power manufacturing and transportation shows that investors are betting on a prolonger expansion and a potential rebound in inflation.An index of global commodities prices, the S&P GSCI, has advanced 11% this year, outpacing the S&P 500’s 9.2% climb. Copper and oil have gained more than 10% and 16%, respectively. Even gold is posting records, rising 14% to $2,343.50 a troy ounce as of Monday.That could complicate the Federal Reserve’s inflation fight when investors are already beginning to doubt if the central bank can trim interest rates later in the year.  | The Wall Street Journal | 04/10/2024 | Bob Henderson |
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| Inflation Upsets Rate-Cut Plans*Consumer-price index rose 3.5% in March, a touch higher than expected* | Stubborn inflation pressures persisted in March, derailing the case for the Federal Reserve to begin reducing interest rates in June and raising questions over whether it can deliver cuts this year without signs of an economic slowdown. | The Wall Street Journal | 04/11/2024 | Sam Goldfarb and Nick Timiraos  |
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| Stocks Drop as Price Data Rattle Markets | A fresh inflation shock drove major stock indexes lower Wednesday, heightening investors’ worries that the Federal Reserve won’t cut interest rates anytime soon.Stocks dropped broadly, with 10 of the S&P 500’s 11 sectors falling and the Dow Jones Industrial Average losing more than 400 points. Shares of smaller companies, banks and real-estate firms slid. The yield on the benchmark 10-year U.S. Treasury note, which rises when bond prices fall, posted its biggest one-day climb in more than 18 months.Wednesday’s moves came after data showed the consumer-price index rose more than Wall Street expected on both a monthly and annual basis. So-called core prices, which exclude the volatile categories of food and energy, also topped investors’ estimates.  | The Wall Street Journal | 04/11/2024 | Karen Langley |
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| Tech-Stock Rebound Sends Nasdaq to a Record Level | Tech stocks led the market rebound, bouncing back after the prior session’s inflation-induced selloff.The Nasdaq composite rose 1.7% to close at a record level of 16442.20. The S&P 500 gained 0.7%. The Dow Jones Industrial Average shed about 2 points, or 0.01%.Stocks mostly shook off Wednesday’s pullback, which was driven by a hotter-than-expected consumer-price reading. | The Wall Street Journal | 04/12/2024 | Hannah Miao |
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| Real Estate To Pressure Bank Results | A particularly sensitive subject for investors is commercial real estate. Banks hold around 50% of all the debt backing office, retail and other nonresidential properties in the U.S.Federal Reserve chair Jerome Powell has said there will be more bank failures, after a trio of lenders collapsed last year, because of the correction in office and other property values. | The Wall Street Journal | 04/12/2024 | Alexander Saeedy |
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| Rates, Profits in Market Tug of War | Companies are starting to report their first set of earnings for 2024, and they matter more than usual for stocks because the other main support for elevated markets-hope for rate cuts-is being chopped away.The S&P 500 trades at a multiple of 21 times predicted earnings 12 months ahead, a level exceeded only during the dot-com bubble and the pandemic rebound.The good news is that a stronger-than-expected economy should be good for profits. The bad news is that a strong-than-expected economy means fewer rate cuts this year, and perhaps none, which hurts the valuation of future profits.The reason for doubt is that history hasn’t been kind to Wall Street forecasters. S&P earnings came in below the first-figure forecast every year since the 2008-09 financial crisis, bar one: 2018.  | The Wall Street Journal | 04/12/2024 | James Mackintosh |
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| Cost of Owning a Home Soars*Mortgages Approach 7% - Shifts in expectations for action by the Fed have pushed rates back toward 7%.* | Homeownership affordability fell to tis lowest level since the 1980s last year as mortgage rates reached a 230year high and home prices set new records.Property taxes and home-maintenance sots are climbing in much of the country. Non-mortgage costs including property taxes, maintenance, utilities and insurance make up more than half of homeowners’ overall costs, according to a 2022 analysis by Fannie Mae economists.Worst of all, home insurance premiums are soaring. Rates rose by more than 10% on average in 19 states in 2023 after a series of big payouts…Escalating costs on multiple fronts mean that many first-time buyers will continue to find homeownership a financial stretch. | The Wall Street Journal | 04/12/2024 | Nicole Friedman  |
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| Biden Has Few Tools to Fix Inflation | The consumer-price index, a measure of goods and services prices across the economy, rose 3.5% in March from a year earlier, a stronger-than-anticipated inflation reading that was met with exasperation by many of the president’s advisers.Behind the scenes, administration officials said there was no magic bullet to slow rising prices immediately, an issue that has dogged the president for years. | The Wall Street Journal | 04/12/2024 | Andrew Restuccia and Sam Goldfarb  |
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| Fed Rate Cuts Are Now a Matter of If, Not When | Firmer-than-anticipated inflation has delivered a meaningful setback to the Federal Reserve’s hope that it could buoy prospects of a so-called soft landing by dialing back some of the past year’s interest-rate increases.Solid hiring and the prospect that inflation might settle out closer to 3% than the Fed’s 2% goal could call into question whether the central bank will be able to cut rates until much later in the year without evidence of a sharper slowdown in the economy.Fed officials including Chair Jerome Powell started the year with the wind seemingly at the backs: Inflation cooled at the end of 2023 faster than most economists inside or outside the central bank had anticipated, particularly given unexpectedly brisk hiring and growth.Still, the inflation data has loomed larger than ever as of late because with sings that the economy remains on solid footing…“for investors to assume that they thread this needle is a little bit presumptuous, and I think actually quite dangerous,” said Peter Berezin, chief global strategist at BCA Research. “the market has been priced for a soft landing, and if we get either a second wave of inflation or an increase in unemployment that feeds on itself and produces a recession, the market is going to sell off really, really significantly.” | The Wall Street Journal | 04/12/2024 | Nick Timiraos |
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| ECB Keeps Rates Steady, Signals It’s Nearing a Cut*Lagarde asserts independence from the Fed, setting up possible divergence* | The European Central Bank gave the clearest indication yet that it could cut interest rates in June, opening a new phase for financial markets and signaling a possible divergence from the Federal Reserve, whose path to monetary easing is becoming more rocky. | The Wall Street Journal | 04/12/2024 | Tom Fairless |
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| Dow Logs Worst Week Since March 2023*Indexes post broad declines after leading banks report results* | The Dow Jones Industrial average shed about 476 points, or 1.2%, on Friday. For the week, the blue-chip index lost about 921 points, or 2.4%, its biggest weekly loss since March 2023. The S&P 500 fell 1.5%, while the Nasdaq Composite pulled back 1.6%, both also finishing with weekly losses.The yield on the 10-year U.S. Treasury note – a benchmark for borrowing costs ranging from mortgages to corporate loans – rose to 4.499% this w eek, from 4.377% last week. | The Wall Street Journal | 04/13-14/2024 | Hannah Miao |
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| Gold Hit Record on Central Bank Buying, Safe-Haven Demand | Gold futures have set another record high, with the rally driven by central bank purchases, safe-haven demand and geopolitical tensions.June futures on the New York Mercantile Exchange rose 0.06% to $2,374.10 a troy ounce, having hit a fresh all-time high of $2,448.80 earlier in the session. They have gained 1.2% during the past week and over 14% in the year to date.Strong purchasing by central banks and sustained demand from individual investors – particularly in China and India – continue to provide solid support for gold, attracting speculative investors and maintaining high prices, Sucden Financial analysts said in a note.  | The Wall Street Journal | 04/13-14/2024 | Joseph Hoppe |
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| High Rates Start to Squeeze Banks*JPMorgan, Citigroup and Wells Fargo foresee weaker income from lending* | Some of the nation’s biggest banks said Friday the economy continues to look strong but that they are starting to feel the pinch of higher-for-longer interest rates.JPMorgan Chase, Wells Fargo and Citigroup all reported better-than-expected first-quarter profits and revenues, and executives said consumers and businesses are healthy. But they warned that their core lending incomes would be muted this year as higher interest rates force them to pay up for deposits, a pressure that no longer seems likely to ease soon.The reports dragged down bank stocks and weighed on the broader market.The KBW Nasdaq Bank Index fell 1.5% and is now off 6.5% this month, with investors reconfiguring their beliefs that banks would do better this year when rates came down. | The Wall Street Journal | 04/13-14/2024 | Gina Heeb, Alexander Saeedy and Justin Baer |
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| Economic Forecasters See Good Times Ahead | It has been two years since forecasters felt this good about the economic outlook.In the latest quarterly survey by The Wall Street Journal, business and academic economists lowered the chances of a recession within the next year to 29% from 39% in the January survey. That was the lowest probability since April 2022, when the chances of a recession were set at 28%.Economists, in fact, don’t think the economy will get even close to a recession.Just 10% of survey respondents think the economy will experience at least one quarter of negative growth over the next 12 months, down from 33% in January.Economists on average think the economy grew at a 2.2% rate in the first three months of the year, up from a 0.9% forecast in January.“the U.S. economy is performing very well,” Econ-Forecaster economist James smith said in the survey. “we’re truly the envy of the world.” | The Wall Street Journal | 04/15/2024 | Sam Goldfarb and Anthony DeBarros  |
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| Gold Soars | On April 9, gold closed 18.3% above its 200-day moving average (DMA) and 11.6% above its 50-DMA. Both readings were in the 95th percentile relative to all other periods. After prior periods when gold was this extended relative to these averages, it averaged a decline of 1.92% over the next six months with gains just 37% of the time. | MFS Investment Management | 04/15/2024 | Bespoke Investment Group, LLC |
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| 17 Year and Counting | The technology sector’s weighting in the S&P 500 is currently above 29%, which is four percentage points larger than the weighting of the smallest six sectors (out of 11) combined. Technology has now been the biggest sector in the S&P 500 for 17 consecutive years. | MFS Investment Management | 04/15/2024 | S&P 500 Index |
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| Shift in Rate View Whipsaws Stocks | Expectations that the Federal Reserve would aggressively cut interest rates this year have helped propel stocks to repeated records. Now that the case for rate cuts is weakening, scrutiny of the bull market is intensifying.But some investors are beginning to worry that future gains in the stock market may be more difficult to come by. Last weeks’ hotter-than-expected inflation report raised questions about whether the Fed can deliver cuts this year without signs of an economic slowdown.That could spell trouble for stocks. The yield on the benchmark 10-year Treasury note ended the week at 4.499% after posting on Wednesday its biggest one-day rise since 2022. On Monday, yields rose to 4.627%. | The Wall Street Journal | 04/16/2024 | Hardika Singh and Charley Grant |
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| What’s News | ♦ U.S. stocks fell broadly, extending a recent slump that Monday trimmed the S&P 500, Nasdaq and Dow by 1.2%, 1.8% and 0.7%, respectively. | The Wall Street Journal | 04/16/2024 |  |
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| Treasury Yields Reach Five-Month High | In recent months, Powell has signaled that the Fed would likely cut rates soon, suggesting that officials needed just a little more confidence that inflation was sustainably on the path to their 2% target. Speaking at a conference Tuesday, however, “indicate that it is likely to take longer than expected to achieve that confidence” and that current policies need “further time to work.”The yield on the benchmark 10-year U.S. Treasury note again closed at its highest level since November. It settled at 4.657%, according to Tradeweb, up from 4.627% Monday. | The Wall Street Journal | 04/17/2024 | Sam Goldfarb |
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| Wall Street Bets Against $100 Oil*Traders expect spare capacity will cap prices despite Mideast conflict* | The specter of a widening war in the Middle East has put $100-a-barrel oil back on the table. But Wall Street is looking elsewhere in the region for hints about how high prices could go.The Saudi-led Organization of the Petroleum Exporting Countries and its Russia-aligned counterparts have dialed back production of millions of barrels of oil a day in recent years. Investors are betting that spare capacity, which the countries could yet tap in to, will effectively put a cap on oil prices – and protect Americans from an inflationary shock.Benchmark global prices have increased 23% since mid-December. | The Wall Street Journal | 04/17/2024 | David Uberti |
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| What’s News | ♦ Firm inflation during the first quarter has called into question whether the Fed will be able to lower interest rates this year without signs of an unexpected economic slowdown, Powell said. | The Wall Street Journal | 04/17/2024 |  |
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| What’s News | ♦ The biggest U.S. banks reported stronger-than-expected first-quarter earnings, but results were tempered by rising pressure from interest rates, which squeezed profit margins.  | The Wall Street Journal | 04/17/2024 |  |
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| Economic Forecasts Shift | The Wall Street Journal’s latest quarterly survey of business and academic economists show forecasters ratcheting up their expectations for economic growth, inflation and the level of future interest rates.**Growth**Growth has outperformed expectations, based on a combination of government spending, increased immigration and resilient consumer demand.**Inflation**In recent years, neither economists nor investors have seriously doubted that the Fed would succeed in bringing inflation down to its 2% target. The question has been what it would take to get there.**Labor market**Job gains have also far exceeded forecasts, possibly due in part to an immigration-fueled increase in population.**Interest rates**For more than two years, economists have steadily lifted their interest-rate forecasts as growth showed little signs of slowing and inflation remained above the Fed’s 2% target.Roughly one-third of respondents in the most recent survey predicted rates would end the year at 4.75% or higher, implying just two cuts-up from 11% in January. | The Wall Street Journal | 04/18/2024 | Sam Goldfarb and Peter Santilli |
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| Biden Pushes To Boost Chinese Steel Tax*Key tariff rate on metals would be tripled as Beijing unleashes exports* | President Biden called for raising tariffs on imports of steel and aluminum from China, beginning what is expected to be a broadside of protectionist steps against Beijing during a presidential election in which trade is a flashpoint.Biden’s move comes as the administration is studying raising tariffs on a range of Chinese exports to the U.S., including electric vehicles, batteries and solar products. | The Wall Street Journal | 04/18/2024 | Andrew Duehren and bob Tita |
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| S&P Falls for Fourth in Row | Stocks rallied to start the year, due in part to wide-spread expectations that the Federal Reserve would move to lower interest rates at some point in 2024. The S&P 500 had its best first quarter since 2019.But the script has flipped in April. A persistently strong economy led Fed Chair Jerome Powell and other central-bank officials to cast doubt on that assumption this week.The benchmark 10-year Treasury yield settled at 4.584%, down from 4.657% Tuesday. | The Wall Street Journal | 04/18/2024 | Charley Grant |
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| What’s News | ♦ An April stock selloff deepened as the S&P 500, Nasdaq and Dow industrials retreated 0.6%, 1.1% and 0.1%, respectively.  | The Wall Street Journal | 04/18/2024 |  |
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| Pensions Pull Funds Out of Stocks | Stock portfolios at large pension funds had a block-buster run. Now, managers are cashing out.Corporate pension funds are shifting money into bonds. State and local government funds are swapping stocks for alternative investments. The nation’s largest public pension, the California Public Employees’ Retirement System, is planning to move close to $25 billion out of equities and into private equity and private debt. | The Wall Street Journal | 04/19/2024 | Heather Gillers and Charley Grant |
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| S&P Extends Slide as Bond Yields Rise*Investors adjust to idea that interest rates will stay higher for longer* | The S&P 500 lost 0.2%, its fifth straight daily decline. The Nasdaq Composite dropped 0.5%. Both have shed nearly 5% so far in April. The blue-chip index’s 5.1% fall this months has wiped out nearly all of its 2024 advance.The yield on benchmark 10-year Treasury notes rose to 4.646% from 4.584% on Wednesday.The prospect of higher rates for longer has boosted the opportunity cost of owning risky assets, such as technology stocks, and dimmed the prospects of shares for rate-sensitive sectors such as real-estate companies, which have become this year’s laggards.Economic data Thursday suggested that high borrowing costs have yet to take a significant toll on the economy. | The Wall Street Journal | 04/19/2024 | Ryan Dezember |
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| Rates Top 7%, Housing Hit*Borrowing costs rise and home sales drop, cutting short a promising start to ‘24* | The average rate on the standard 30-year fixed mortgage jumped by nearly a quarter percentage point to 7.1%...Existing home sales in March, meanwhile, fell 4.3% from February…Sales declined to their lowest level in nearly 30 years in 2023. | The Wall Street Journal | 04/19/2024 | Nicole Friedman and Gina Heeb  |
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| Nasdaq Suffers Worst Week since 2022 | An Israeli strike late Thursday night led to a brief spike in oil prices… That added momentum to a pullback in the S&P 500 and Nasdaq composite that saddled both with their longest daily losing streak in more than a year.By the time the closing bell rang Friday afternoon, tech-heavy Nasdaq had racked up a 5.5% weekly decline, its worst such performance since 2022. The S&P 500 dropped 3.1% for the week, and the Dow Jones Industrial Average eked out a tiny gain.The Nasdaq and S&P 500 have both declined in each of the past three weeks as a stronger-than-expected U.S. economy buoys inflation and scrambles Wall Street forecasts for interest-rate cuts by the Federal Reserve. | The Wall Street Journal | 04/20-21/2024 | David Uberti  |
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| Dollar’s Strength Squeeze Traders Who Bet Against It | The dollar was expected to weaken against a number of currencies this year. It hasn’t worked out that way.The clearest example of surprising dollar strength: its recent 34-year high against the yen. The dollar has jumped by around 9% against the yen this year, according to FactSet.Differences in interest rates are a major driver of exchange rates.Almost every part of the U.S. economy is booming, confounding economists who expected higher rates to be a drag. | The Wall Street Journal | 04/20-21/2024 | Weilun Soon |
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| Do Interest Rates Matter Anymore? | For perhaps the first time, interest payments this year will be larger than defense spending. This is one reason recent Treasury auctions have seen weak demand, sending long rates higher. Here’s a silver lining: The economy might be fine, bhut higher rates may finally bring a day of reckoning to rein in the tax-and spenders.  | The Wall Street Journal | 04/22/2024 | Andy Kessler |
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| Big Stocks Win in Rally and Selloff | Divide the S&P 500 up into 10 groups and there is an almost-perfect descent in performance by size: from the biggest 50 down just 4.5%, to the smallest 50 down 8.6%.This isn’t just about the S&P. The Russell 2000 index of smaller companies lagged badly behind on the way up, with its price rising less than 5% against 10% for the S&P in the first quarter. Then on the way down this month the Russell 2000 has fallen more, down 8.3% against a 5.5% decline for the S&P.The main cause is interest rates, plus fears about a wider middle East war. Both hurt smaller companies far more than bigger ones-for some bigger companies, higher rates boosted the bottom line.Smaller firms find it hard to issue bonds and borrow far more at a floating rate.  | The Wall Street Journal | 04/22/2024 | James Mackintosh |
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| Tech Sector Faces Test On Earnings*Magnificent Seven lost nearly $1 trillion in combined market value last week* | Strong earnings from big technology companies have pushed the stock market higher for more than a year. This time around, a sharp selloff has increased the pressure on the group to deliver.The Magnificent Seven stocks shed a combined $950 billion in market value last week, the largest on record. Microsoft fell 5.4% last week, its weakest since January 2023, while Nvidia had its worst week since September 2022. Though stocks rose on Monday, the S&P 500 has fallen 4.6% so far in April. | The Wall Street Journal | 04/23/2024 | Charley Grant  |
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| Stocks Regain Footing Following Bad Week | Stocks bounced back on Monday after last week’s dismal performance.…Nasdaq composite advanced 1.1% after falling 5.5% last week. The blue-chip Dow Industrials added 0.7%, or 254 points.Brent crude oil slipped 0.3%, to $87 a barrel, and gold futures slid 2.8% after rising to a record on Friday.The market faces a string of tests in the coming days, however.The first-quarter earnings deluge begins this week, with more than 30% of S&P 500 companies set to report results, according to FactSet.“Earnings from the megacap tech stocks will be more important than the inflation data this week,” said Jay Hatfield, chief executive of Infrastructure Capital Advisors.  | The Wall Street Journal | 04/23/2024 | Eric Wallerstein |
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| 10-Year Treasury Yield May Hit 5%, But the Path toward It Is Narrow | A recent jump in U.S. government-bond yields has left investors pondering whether the 10-year Treasury yield could reach 5% as expectations for interest-rate cuts continue to be scaled back.Reaching 5% will be tricky, however. It would require rate-cut expectations to be scaled back even further, potentially for no cuts at all this year, or even the possibility of a rate increase as inflation stays high and the economy strong, analysts said.“for the 10-year yield to reach 5.00% it would require the market removing around [0.4 percentage point] of currently discounted rate cuts for the coming two years,” said SEB’s Hiljanen. | The Wall Street Journal | 04/23/2024 | Emese Bartha |
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| Tesla’s Quarterly Earnings Decline By 55%*Pressure mounts amid falling sales and a cooling market for electric vehicles* | Tesla’s first-quarter profit plunged to its lowest level since 2021 as pressure mounts on Chief Executive Elon Musk to better articulate his vision for the electric-car maker’s future. | The Wall Street Journal | 04/23/2024 | Rebecca Elliott |
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| FTC Bans Noncompete Clauses, Setting Up Clash With Business | The Federal Trade Commission on Tuesday banned employers from using noncompete contracts to prevent most workers from joining rival firms, achieving a policy goal that is popular with labor but faces an imminent court challenge from business groups.  | The Wall Street Journal | 04/23/2024 | Dave Michaels and Lindsay Ellis |
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| FTC Faces Lawsuits On Ban Restricting Ex-Staffers*Business groups and law firm say agency lacks authority to bar noncompete pacts* | The rule, issued by the FTC on Tuesday, prohibits companies from enforcing existing noncompete agreements on anyone other than senior executives.  | The Wall Street Journal | 04/25/2024 | Dave Michaels and Russell Adams |
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| U.S. Economy Reigns, and Trouble Lurks | If you want a single number to capture America’s economic stature, here it is: This year, the U.S. will account for 26.3% of the global gross domestics products, the highest in almost two decades.China’s share is up since 2018, too. But instead of overtaking the U.S. as the world’s largest economy, the Chinese economy has slipped in size to 64% of the U.S.’s from 67% in 2018.A caveat: these figures are based on current prices and exchange rates. Using purchasing power parity, which adjusts for different price levels across countries, the U.S. share of world GDP would be lower and that of big emerging markets-such as China and India-much higher.Still, it’s worth studying the reasons the U.S. is outperforming. In a nutshell, there’s an encouraging reason and a worrisome one.The encouraging reason is that structurally, the U.S. continues to innovate and reap the rewards, judging by big-tech stocks and artificial intelligence adoption.The second, more worrisome, reason for stronger U.S. growth are deficit-boosting fiscal actions, including former President Donald Trump’s 2018 tax cut, bipartisan Covid-19 relief in 2020 and President Biden’s 2021 stimulus.In fact, Washington continues to inject stimulus: hundreds of billions of dollars for veterans’ benefits, infrastructure, semiconductor manufacturing and renewable energy.U.S. deficits have run roughly 2% of GDP higher than the IMF expected back in late 2022. | The Wall Street Journal | 04/26/2024 | Greg Ip |
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| What’s News | ♦ The U.S economy grew at a sharply slower pace in the first quarter and inflation topped Wall Street’s expectations, dimming investor hopes for a quick Fed rate but and sending the stock and bond markets down. | The Wall Street Journal | 04/26/2024 |  |
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| What’s News | ♦ The S&P 500, Dow and Nasdaq fell o.5%, 1% and 0.6%, respectively. The yield on the 10-year Treasury note jumped to 4.706%. | The Wall Street Journal | 04/26/2024 |  |
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| High Rates Appear On Track To Persist Long-Term | Amid the debate over whether and when the Federal Reserve cuts interest rates, another important argument is unfolding: where do rates settle in the long run?At issue is the neutral rate of interest: the rate that keeps the demand and supply of savings in equilibrium, leading to stable economic growth and inflation.The debate over r-star might have little near-term effect on the Fed because current interest rates are above virtually all estimates of neutral.Investors have already concluded interest rates aren’t likely to return to the low levels that prevailed before the pandemic.Fed Chair Jerome Powell and some colleagues have suggested that economic strength could as easily be explained by idiosyncrasies of the pandemic, such as a boost in the supply of workers last year from immigration. “It’s not that the policy isn’t restrictive and it’s not responsive to rates. It’s that we’ve had this outside force that is temporarily affecting that,” Powell said at a talk this month. | The Wall Street Journal | 04/29/2024 | Nick Timiraos |
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| Priced Out of the American Dream*Higher home values and interest squeeze younger buyers while older people grow rich* | A longtime rule of thumb in American homeownership-buy a starter home, then move up to a bigger place-doesn’t feel like it works anymore.But those rising asset prices are wedging an increasingly large gap between the wealth of older generations and their children and grandchildren. The gains are heavily concentrated in older Americans who are already homeowners and who invested many years ago when prices were lower.Working-age adults, meanwhile, have steadily lost their share of America’s wealth. Households under 40 have less than $15 trillion, or a 9% slice of overall assets, well below the 14% they notched 30 years ago. Americans ages 40 to 54 own less than a quarter of all households’ assets-they had nearly 40% in 2001. | The Wall Street Journal | 04/29/2024 | Eric Wallerstein |
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| Treasury Yields Add to Stock Fears | This month’s rise in long-term interest rates is raising investors’ anxiety about what is next for the stock market.Treasury yields touched new 2024 highs this past week after fresh data showed lingering inflation. Wall Street traders entered the year expecting the Federal Reserve to cut rates a half-dozen times. Now they are pricing in just one. The yield on the benchmark 10-year note, which rises as bond prices fall, has climbed nearly a percentage point from its February lows, settling Friday at 4.668%.Many investors worry rebounding yields will hamper further gains, especially when stocks are relatively expensive compared with corporate earnings.That is one reason the S&P 500 closed Friday about 2.9% below its March 28 record high. It remains up 6.9% for the year.But the climb has stretched valuations. Companies in the S&P 500 traded Friday at about 24 times their past 12 months of earnings, well above the 10-year average of roughly 20 times. | The Wall Street Journal | 04/29/2024 | Jack Pitcher |
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| Permian Oil Extraction Lifts and Sinks Land | In a stretch of desert spanning West Texas and New Mexico, drillers are pumping more crude than Kuwait.The constant extraction and injection of liquids has wrought complex geologic changes…The tumultuous landscape is a direct result of industrial-scale drilling in the Delaware portion of the Permian Basin. Oil production has reached nearly three million barrels of oil a day there, cementing the U.S.’s status as an energy power and fueling the region’s economic engine. | The Wall Street Journal | 04/29/2024 | Benoît Morenne and Andrew Mollica |

“The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy.” -Martin Luther King

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