



Weekly Market Recap

The week in review

- Retail sales rose by 0.7% m/m
- Existing home sales fell to 4.19mn

The week ahead

- 1Q24 GDP (first estimate)
- PCE

Thought of the week

Recent economic data have continued to underscore the strength of the U.S. economy, and we anticipate GDP grew by 2.2% annualized during the first quarter. While this would be a deceleration relative to last quarter, above trend growth should help prevent a meaningful slowdown in profit growth. With 72 companies having reported 1Q24 earnings, analysts are tracking pro-forma earnings per share (EPS) of \$53.25. If realized, this would represent a y/y decline of 0.1% and a q/q decline of 4.1%. Of that annual change, revenues are expected to contribute 0.8% points, while margins and share buybacks are expected to subtract 0.6% points and 0.4% points, respectively.

Based on reports so far and expected results, the growth sectors are largely expected to drive pro-forma earnings growth this quarter. Earnings in information technology and communication services are expected to grow 19.1% and 26.9% y/y, respectively. Within technology, strong demand for AI-related capabilities should continue to drive software earnings, while a rebound in PC shipments off suppressed levels could benefit the hardware segment. Consumer discretionary earnings are expected to grow 11.0% y/y, supported by resilient consumer demand, although a strong U.S. dollar and sluggish global economy will likely keep results in check. Elsewhere, financials are set to improve, while materials, industrials and health care are expected to see earnings contract, with materials and health care both tracking declines of over 20% y/y. Moreover, an average decline in natural gas prices of 24.8% y/y in the first quarter will likely hamper results in the energy sector.

Overall, y/y earnings growth is expected to stay roughly flat with revenues, supported by strong economic activity, as the key driver. However, as economic momentum fades, margins will play an increasingly important role in maintaining profits.

Please see important disclosures on next page.

Weekly Data Center

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	4967	-3.04	-5.40	4.58	21.45	25.04
Dow Jones 30	37986	0.05	-4.49	1.37	14.49	18.53
Russell 2000	4840	-2.76	-8.29	-3.54	9.93	-9.06
Russell 1000 Growth	2105	-4.93	-6.15	4.57	30.10	25.21
Russell 1000 Value	1037	-0.70	-4.76	3.79	12.51	16.73
MSCI EAFE	2236	-2.28	-4.55	0.99	7.62	6.38
MSCI EM	1004	-3.58	-3.37	-1.28	4.53	-18.57
NASDAQ	15282	-5.52	-6.68	2.01	26.70	12.44

Fixed Income	Yield	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	5.25	-0.61	-2.36	-3.11	-0.24	-10.05
U.S. Corporates	5.71	-0.72	-2.55	-2.94	2.06	-8.79
Municipals (10yr)	3.28	-0.30	-1.02	-1.56	1.64	-2.15
High Yield	8.40	-0.58	-1.64	-0.19	8.75	4.07

Key Rates	Levels (%)					
	4/19/24	4/12/24	3/28/24	12/29/23	4/19/23	4/19/21
2-yr U.S. Treasuries	4.97	4.88	4.59	4.23	4.24	0.16
10-yr U.S. Treasuries	4.62	4.50	4.20	3.88	3.60	1.61
30-yr U.S. Treasuries	4.72	4.61	4.34	4.03	3.79	2.29
10-yr German Bund	2.52	2.33	2.29	2.00	2.50	-0.23
SOFR	5.30	5.31	5.34	5.38	4.80	0.01
3-mo. EURIBOR	3.89	3.92	3.89	3.91	3.21	-0.54
6-mo. CD rate	2.33	2.33	2.33	2.23	1.85	0.17
30-yr fixed mortgage	7.13	7.13	6.91	6.76	6.43	3.20
Prime Rate	8.50	8.50	8.50	8.50	8.00	3.25

Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
19.69	4.48	1.41	41660
17.66	4.83	1.87	13115
21.49	1.89	1.40	2413
25.87	11.63	0.71	24619
15.25	2.41	2.20	20761
13.78	1.82	2.94	16107
11.84	1.61	2.83	6930
25.53	6.01	0.77	24778

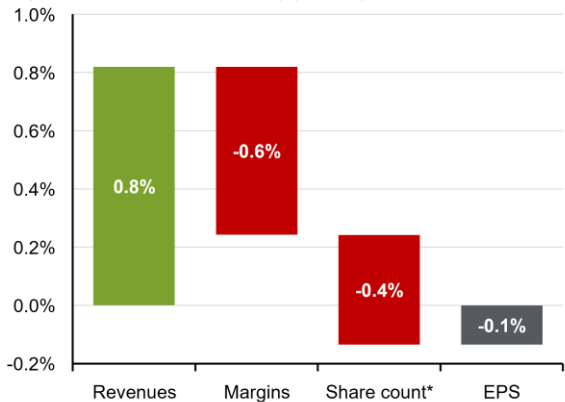
Levels			
Currencies	4/19/24	12/29/23	4/19/23
\$ per €	1.07	1.10	1.10
\$ per £	1.24	1.27	1.25
¥ per \$	154.60	140.98	134.62

Levels			
Commod.	4/19/24	12/29/23	4/19/23
Oil (WTI)	82.71	71.89	79.18
Gasoline	3.63	3.12	3.66
Natural Gas	1.76	2.58	2.20
Gold	2380	2078	1991
Silver	28.24	23.79	24.75
Copper	9749	8476	8875
Corn	4.24	4.59	6.81
BBG Idx	240.47	226.43	237.34

Chart of the Week

Sources of pro-forma earnings growth

Expected contribution to 1Q24 y/y EPS growth



Style Returns

	V B G		
	L	M	S
V	-0.7	-1.8	-1.5
B	-3.0	-2.4	-2.8
G	-4.9	-3.7	-4.0

	V B G		
	L	M	S
V	3.8	1.6	-4.3
B	4.6	1.5	-3.5
G	4.6	1.4	-2.7

S&P 500 Sector Returns

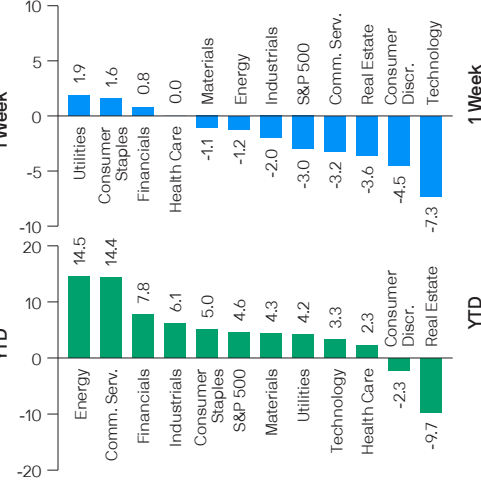




Chart of the Week: Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management. *Change in share count is calculated using the index divisor.

Thought of the week: Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.) ; provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI – EAFE; provided by: MSCI – gross official pricing. Index: MSCI – EM; provided by: MSCI – gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Bloomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet; 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using

First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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