WEST SHORE BANK

## WEEKLY RECAP - August 5, 2024

## **Economic & Market Commentary**

There were a lot of moving parts that disseminated last week, including concerns over the Federal Reserve's policy and rising Middle East tensions. The market's tone turned decidedly negative, and stocks finished sharply lower while bonds rallied as investors sought shelter in traditional safe havens. The Fed's indication that the first rate cut was likely coming in September wasn't enough to allay growth and recession concerns. There were many disappointing earnings and/or guidance reports from big tech names as well as from many companies and industries noting that demand is weakening as consumers are pulling back as disposable income is being pressured from the costs related to higher inflation. Economic reports also showed a weakening economy as the ISM Manufacturing Survey came in much lower than expected at 46.8% vs 48.9% as the report highlighted softening demand, output declines, and falling new orders. Next up was housing that showed home prices were flat in May. The Federal Housing Finance Agency reported that home prices in May were unchanged but still rose 5.7% from a year ago. This latest report is consistent with the string of recent housing reports that show the tide is turning in the housing market and is slowly shifting from a seller's market to a buyer's market. From its peak of annualized sales of 6.7 million in October 2020, existing home sales have plummeted 42.1% to a 3.89 million annualized pace in June 2024. Other housing market measures point to a more balanced home market as both home inventories and days on the market are consistently increasing. The labor market was the other key focus for the week. July nonfarm payrolls grew by 114,000 m/m vs consensus 175,000 and June's numbers were revised down to 179,000 from 206,000. The unemployment rate ticked higher to 4.3% vs consensus 4.1%. All of this weak data pushed bond yields down sharply and significantly increased the likelihood of a 50 bps rate cut in September.

Index Total Returns - August 2, 2024					
	1-Wk	YTD	1-Yr	1	
S&P 500	-2.05	12.99	18.27		
NASDAQ	-3.34	12.20	17.84		
S&P 400	-4.11	6.89	9.82	6	
Dow Jones	-2.10	6.56	14.05		
MSCI-Emerging	-1.00	5.48	3.98	1	
Russell 2000	-6.66	4.86	6.90		
MSCI-Developed	-1.96	4.35	7.02		
Barclay's U.S. Bond Index	(			4	
High Yield	-0.05	4.26	10.71		
Int. Gov. Credit	1.67	3.48	7.02		
Aggregate	2.43	3.21	6.76		
Municipal	1.03	1.46	4.73		
5-year Muni	0.68	0.86	3.65		



0.00	0.00	5.05						
U.S. Treasury Yields				S&P 500 Sector Total Returns - August 2, 2024				
Latest	Week	1-Year	Sector	1-Wk	YTD	1-Yr		
Close	Ago	Ago	Comm. Services	1.26	20.33	28.67		
4.36	4.80	5.37	Utilities	4.36	19.24	14.65		
3.88	4.39	4.89	Info Tech	-4.02	18.93	28.05		
3.71	4.20	4.55	Consumer Staples	1.17	13.27	10.06		
3.62	4.08	4.25	Financials	-2.99	12.87	21.36		
3.80	4.20	4.07	Health Care	0.65	11.60	14.44		
4.10	4.45	4.16	Industrials	-2.77	8.54	13.08		
berg/Barclay	s Index		Energy	-3.64	7.94	4.96		
Latest	Week	1-Year	Real Estate	2.80	6.36	13.72		
Close	Ago	Ago	Materials	-1.38	6.19	7.27		
3.28	3.44	3.37	Con. Discretion	-4.28	0.15	4.63		
3.30	3.46	3.48		P/E	P/E NTM	Dividend		
3.64	3.82	3.95	Index Characteristics	NTM	10yr-Avg.	Yield		
4.12	4.28	4.55	S&P 500 - Large Cap	20.46	18.22	1.30		
3.42	3.59	3.63	S&P 400 - Mid Cap	15.23	15.95	1.42		
3.54	3.71	3.80	S&P 600 - Small Cap	14.65	15.30	1.73		
	Latest Close 4.36 3.88 3.71 3.62 3.80 4.10 berg/Barclay Latest Close 3.28 3.30 3.64 4.12 3.42	Latest Week   Close Ago   4.36 4.80   3.88 4.39   3.71 4.20   3.62 4.08   3.80 4.20   4.10 4.45   berg/Barclays Index   Close Ago   3.28 3.44   3.30 3.46   3.64 3.82   4.12 4.28   3.42 3.59	Latest Week 1-Year   Close Ago Ago   4.36 4.80 5.37   3.88 4.39 4.89   3.71 4.20 4.55   3.62 4.08 4.25   3.80 4.20 4.07   4.10 4.45 4.16   berg/Barclays Index Ueek 1-Year   Close Ago Ago   3.28 3.44 3.37   3.30 3.46 3.48   3.64 3.82 3.95   4.12 4.28 4.55   3.42 3.59 3.63	S&P 500 Sector Total RetLatestWeek1-YearSectorCloseAgoComm. Services4.364.805.37Utilities3.884.394.89Info Tech3.714.204.55Consumer Staples3.624.084.25Financials3.804.204.07Health Care4.104.454.16Industrialsberg/Barclays IndexEnergyLatestWeek1-YearCloseAgoAgo3.303.463.483.643.823.954.124.284.553.423.593.633.423.593.63	S&P 500 Sector Total Returns - AugusLatestWeek1-YearSector1-WkCloseAgoAgoComm. Services1.264.364.805.37Utilities4.363.884.394.89Info Tech-4.023.714.204.55Consumer Staples1.173.624.084.25Financials-2.993.804.204.07Health Care0.654.104.454.16Industrials-2.77berg/Barclays IndexEnergy-3.64LatestWeek1-YearReal Estate2.80CloseAgoAgoMaterials-1.383.283.443.37Con. Discretion-4.283.303.463.48P/E3.643.823.95Index CharacteristicsNTM4.124.284.55S&P 500 - Large Cap20.463.423.593.63S&P 400 - Mid Cap15.23	Latest Week 1-Year Sector 1-Wk YTD   Close Ago Comm. Services 1.26 20.33   4.36 4.80 5.37 Utilities 4.36 19.24   3.88 4.39 4.89 Info Tech -4.02 18.93   3.71 4.20 4.55 Consumer Staples 1.17 13.27   3.62 4.08 4.25 Financials -2.99 12.87   3.80 4.20 4.07 Health Care 0.65 11.60   4.10 4.45 4.16 Industrials -2.77 8.54   berg/Barclays Index Energy -3.64 7.94   Latest Week 1-Year Real Estate 2.80 6.36   Close Ago Ago Materials -1.38 6.19   3.28 3.44 3.37 Con. Discretion -4.28 0.15   3.30 3.46 3.48 S&P 500 - Large Cap 20.46 18.22   <		

Sources: FactSet, FHFA, ISM, U.S. Dept. of Labor, NAR