MARKET UPDATE

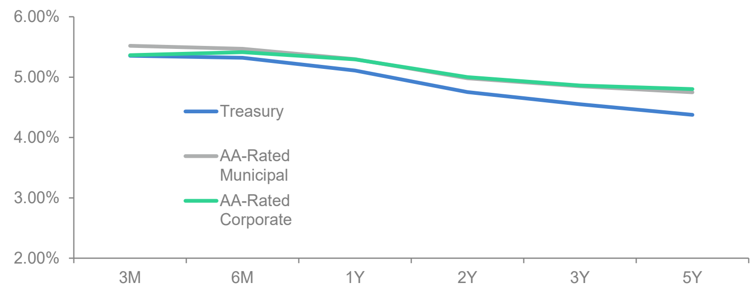
JULY 2024

Market and Economic Highlights

- Strong performance for stocks and bonds in June
- Growth in equities remained concentrated in big tech
- Cooler CPI and slower growth were economic themes
- Markets pricing in a 67% chance of a September rate cut
- Fedspeak more dovish in June despite a dot plot projecting only one cut this year

Source: FactSet

Market Yields



Source: Bloomberg Finance L.P. 6/30/24

Market Returns

Market Index	1-Month	3-Month	YTD	1-Year
Bloomberg 9-12 Month T-Bill	0.43%	1.17%	2.10%	5.31%
Bloomberg 1-5 Year Government	0.71%	0.77%	0.73%	4.14%
Bloomberg Intermediate U.S. Gov/ Credit A or Better	0.82%	0.61%	0.38%	3.79%
Bloomberg Intermediate U.S. Agg.	0.92%	0.46%	0.04%	3.55%
S&P 500	3.59%	4.28%	15.29%	24.54%
Russell 2000	-0.93%	-3.28%	1.73%	10.03%

Source: Bloomberg

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Consumer Price Index (YoY)	06/12/24	MAY	3.4%	3.3%	3.4%
Core CPI (YoY)	06/12/24	MAY	3.5%	3.4%	3.6%
Retail Sales Ex. Auto (MoM)	06/18/24	MAY	0.2%	-0.1%	-0.1% (R)
Consumer Confidence	06/25/24	JUNE	100.0	100.4	101.3 (R)
Personal Income	06/28/24	MAY	0.4%	0.5%	0.3%
Personal Spending	06/28/24	MAY	0.3%	0.2%	0.1% (R)
ISM Manufacturing	07/01/24	MAY	49.1	48.5	48.7
Change in Nonfarm Payrolls	07/05/24	JUNE	190K	--	272K
Unemployment Rate	07/05/24	JUNE	4.0%	--	4.0%

Source: Bloomberg Finance L.P. 6/30/24. Glossary terms on following page.

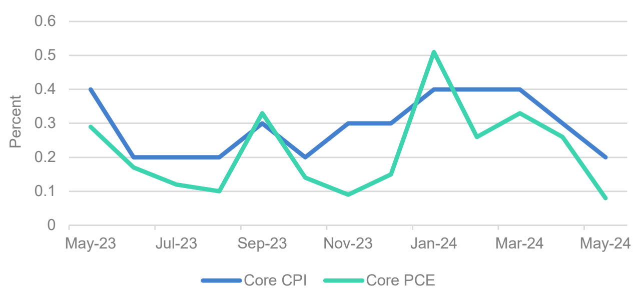
FEATURED MARKET DATA

Soft Landing Narrative Returns

While the first quarter brought stronger than expected inflation and growth, economic data cooled in the second quarter. Core month-over-month CPI rose a faster than expected 0.4% in each of the first three months of the year but slowed to 0.3% and 0.2% in April and May, respectively. Core PCE, the Fed's preferred measure of inflation, slowed even more to 0.1% in May. Some growth measures also slowed including May ISM manufacturing and retail sales. However, May nonfarm payrolls came in higher than expected. If softer growth trends continue, Fed Chairman Powell may soon gain the confidence he is seeking that inflation is returning to the Fed's 2% target.

Source: FactSet

Month-over-Month Change in Core Inflation



Source: FactSet

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Glossary of Terms

Term	What is it:
Building Permits	Records the number of permits for future housing construction.
Capacity Utilization	Tracks the extent to which capacity is being used in the production of goods and services.
Change in Nonfarm Payrolls	This indicator measures the change in the number of employees on business and government payrolls.
Chicago Fed National Activity Index	A nationwide measure of economic activity and inflation pressures. An index value of zero indicates that the national economy is expanding at its historical trend rate of growth.
Consumer Confidence	Index examines how consumers feel about jobs, the economy and spending.
Consumer Price Index (CPI)	Measures the average change in retail prices over time for a basket consisting of more than 200 categories of assorted goods and services paid directly by consumers.
Core Consumer Price Index (Core CPI)	This measure of CPI excludes food and energy costs.
Durable Goods Orders	A measure of new orders placed with domestic manufacturers for durable goods, which are items that last three years or more.
Existing Home Sales	Measures monthly sales of previously owned single-family homes.
GDP Annualized QoQ	Measures the annualized quarterly growth of the final market value of all goods and services produced within a country. GDP is the foremost report on how fast or slow the economy is growing.
Housing Starts	Records the number of new housing units started during a period.
Index of Leading Economic Indicators (LEI)	An index designed to predict the direction of the economy.
Initial Jobless Claims	Tracks new filings for unemployment insurance benefits.
ISM Manufacturing	Measures manufacturing activity based on a monthly survey of purchasing managers.
MBA Mortgage Applications	The Mortgage Bankers Association's weekly mortgage application survey includes home loan application activity for conventional and government loans for home purchases and refinances.
Mortgage Delinquencies	A measure of the percent of total conventional and government loans which are at least one payment past due, but not in the process of foreclosure.
Personal Consumption Expenditure (PCE)	The Federal Reserve's preferred measure of inflation tracks overall price changes for goods and services. Core PCE excludes food and energy.
Personal Income and Spending	Index records the income Americans receive, how much they spend, and what they save.
Retail Sales	Tracks the sale of new and used goods for personal or household consumption.
Retail Sales Ex. Auto	Retail sales excluding motor vehicles and parts.
S&P Case-Shiller Home Price Index	Tracks the value of single-family housing within the U.S. There are multiple indexes including the 20-City Composite.
Unemployment Rate	The U-3 unemployment rates tracks the percentage of the civilian workforce that is unemployed.

Source: Bloomberg, The Secrets of Economic Indicators by Bernard Baumohl; PMA Asset Management, LLC