

Weekly Market Insights: Market Enjoys Gains, Reacting To Major Reports

Stocks notched a solid gain last week, driven by the Fed's decision, May's inflation report, and Apple's AI-related news.

The Standard & Poor's 500 Index rose 1.58 percent, while the Nasdaq Composite picked up 3.24 percent. The Dow Jones Industrial Average, which has lagged most of the year, slid 0.54 percent. The MSCI EAFE Index, which tracks developed overseas stock markets, fell 1.44 percent for the week through Thursday's close.¹

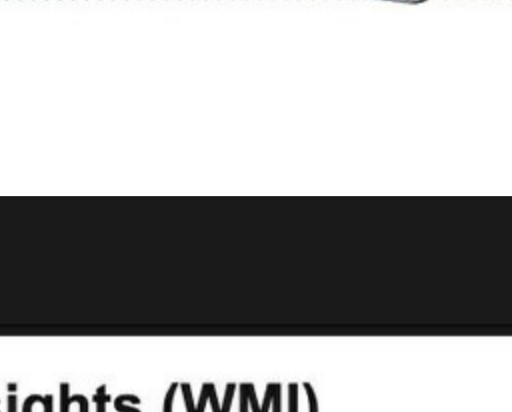
S&P 500, Nasdaq Lead; Dow Lags

Market leadership took a familiar form. The tech-heavy Nasdaq led while the Dow trailed for the second week (and four out of the past six weeks).²

Stocks trended higher at the start of the week as investors cheered an artificial intelligence update from Apple.^{3,4}

By midweek, the market had split, with the Nasdaq and S&P 500 moving higher while the Dow lagged. Investors were upbeat after learning that consumer prices rose less than expected in May and that the Fed decided to keep rates steady. However, some investors were unsettled after learning Fed officials had shifted their outlook and now only penciled in a single rate cut between now and year-end. A few months ago, the Fed had indicated as many as three cuts were possible.⁵

MARKET INSIGHTS



YCHARTS

Weekly Market Insights (WMI)

Major Index Return Summary

Name	1M TR	YTD TR	1Y TR	5Y TR
Dow Jones Industrial Average	-1.71%	3.47%	15.28%	64.50%
MSCI EAFE	-0.32%	6.58%	12.82%	44.82%
Nasdaq Composite	7.91%	18.09%	31.17%	134.9%
S&P 500	4.22%	14.65%	26.27%	104.0%

S&P 500 Daily Close



10-Year Note Review

Indicator Name	Latest Value	1M Ago	3M Ago	1Y Ago	1M Change	3M Change	1Y Change
10 Year Treasury Rate	4.20%	4.45%	4.29%	3.83%	-5.62% ▼	-2.10% ▼	9.66% ▲

Source: YCharts.com, June 15, 2024. Weekly performance is measured from Monday, June 10, to Friday, June 14.

TR = total return for the index, which includes any dividends as well as any other cash distributions during the period.

Treasury note yield is expressed in basis points.

Busy Week for News

Last week was chock full of market-moving events. Between Apple's AI update, inflation, and the Fed, it was a toss-up which one influenced sentiment the most.

AI's outsized role in driving market momentum continued last week. OpenAI's deal with Apple arrived at the start of last week, and the news followed OpenAI's deal earlier this year with Microsoft. (These companies are mentioned for illustrative purposes only; it is not a recommendation to buy, sell, or hold this or any security.)⁶

Wednesday morning, the Consumer Price Index (CPI) was announced. A few hours later, the Federal Open Market Committee updated its monetary policy. Those pieces of news have only arrived together 13 times since 2008.

The FOMC kept rates steady at the current 5.25-5.50 percent target range, a widely expected decision. However, the tame CPI report caused some volatility as investors grappled with how the report may influence Fed policy.^{7,8}

This Week: Key Economic Data

Monday: Empire State Manufacturing Index. Fed Official Patrick Harker speaks.

Tuesday: Retail Sales. Industrial Production. Fed Officials Thomas Barkin, Lori Logan, Alberto Musalem, and Austan Goolsbee speak.

Thursday: Housing Starts and Permits. Jobless Claims. Fed Official Thomas Barkin speaks. EIA Petroleum Status Report.

Friday: Existing Home Sales.

Source: Investors Business Daily - Econoday economic calendar; June 13, 2024

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

This Week: Companies Reporting Earnings

Monday: Lennar Corporation (LEN, LEN.B), La-Z-Boy Incorporated (LZB)

Thursday: Accenture (ACN), The Kroger Co. (KR)

Friday: FactSet Research Systems Inc. (FDS), CarMax Inc. (KMX)

Source: Zacks, June 13, 2024

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

FOOD FOR THOUGHT



"One does not fall "in" or "out" of love. One grows in love."

— Leo Buscaglia

TAX TIP



Your Plans This Summer May be Eligible for Itemized Deductions

These activities can be itemized as deductions if you have plans to sell or buy a home this summer or to donate some old items. Here are some examples:

If you are refinancing your home this summer, you can deduct some of your mortgage interest. However, there are some limits to these deductions. According to the IRS, the deduction is limited to interest paid on a loan secured by the taxpayer's main or second home. When refinancing, you must use the loan to buy, build, or substantially improve your main or second home.

If you buy a new home this summer, you can deduct mortgage interest if you pay \$750,000 in qualifying debt for a first and second home or \$375,000 when married and filing separately.

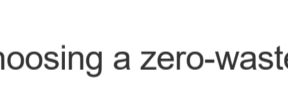
Summer is a great time to sift through your things and donate old clothes, furniture, or home goods you no longer need. If you itemize the deductions and provide proof of the donations, these donations may qualify for a tax deduction.

In addition to donating items, you can deduct mileage on your vehicle for services performed for a qualifying charity.

**This information is not intended to be a substitute for specific, individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax professional.*

Tip adapted from IRS.gov⁹

HEALTHY LIVING TIP



Zero-Waste Skincare: Fight Back Against Plastic

Single-use bathroom products, including shampoo, conditioner, and body wash, contribute to the tons of plastic we dispose of daily. These bottles are frequently difficult or impossible to recycle.

Next time you shop for a biodegradable, consider choosing a zero-waste option. These options use biodegradable packaging to reduce landfill trash as much as possible. The idea is not to live like a "sustainability saint" but instead to do a small part to promote the future of our planet.

Tip adapted from Sustainable Jungle¹⁰

WEEKLY RIDDLE

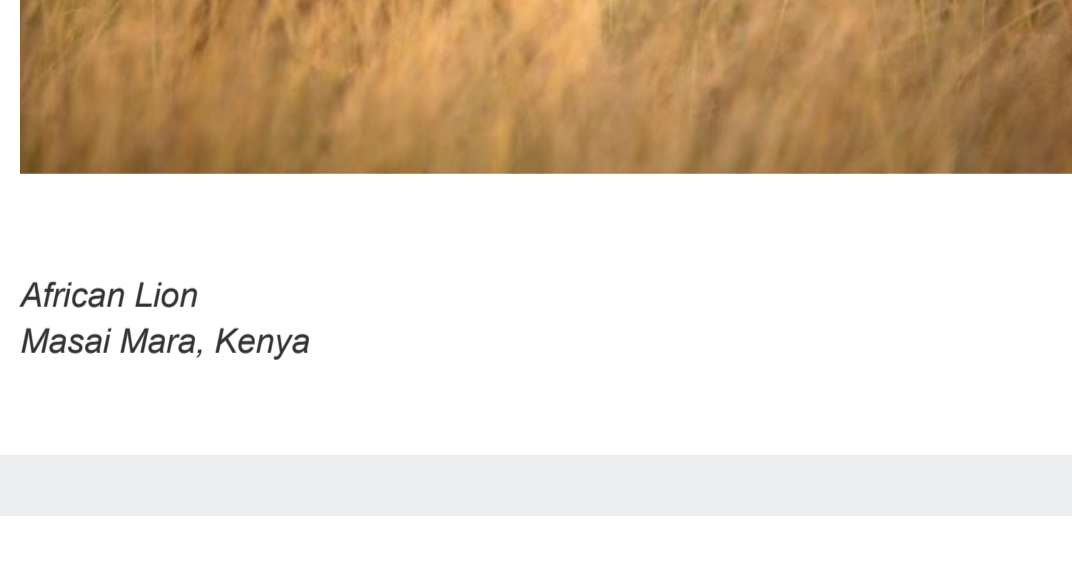


It can be told, made, cracked, and played. What is it?

Last week's riddle: You hold a sheet of cellophane. Fully unfolded, it is 3 feet long by 2 feet wide. How can you get two people to stand on it (fully unfolded) so they can't touch or see each other?

Answer: Slide the fully unfolded sheet under a door (or a sufficiently large partition that is not transparent or opaque) and have each person stand on the sheet on either side of the door or partition.

PHOTO OF THE WEEK



African Lion
Masai Mara, Kenya

Footnotes and Sources

1. The Wall Street Journal, June 14, 2024
2. The Wall Street Journal, June 14, 2024
3. The Wall Street Journal, June 10, 2024
4. CNBC.com, June 12, 2024
5. The Wall Street Journal, June 10, 2024
6. The Wall Street Journal, June 10, 2024
7. The Wall Street Journal, June 10, 2024
8. MarketWatch.com, June 10, 2024
9. IRS.gov, April 5, 2023
10. Sustainable Jungle, January 29, 2023