

Weekly Market Insights:
Stocks Advance After New Inflation Data

Stocks advanced last week as market leadership shifted amid fresh inflation data and quarterly corporate reports starting to roll in.

The Standard & Poor's 500 Index advanced 0.87 percent, while the Dow Jones Industrial Average picked up 1.59 percent. The tech-heavy Nasdaq Composite Index, which has led all year, rose 0.25 percent. The MSCI EAFE Index, which tracks developed overseas stock markets, rallied 1.62 percent for the week through Thursday's close.¹

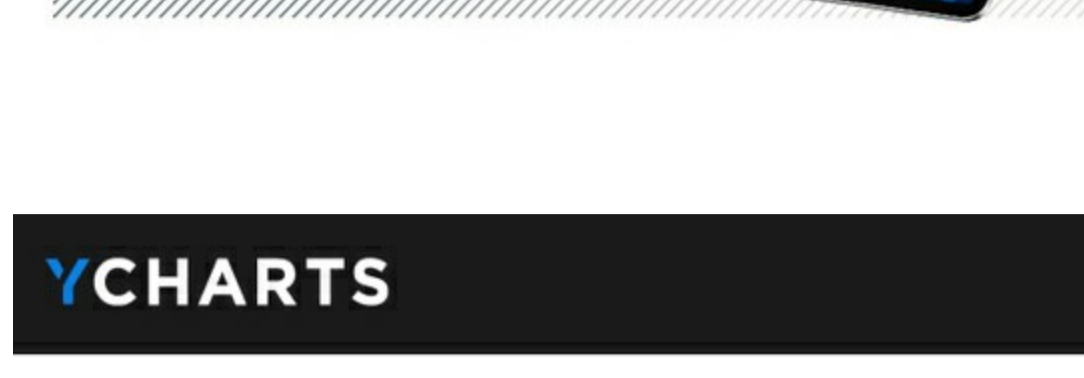
Dow Breaks 40,000 (Again)

Mega-cap tech led modest gains for the S&P 500 and Nasdaq in the first two days of the week, with the Dow posting modest losses both days.

But that narrow trading range didn't last long as market leadership shifted midweek. Upbeat corporate earnings reports and milder-than-expected consumer inflation in June drove momentum in a handful of larger industrial and consumer stocks.^{2,3}

Q2 earnings season got into full swing later in the week, dominated mostly by financial and consumer-oriented companies. Markets seemed initially unfazed by better-than-expected reports from some money center banks. Some observers suggested higher interest rates may be one of the reasons for the market's lukewarm response.⁴

The Dow ended the week with a solid gain after three consecutive weeks of trailing the S&P 500 and Nasdaq. The Dow also closed above 40,000, the first time it had done so since May, and hit a 52-week intraday high on Friday.

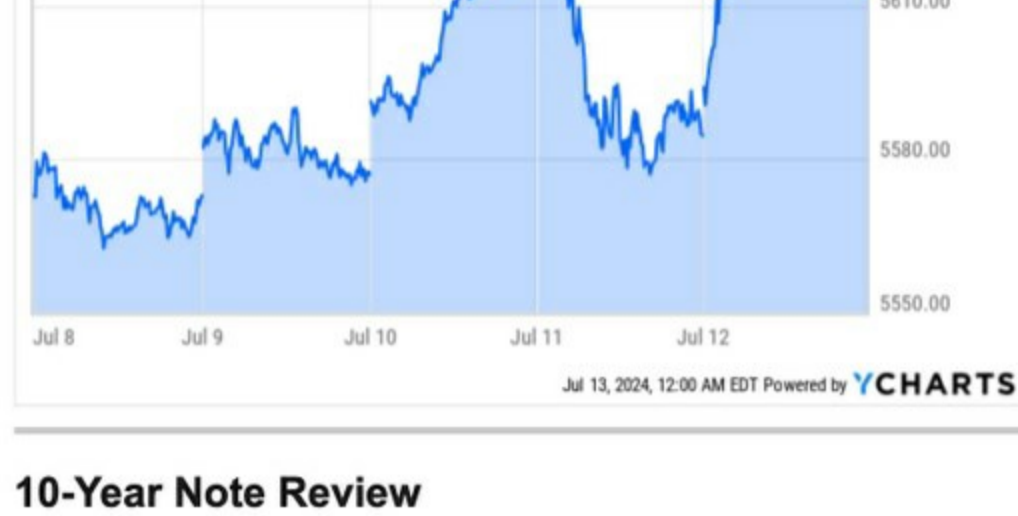


YCHARTS
Weekly Market Insights (WMI)

Major Index Return Summary

Name	1M TR	YTD TR	1Y TR	5Y TR
Dow Jones Industrial Average	2.72%	6.56%	18.42%	63.09%
MSCI EAFE	2.90%	9.79%	17.68%	45.66%
Nasdaq Composite	5.47%	22.27%	33.89%	132.4%
S&P 500	4.01%	17.96%	27.70%	102.1%

S&P 500 Daily Close



10-Year Note Review

Indicator Name	Latest Value	1M Ago	1M Change
10 Year Treasury Rate	4.18%	4.31%	-3.02% ▼
07/12/24		4.50%	-7.11% ▼
		3.86%	8.29% ▲

Source: YCharts.com, July 13, 2024. Weekly performance is measured from Monday, July 8, to Friday, July 12.

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.

Mixed Inflation News

Two inflation reports came out last week: PPI and CPI.

The Producer Price Index, which measures the change in wholesale prices, rose 2.6 percent in June year over year—its largest increase in 16 months. By contrast, the Consumer Price Index, which tracks consumer prices, showed that the pace of inflation slowed in June.

Markets shrugged off the conflicting data, instead embracing the cooler CPI data. The Fed is likely taking notes for its next Fed meeting, scheduled for July 30-31.⁵

This Week: Key Economic Data

Monday: Fed Chair Jerome Powell and Fed Official Mary Daly speak.

Tuesday: Retail Sales. Import and Export Prices. Business Inventories. Housing Market Index. Fed Official Adriana Kugler speaks.

Wednesday: Housing Starts and Permits. Industrial Production. Fed Official Thomas Barkin speaks.

Thursday: Jobless Claims. Fed Officials Michelle Bowman, Mary Daly and Lorie Logan speak. Fed Balance Sheet.

Friday: Fed Officials John Williams and Raphael Bostic speak.

Source: Investors Business Daily - Econoday economic calendar; July 12, 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: The Goldman Sachs Group, Inc. (GS), BlackRock, Inc. (BLK)

Tuesday: UnitedHealth Group Incorporated (UNH), Bank of America Corporation (BAC), Morgan Stanley (MS), The Charles Schwab Corporation (SCHW)

Wednesday: Johnson & Johnson (JNJ), Elevance Health, Inc. (ELV), Prologis, Inc. (PLD)

Thursday: Netflix, Inc. (NFLX), Abbott Laboratories, Inc. (ABT), Marsh & McLennan Companies, Inc. (MMC), The Blackstone Group (BX), Infosys (INFY)

Friday: American Express Company (AXP)

Source: Zacks, July 12, 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

"Do not merely practice your art, but force your way into its secrets; it deserves that, for only art and science can exalt man to divinity."

– Ludwig van Beethoven

TAX TIP

Give Back to Your Community By Working as a Tax Volunteer

If you're looking for a way to give back to your community and help people with low-to-moderate incomes, consider applying to volunteer with the Volunteer Income Tax Assistance or Tax Counseling for the Elderly programs. These programs offer free tax help to senior citizens, persons with disabilities, and those who speak limited English to understand their tax situations.

Here are some of the perks of being a VITA or TCE volunteer:

- **Flexible hours:** Generally, volunteers contribute 3-5 hours per week. Some sites are open all year, but most programs are open from January to April.

- **Convenience:** Thousands of VITA and TCE sites are set up in neighborhoods across the country, so it's convenient to volunteer at a location close to home. These locations are usually community centers, libraries, schools, and malls.

- **No experience needed:** You don't have to be a tax pro to volunteer because all volunteers receive special training and can serve in various roles.

**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.gov⁶

HEALTHY LIVING TIP

What to Look for on a Nutrition Label

Nutrition labels contain helpful information that can guide you in the right direction as you eat healthier. But do you know how to read one correctly? The serving size is the first thing you will see on a nutrition label; this shows how many calories a serving contains.

The following section is the nutrients. This section helps you determine a food's nutritional value. Pay close attention to saturated fat and added sugar. Lastly, you have the % Daily Value (DV), the percentage of each nutrient in a single serving in terms of the recommended amount.

Tip adapted from heart.org⁷

WEEKLY RIDDLE

Wide as a grapefruit, deep as a cup, but even a river can't fill it up – What is it?

Last week's riddle: All around yet can't be seen, has no throat but can be heard. What is it? Answer: The wind

PHOTO OF THE WEEK



Australian Cape Fur Seals at Play
Narooma, NSW, Australia

Footnotes and Sources

1. The Wall Street Journal, July 12, 2024
2. The Wall Street Journal, July 12, 2024
3. The Wall Street Journal, July 11, 2024
4. The Wall Street Journal, July 12, 2024
5. The Wall Street Journal, July 12, 2024
6. IRS.gov, May 8, 2024
7. heart.org, May 8, 2024