

Weekly Market Insights:
Investors Shift, Anticipating Lower Interest Rates

Stocks were under pressure last week as investors appeared to rotate out of mega-cap tech stocks and into areas that may benefit from lower interest rates.

The Standard & Poor's 500 Index fell 1.97 percent, while Nasdaq Composite Index declined 3.65 percent. The Dow Jones Industrial Average bucked the downward trend, up 0.72 percent. The MSCI EAFE Index, which tracks developed overseas stock markets, slid 1.48 percent for the week through Thursday's close.¹

Dow Leads Again

The week began very differently than it ended.

All three averages rallied over the first couple of days this week, with the Dow leading on both days. Fed Chair Powell indicated the Fed may not wait for inflation to reach its 2 percent target before considering a rate move, buoying the markets.^{2,3}

Then, markets hit a speed bump as investors appeared to take profits and rotated away from mega-cap tech names. The selling broadened beyond tech-related names on Thursday as all but one of the S&P 500's 11 sectors fell.

Early Friday morning, a global tech outage caused disruptions for businesses, governments, and financial institutions, contributing to the weekly decline. Despite its losses in the second part of the week, the Dow finished in the green.^{4,5,6}



YCHARTS

Weekly Market Insights (WMI)

Major Index Return Summary

Name	1M TR	YTD TR	1Y TR	5Y TR
Dow Jones Industrial Average	4.78%	9.00%	18.74%	65.97%
MSCI EAFE	2.86%	8.88%	12.37%	45.46%
Nasdaq Composite	0.08%	19.51%	25.47%	126.9%
S&P 500	1.13%	17.13%	23.56%	100.9%



10-Year Note Review

Indicator Name	Latest Value	1M Ago	1M Change
10 Year Treasury Rate	4.25%	4.22%	0.71% ▲
07/19/24		4.62%	-8.01% ▼
		3.75%	13.33% ▲

Source: YCharts.com, July 20, 2024. Weekly performance is measured from Monday, July 15, to Friday, July 19.

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.

Upbeat Economic Data

Although stocks were under pressure, some investors saw "green shoots" in a few economic reports. Housing starts rose 3 percent in June. Building permits also ticked higher during the month. Retail sales were unchanged in June, which was better than expected. Investors were encouraged that consumers were still spending despite ongoing inflation.^{7,8}

This Week: Key Economic Data

Tuesday: Existing Home Sales.

Wednesday: New Home Sales. Survey of Business Uncertainty.

Thursday: Gross Domestic Product (GDP). Durable Goods. International Trade in Goods. Jobless Claims.

Friday: Personal Income and Outlays. Consumer Sentiment.

Source: Investors Business Daily - Econoday economic calendar; July 19, 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

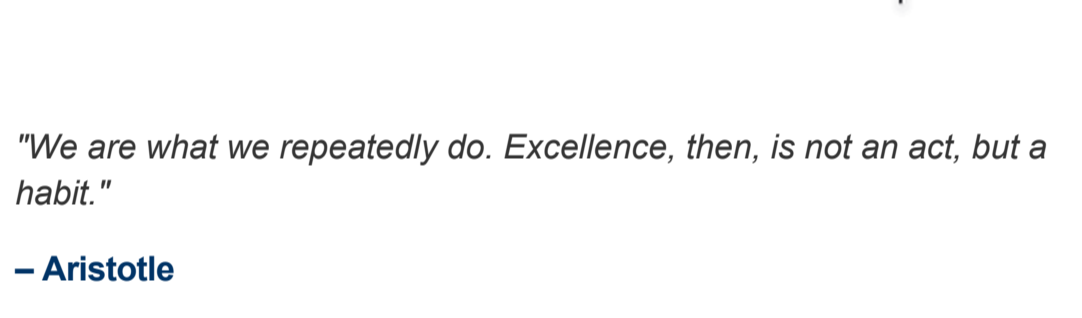
Monday: Verizon Communications Inc. (VZ)

Tuesday: Alphabet Inc. (GOOG, GOOGL), Tesla, Inc. (TSLA), Visa Inc. (V), The Coca-Cola Company (KO), Texas Instruments Incorporated (TXN), GE Aerospace (GE), Philip Morris International Inc. (PM), United Parcel Service, Inc. (UPS)

Wednesday: International Business Machines Corporation (IBM), AT&T Inc. (T)

Thursday: AbbVie Inc. (ABBV), Union Pacific Corporation (UNP), Honeywell International Inc. (HON)

Source: Zacks, July 19, 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.



"We are what we repeatedly do. Excellence, then, is not an act, but a habit."

– Aristotle



Protect Your Tax Data

The Internal Revenue Service (IRS) shared guidelines that tax pros should follow to protect taxpayer data, but these principles are sound for everyone to practice.

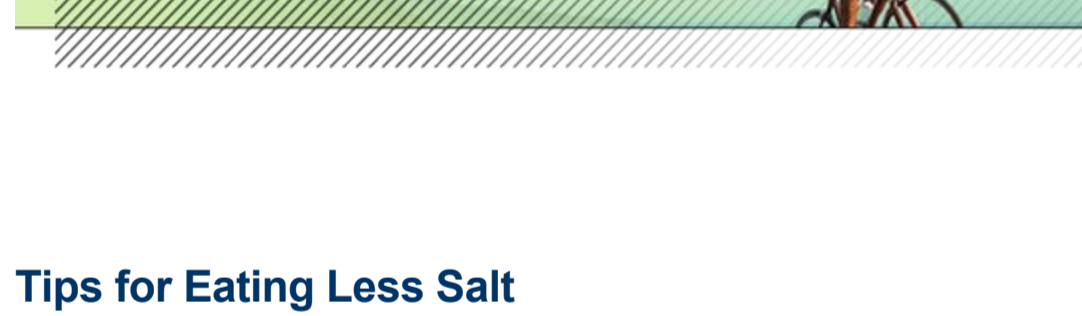
Anti-virus software: This software scans computer files for malicious software or malware on the device. Anti-virus vendors find new issues and update malware daily. Always install the latest software updates on your computer.

Two-factor authentication: Two-factor authentication adds an extra layer of protection beyond just a password. Not only do you enter your username and password, but you also enter a security code that the service provider can send to another device for extra protection.

Drive encryption: Drive encryption transforms sensitive data into unreadable code that unauthorized people cannot decipher easily, so only the authorized person can access the data.

**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



Tips for Eating Less Salt

Sodium isn't entirely bad for our bodies, but too much can increase blood pressure and cause stress on the heart and blood vessels. Because of this, monitor your sodium intake and be aware of how much sodium is in your diet.

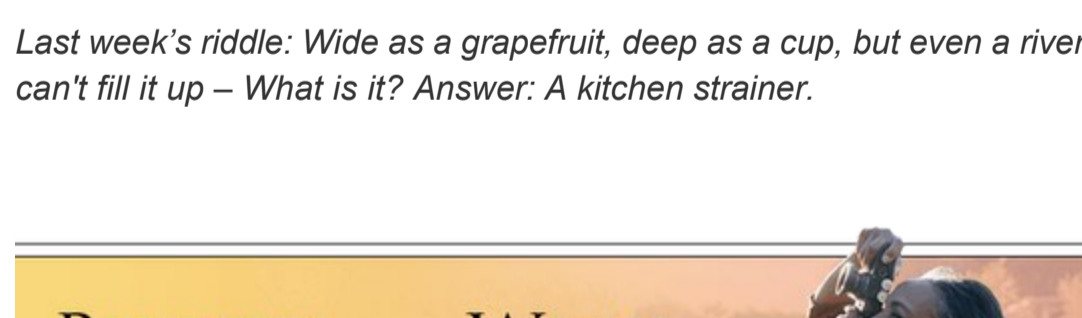
If you want to reduce your sodium intake, choose unprocessed or minimally processed foods. Prepared foods are generally high in added sodium compared to fresh options. Cut back on sources of high sodium, such as pepperoni pizza, white bread, processed cheese, deli meat and hot dogs, and other red meat and processed foods. Instead, eat more fruits, veggies, and whole grains, which are all lower in sodium.

Tip adapted from heart.org¹⁰



What has two hands but will never clap?

Last week's riddle: Wide as a grapefruit, deep as a cup, but even a river can't fill it up – What is it? Answer: A kitchen strainer.



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Footnotes and Sources

1. The Wall Street Journal, July 19, 2024
2. CNBC.com, July 15, 2024
3. CNBC.com, July 16, 2024
4. MarketWatch.com, July 17, 2024
5. CNBC.com, July 18, 2024
6. The Wall Street Journal, July 19, 2024
7. KPMG.com, July 17, 2024
8. AP.com, July 16, 2024
9. IRS.gov, May 8, 2024
10. Heart.org, May 8, 2024