

Weekly Update – October 14, 2024

Market Returns Ending 10/11/2024			
Category	1 Week	MTD	YTD
US			
Large Cap	1.1%	1.0%	23.2%
Mid Cap	1.1%	0.6%	11.9%
Small Cap	1.0%	0.2%	11.4%
International			
Developed	-0.1%	-2.4%	10.9%
Emerging	-1.9%	-1.2%	15.8%
Bonds			
Aggregate	-0.4%	-1.4%	2.9%
High Yield	-0.3%	-0.5%	7.4%

Key Events: Stimulus hopes and inflation reminders

The Chinese government enacted further stimulus measures which were met with skepticism, seen as insufficient to resuscitate the economy or markets.

Consumer sentiment declined as Inflation pressures hit confidence; both consumer and producer prices, along with inflation expectations, came in hot this week while GDP estimates rose.

Market review: Rethinking rate cuts

Bond returns were slightly negative this week; yields moved higher due to increased economic growth expectations and higher inflation data.

US Stocks turned in modest gains, but emerging markets dropped as Hong Kong and Chinese markets gave back a portion of their huge September gains¹.

Outlook: Stronger economy, fewer rate cuts.

The chart below showing current rates and average rates for outstanding mortgages illustrates the tension between growth and inflation. New borrowers are spending far more than those with existing mortgages. Mortgage rates have risen since the Fed started lowering rates, suggesting the market is still worried about potential inflationary pressures.

Rising average interest costs will also put pressure on consumers and businesses. For now, though, economic growth is solid - the Atlanta Fed GDP Now model suggests 3.2% 3Q growth.

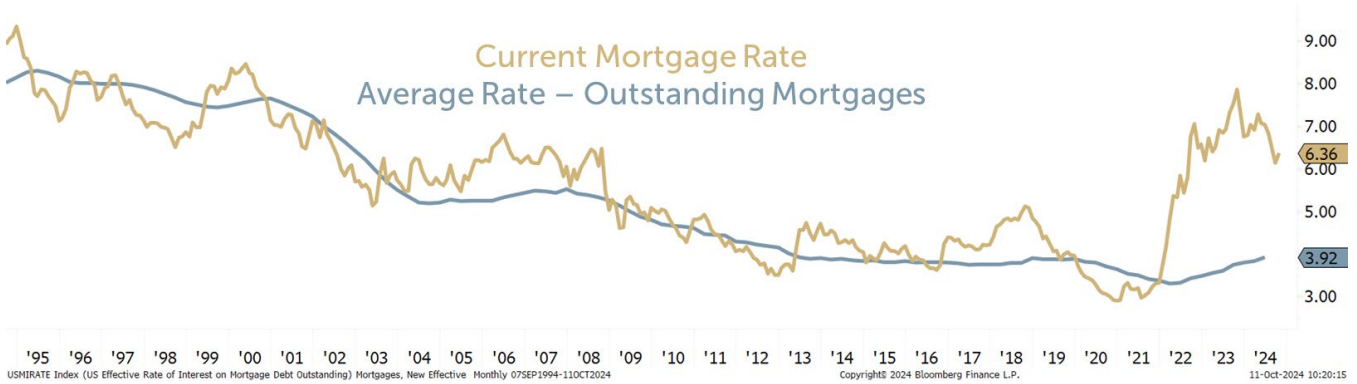
The tension between growth and inflation is likely to produce some volatility in the coming months. While current market expectations are for a soft landing, and our portfolios will benefit from solid growth, we are prepared for both inflation and potential slowdown.

US Equity Style Returns			
	Weekly		
	Value	Core	Growth
Large	0.9	1.2	1.4
Mid	0.6	1.0	2.4
Small	0.8	1.0	1.1
YTD			
	Value	Core	Growth
Large	17.7	22.5	26.1
Mid	15.1	15.5	16.6
Small	8.9	11.4	14.1

Source: Bloomberg

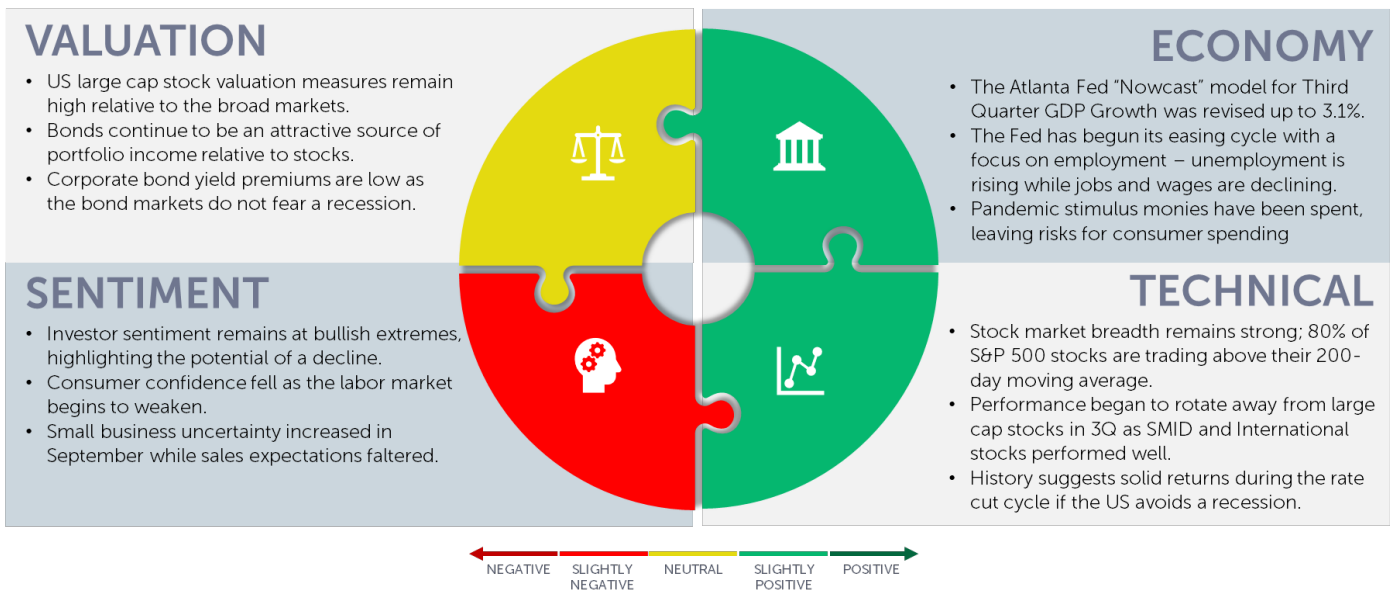


Rate Cuts: Not moving the needle for mortgages ⁱⁱ



OneAscent Navigator Outlook: October 2024

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ⁱ Source : Bloomberg. CSI 3000 Index (China) and Hang Sen (Hong Kong) indices were up 21% and 18% in August but lost 3% and 6% this week.

ⁱⁱ Source: Bureau of Economic Analysis, Bloomberg

ⁱⁱⁱ Market Returns reference the following indices: Large Cap – S&P 500, Mid Cap Growth – Russell Midcap growth, Mid Cap Value – Russell Midcap Value, Small Cap – Russell 2000, Developed – MSCI EAFE, Emerging – MSCI Emerging Markets, Aggregate – Bloomberg US Aggregate, High Yield – Bloomberg High Yield