

Weekly Update – January 20, 2024

Market Returns Ending 1/17/2025			
Category	1 Week	YTD	1 Year
US			
Large Cap	2.9%	2.0%	27.1%
Mid Cap	4.3%	3.1%	19.9%
Small Cap	4.0%	2.1%	19.9%
International			
Developed	1.7%	1.0%	8.6%
Emerging	0.9%	-0.7%	14.1%
Bonds			
Aggregate	1.0%	0.0%	2.7%
High Yield	0.6%	0.7%	9.7%

Key Events: Baby we were born to run

Small business optimism soared while consumer sentiment improved; inflation expectations rose as well, but producer price data released later in the week was lower than expected.

Financials started earnings season with a bang – the four largest banks beat earnings estimatesⁱ, spreading optimism across the broad markets.

Market review: Optimism – market and \$TRUMP

Large cap stocks, led by financials (up 6%) and their strong earnings results; the S&P 500 was up almost 3% while small and mid-caps were up 4% or more. Bonds gained on lower Inflation.

President Trump’s ‘meme coin’ release highlighted changing investor perceptions – and risk-seeking behavior – by soaring past \$10 billion market cap.ⁱⁱ

Outlook: Will the economy run? Will markets?

Optimism abounds for the economy and markets: Growth estimates remain strong while disinflation trends remain (for now) in place.

Earnings estimates have followed course; S&P 500 earnings are currently projected to grow over 14% in 2025, up from 8.6% growth in 2024. Small caps are forecast to increase earnings by 35%, recovering from a difficult couple of years to levels just below 2021 earnings.ⁱⁱⁱ

As seen below, IPO activity is recovering, a key point made in bank earnings reports this week which bodes well for a broad market advance. While inflation and high large cap valuations remain key risks, we advise clients to remain broadly diversified in a portfolio of assets with attractive

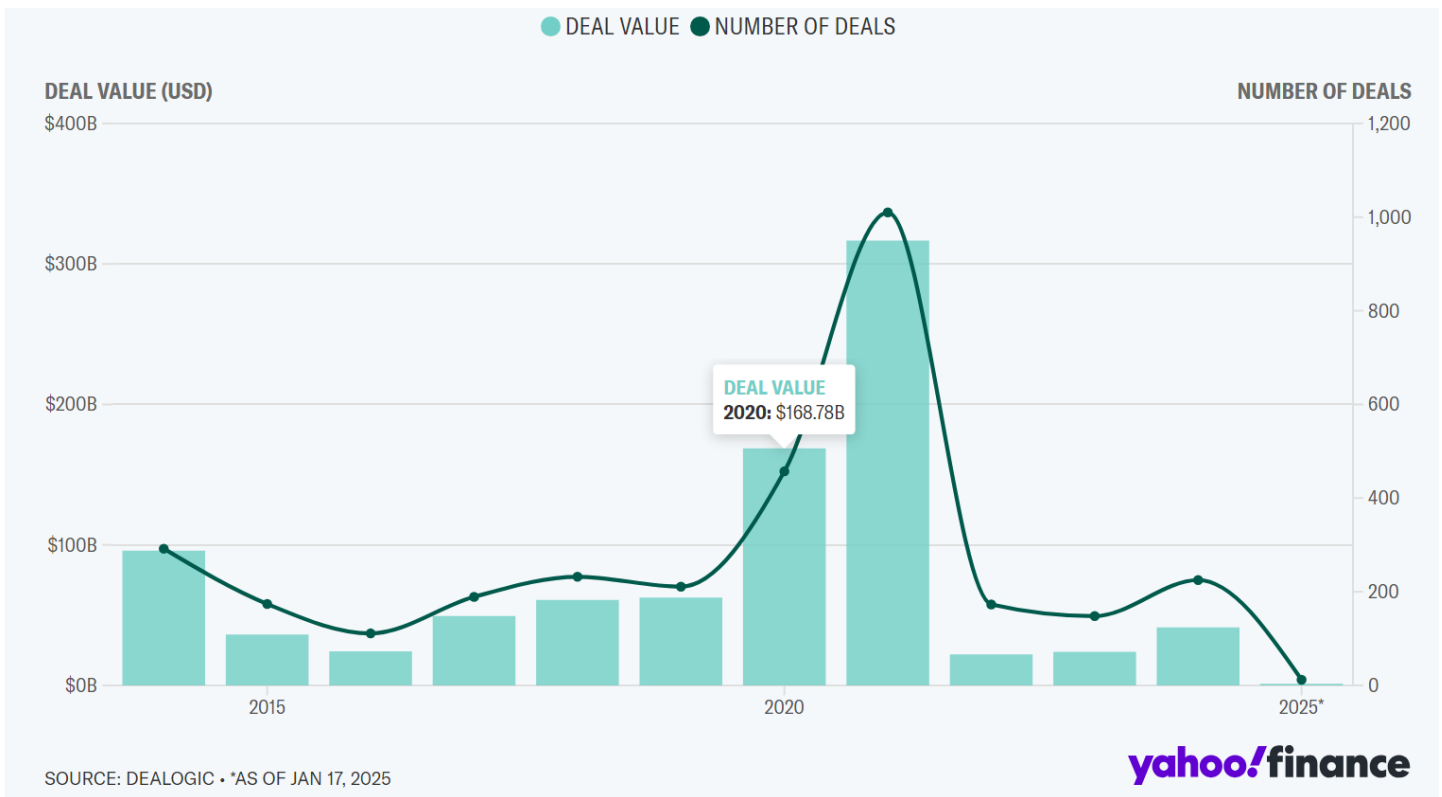
US Equity Style Returns			
	<u>Weekly</u>		
	Value	Core	Growth
Large	4.3	3.1	2.2
Mid	4.6	4.5	4.2
Small	4.5	4.0	3.5
	<u>YTD</u>		
	Value	Core	Growth
Large	3.5	2.3	1.3
Mid	3.4	3.7	4.5
Small	1.7	2.1	2.4

Source: Bloomberg

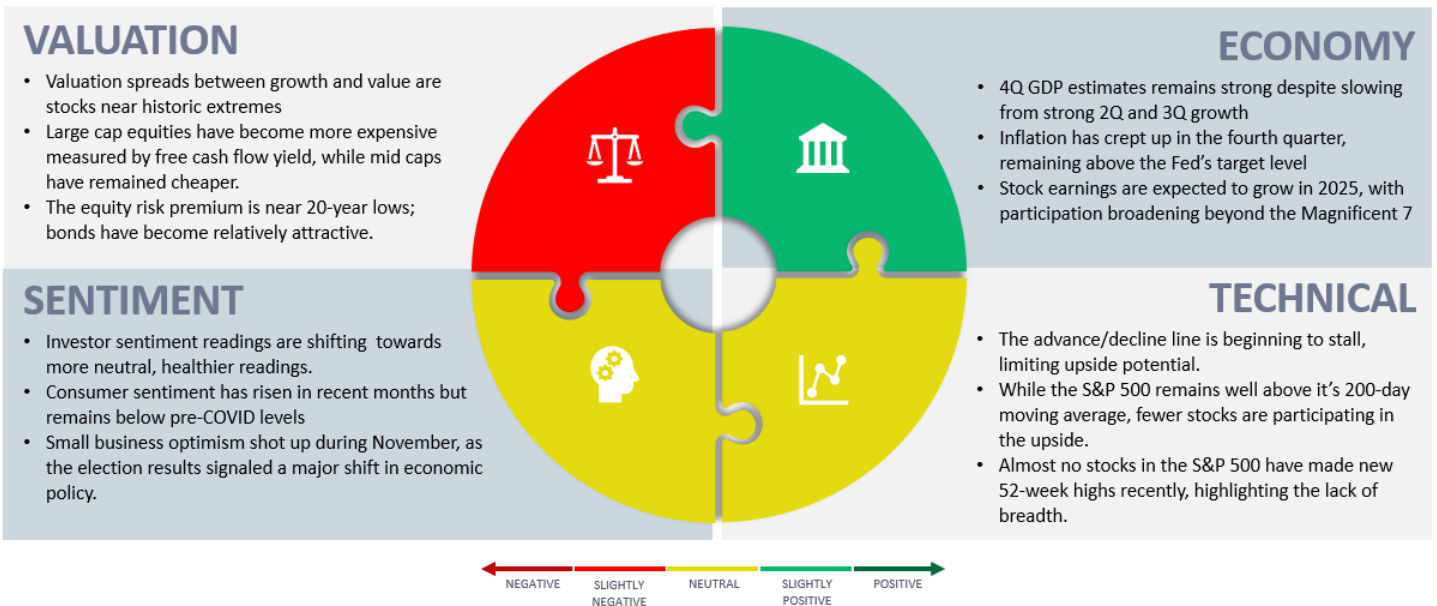
valuations and fundamentals.

A recovering IPO market





OneAscent Navigator Outlook: January 2025



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materials are not intended as any form of substitute for individualized investment advice. The discussion is general in nature, and therefore not intended to recommend or endorse any asset class, security, or technical aspect of any security for the purpose of allowing a reader to use the approach on their own. Before participating in any investment program or making any investment, clients as well as all other readers are encouraged to consult with their own professional advisers, including investment advisers and tax advisors. OneAscent can assist in determining a suitable investment approach for a given individual, which may or may not closely resemble the strategies outlined herein.

ⁱ Source: FactSet Earnings Insight. The four largest banks - JP Morgan, Bank of America, Wells Fargo and Goldman Sachs – beat earnings. In fact, all 17 financials that reported this week beat earnings estimates, causing 4Q year-over-year growth projections for the financial sector to grow from 39% at year-end to 47% today.

ⁱⁱ Source: Bloomberg. Trump’s coin rallied to over \$10 billion in market cap by January 19, 2024.

ⁱⁱⁱ Source: Bloomberg. Russell 2000 Earnings are currently forecast to grow 35% in 2025 after 17% and 15% declines in 2023 and 2024, respectively. 2025 earnings are expected to be slightly below 2021 “Covid re-opening” levels.

^{iv} 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