

## Weekly Update – September 16, 2024

Market Returns Ending 9/13/2024			
Category	1 Week	QTD	YTD
<b>US</b>			
Large Cap	4.1%	3.3%	19.1%
Mid Cap	3.8%	5.7%	8.2%
Small Cap	4.4%	6.9%	8.7%
<b>International</b>			
Developed	0.3%	3.6%	9.6%
Emerging	0.2%	-0.1%	7.5%
<b>Bonds</b>			
Aggregate	0.3%	5.5%	4.7%
High Yield	0.2%	4.1%	6.7%

US Equity Style Returns			
	<b>Weekly</b>		
	Value	Core	Growth
Large	2.0	4.1	6.0
Mid	2.6	3.2	5.0
Small	3.7	4.4	5.1
	<b>YTD</b>		
	Value	Core	Growth
Large	13.8	18.2	21.5
Mid	12.0	11.4	9.3
Small	7.3	8.7	10.2

*Source: Bloomberg*

### **Key Events: Slowing growth met with rate cuts**

The Federal Reserve dialed down proposals for bank capital requirements...on the same day several banks signaled expectations for worsening loan performance.

The European Central Bank cut interest rates this week and the markets are pricing aggressive US Federal Reserve rate cuts due to slowing economic growth.

### **Market review: A sharp recovery for momentum stocks**

Increased expectations for rate cuts drove momentum stocks higher – technology gained 7%. Momentum also drove the S&P 500 to its best week of 2024, a rebound from the worst week of 2024 just last week.

International stocks treaded water as recession fears increased, while bonds gained slightly leading into next week's Fed meeting.

### **Outlook: Will rate cuts propel the market forward?**

Stocks seized on increased rate cut expectations and hope that the Fed would be able to avoid a recession, leading to solid gains. Are they likely to continue?

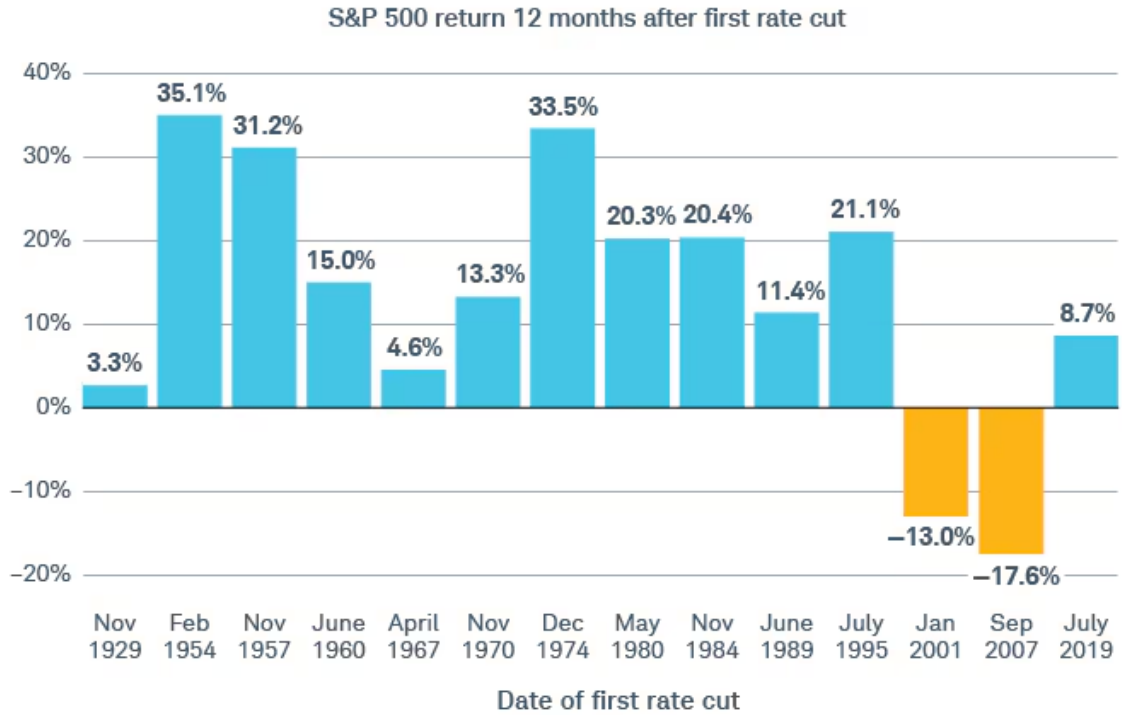
We pointed out some negative economic signals last week, but this week let's touch on some near-term catalysts for further momentum (See the charts below):

- Stocks often gain after the fed begins cutting rates.
- While September is, on average, the worst month for stock market performance, the fourth quarter is the best three-month period.

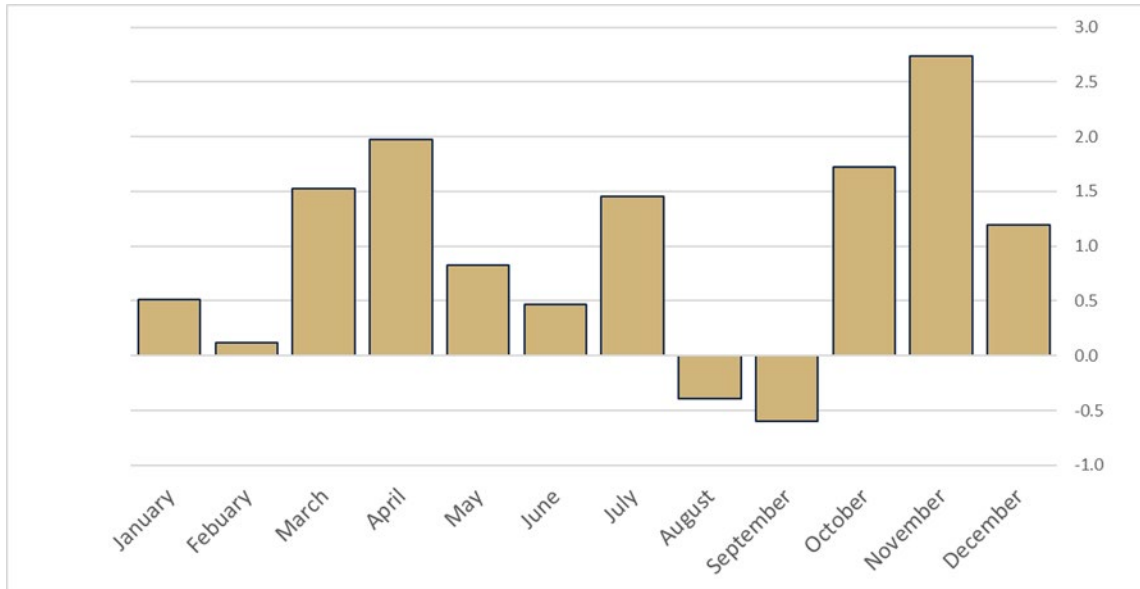
While there is risk of increased volatility as the election nears and increased recessionary risk, these signals should lead investors to some level of confidence. Our advice is to remain diversified, but fully invested, without placing too much emphasis on the election.



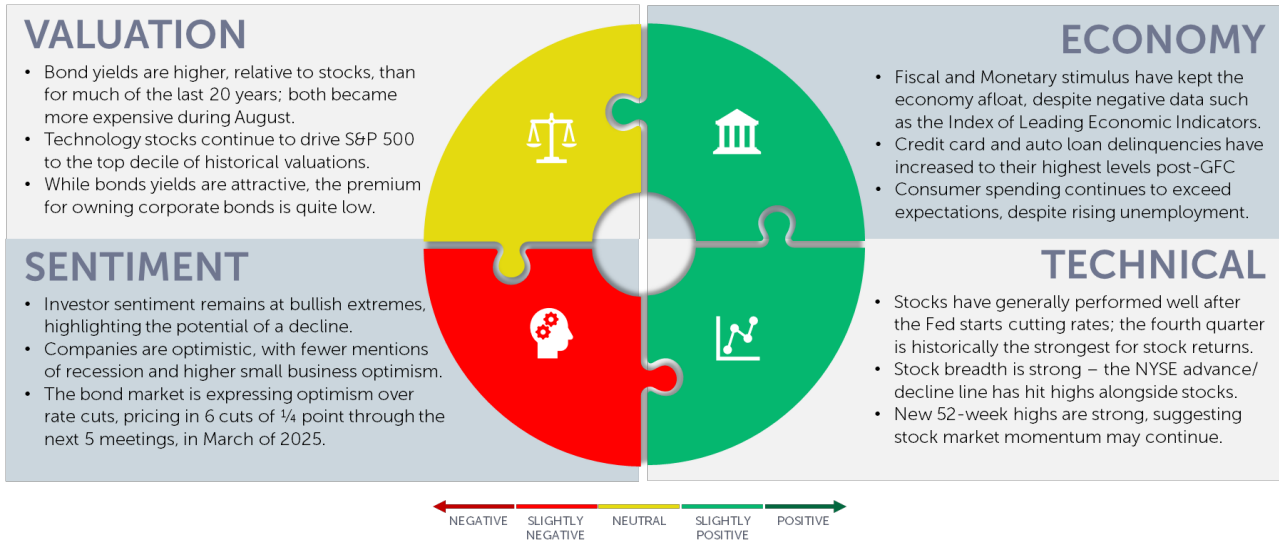
## Stocks Like Interest Rate cuts <sup>i</sup>



## Stocks Favor the Fourth Quarter <sup>ii</sup>



# OneAscent Navigator Outlook: September 2024



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<sup>i</sup> Source: Schwab Asset Management [How Will the Market Respond to Rate Cuts? | Charles Schwab](#)

<sup>ii</sup> Source: Bloomberg, OneAscent Investment Solutions

<sup>iii</sup> 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