



**Equities**

US equity markets lost momentum early this week, falling 2.5% by Thursday's close before jumping 1.60% on Friday to end the week down 0.95%. Market sentiment was dampened by ongoing policy uncertainty, as the Trump administration proposed a potential 25% tariff on EU imports. Nvidia, one of the favored Magnificent 7 members, failed to uplift investor spirits despite reporting a revenue beat, albeit the smallest in two years. The sour mood spread broadly throughout the Mag 7 as the index now sits almost 12% beneath its December peak. Overseas, European and Asian equities fell on the backs of broadening tariff threats.

**Fixed income**

U.S. 10-year yields steadily declined this week off Monday's open of 4.43% as tariff news dominated headlines. Investors appear to have weighed the risks to growth more heavily, as the commitment to tariffs by the Trump administration now appears to be firmer than markets previously anticipated. Friday's PCE report eased concerns of a near-term spike in inflation, with core PCE rising 0.3% m/m and 2.6% y/y, consistent with expectations. This softened 10-year yields an additional 5bps on Friday to close the week at 4.21%.

**Commodities**

Policy discussions significantly influenced commodity markets this week. Oil prices remained relatively stable, closing out the week with a slight decline of 0.91%. Supply concerns and uncertainty resurfaced following President Trump's revocation of a license granted to Chevron for operations in Venezuela. Gold prices decreased as the dollar strengthened, driven by the Trump administration's announcement of tariffs on Canada, Mexico, and China. Bitcoin experienced a sharp decline, falling nearly 13% this week and now down over 25% from its peak.

**Economic overview**

U.S. households received a boost to personal income in January, with m/m growth of 0.9%. This heartily exceeded expectations of 0.4% m/m. However, consumers showed hesitancy to spend these gains, with personal consumption declining by 0.2% m/m. This fell short of expectations for an increase of 0.2%. Friday's reports are consistent with the Conference Board Consumer Confidence survey, which has shown consumer confidence declining each month since hitting a 16-month peak last November.

Equities (price index)		MTD	QTD	YTD	2024
S&P 500	5,954.50	-1.42%	1.24%	1.24%	23.31%
DJIA	43,840.91	-1.58%	3.05%	3.05%	12.88%
NASDAQ	18,847.28	-3.97%	-2.40%	-2.40%	28.64%
Russell 2000	2,163.07	-5.45%	-3.01%	-3.01%	10.02%
MSCI World	3,805.33	-0.81%	2.63%	2.63%	17.00%
MSCI Europe	2,215.04	3.53%	10.59%	10.59%	-0.87%
MSCI EAFE	2,422.66	1.80%	7.11%	7.11%	1.15%
MSCI Asia	183.38	-0.39%	0.96%	0.96%	7.23%
MSCI EM	1,097.25	0.35%	2.02%	2.02%	5.05%
VIX	19.63	3.20	2.28	2.28	4.90

Fixed income (total return index)		MTD	QTD	YTD	2024
Barclays U.S. Agg	2,249.06	2.20%	2.74%	2.74%	1.25%
Inv. grade bonds	3,375.11	2.04%	2.60%	2.60%	2.13%
High yield bonds	2,738.06	0.67%	2.05%	2.05%	8.19%
Leveraged Loans	4,094.50	0.11%	0.80%	0.80%	8.95%

Alternatives (total return index)		MTD	QTD	YTD	2024
FTSE NAREIT	26,414.38	4.16%	5.23%	5.23%	4.92%
REIT Index					
GS Commodity Index	553.58	-1.48%	0.72%	0.72%	2.61%
Alerian MLP Index	2,640.99	3.43%	12.53%	12.53%	24.41%

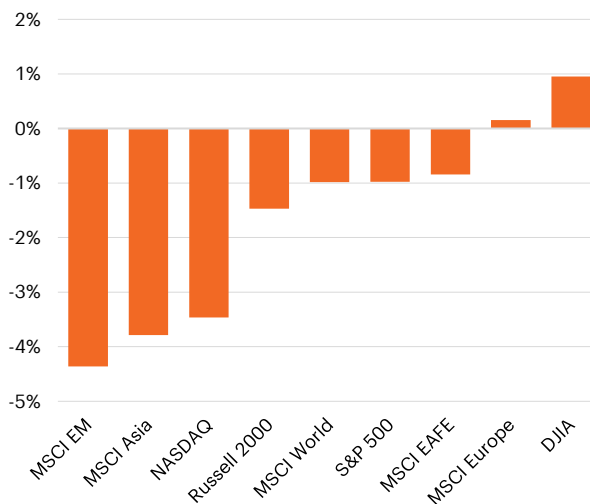
Commodities		MTD	QTD	YTD	2024
WTI Crude	\$69.76	-3.82%	-2.73%	-2.73%	0.10%
Brent Crude	\$73.18	-4.66%	-1.96%	-1.96%	-3.12%
Natural Gas	\$3.83	25.95%	5.53%	5.53%	44.51%
Gold	\$2,849	1.28%	7.86%	7.86%	27.47%

Currency		MTD	QTD	YTD	2024
Dollar Index (DXY)	107.61	-0.70%	-0.80%	-0.80%	7.06%
USDCNY	7.28	0.47%	-0.29%	-0.29%	2.81%
Bitcoin	84,212	-17.53%	-10.14%	-10.14%	120.46%

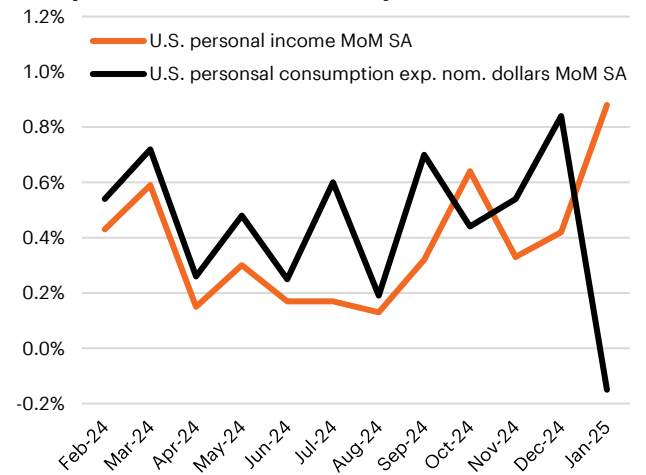
Spreads		MTD	QTD	YTD	2024
Inv. grade bonds	87 bps	8 bps	7 bps	7 bps	-19 bps
High yield bonds	280 bps	19 bps	-7 bps	-7 bps	-36 bps
Leveraged loans	398 bps	5 bps	0 bps	0 bps	-61 bps
Emerging markets	221 bps	13 bps	1 bps	1 bps	-77 bps

Interest rates		MTD	QTD	YTD	2024
Fed Funds Target	4.375%	4.375%	4.375%	4.375%	5.38%
SOFR	4.36%	-2 bps	-13 bps	-13 bps	-89 bps
2-year Treasury	3.99%	-21 bps	-25 bps	-25 bps	-1 bps
10-year Treasury	4.21%	-33 bps	-36 bps	-36 bps	69 bps
30-year Treasury	4.49%	-30 bps	-29 bps	-29 bps	75 bps
Barclays U.S. Agg	4.58%	-27 bps	-32 bps	-32 bps	23 bps
Inv. grade bonds	5.08%	-22 bps	-25 bps	-25 bps	27 bps
High yield bonds	7.15%	-5 bps	-34 bps	-34 bps	-10 bps

**Last week's equity returns**



**U.S. personal income vs. consumption**



Source: Bloomberg Finance, L.P.

## Equities

**S&P 500:** Leading single benchmark of large-cap U.S. equities, representing approximately 500 of the largest U.S. companies. **Dow Jones Industrial Average:** Price-weighted measure of 30 U.S. blue-chip companies. **NASDAQ:** Stock market index of stocks listed on the NASDAQ. Index is heavily weighted toward technology companies. **Russell 2000:** Index measuring performance of approximately 2,000 small-cap U.S. equities. **MSCI World Index:** Broad global equity benchmark including both developed and emerging markets. **MSCI Europe Index:** Equity benchmark that measures the performance of large and mid-cap equities across 15 developed countries in Europe. **MSCI EAFE Index:** Equity benchmark that represents the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East. **MSCI Asia Index:** Equity benchmark that captures large and mid-cap representation across developed market countries and emerging market countries in Asia. **MSCI Emerging Markets Index:** Equity benchmark representing 24 developing or emerging market countries, representing 10% of world market cap. For more info on these MSCI indices, visit MSCI.com. **CBOE Volatility Index (VIX):** Key measure of market expectations of near-term volatility conveyed by S&P 500 stock option price.

## Credit

**Bloomberg Barclays U.S. Aggregate Bond Index:** Broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. **Bloomberg Barclays U.S. Corporate Index:** Measures the USD-denominated, investment-grade, fixed-rate bond market. **Bloomberg Barclays U.S. Corporate High Yield Index:** Measures the USD-denominated, high yield, fixed-rate bond market. **S&P/LSTA U.S. Leveraged Loan Index:** Market value-weighted index designed to measure the performance of the U.S. leveraged loan market.

## Alternatives

**FTSE NAREIT All Equity REITs Index:** Free-float adjusted market cap-weighted index that includes all tax-qualified REITs listed in the NYSE, AMEX, and NASDAQ. **S&P GSCI:** First major investable commodity index. It is one of the most widely recognized benchmarks that is broad-based and production-weighted to represent the global commodity market beta. **Alerian MLP Index:** Leading gauge of energy MLPs, representing about 85% of total industry market cap. **HFRX Global Hedge Fund Index:** Index designed to be representative of the overall composition of the hedge fund universe, comprised of all eligible hedge fund strategies.

## Commodities

**Generic 1st Crude Oil (WTI Crude):** Front-month West Texas Intermediate Crude Oil futures. **Generic 1st Brent Crude Oil (Brent Crude):** Front-month Brent Crude futures. **Generic 1st Natural Gas:** Front-month natural gas futures. **Generic 1st Gold, 100 oz:** Front-month gold (100 oz) futures.

## Currency

**Dollar Spot Index:** Indicates the general international value of the USD by averaging the exchange rates between the USD and major world currencies. **USDCNY:** price of 1 USD in CNY (the Chinese renminbi, or yuan). **Bitcoin:** price of 1 Bitcoin in USD.

## Spreads

**Bloomberg Barclays U.S. Corporate Index:** Measures the USD-denominated, investment grade, fixed-rate, taxable bond market. **Bloomberg Barclays U.S. Corporate High Yield Index:** Measures the USD-denominated, high yield, fixed-rate bond market. **Bloomberg S&P/LSTA U.S. Leveraged Loan Index:** Market value-weighted index designed to measure the performance of the U.S. leveraged loan market. **Barclays EM USD Aggregate Index:** Flagship hard currency emerging market debt benchmark that includes USD-denominated debt from sovereign, quasi-sovereign and corporate EM issuers.

## Interest rates

**Fed funds target:** Target rate for the federal funds policy rate, set by the Federal Reserve each meeting. This rate is an “overnight rate,” i.e., it is the rate charged by depository institutions (banks) to each other for overnight loans. **SOFR:** Secured Overnight Financing Rate (SOFR) measures the cost of borrowing cash overnight collateralized by Treasuries. **ICE 3-Month London Interbank Offered Rate (LIBOR):** Average interest rate at which leading banks borrow funds of a sizable amount from other banks in the London market. LIBOR is the most widely used “benchmark” or reference rate for short-term interest rates. **Treasury rates:** Market yields for U.S. Treasury securities with maturities of 2, 10 and 30 years. **Bloomberg Barclays U.S. Aggregate Bond Index:** Broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. **Bloomberg Barclays U.S. Corporate Index:** Measures the USD-denominated, investment grade, fixed-rate, taxable bond market. **Bloomberg Barclays U.S. Corporate High Yield Index:** Measures the USD-denominated, high yield, fixed-rate bond market.

**Sources:** Bureau of Labor Statistics (BLS), Department of Labor, Bureau of Economic Analysis (BEA), International Monetary Fund (IMF), OECD, Federal Reserve, Institute for Supply Management (ISM), Mortgage Bankers Association (MBA), U.S. Census Bureau, Standard & Poor's, Bank of America Merrill Lynch, Bloomberg, Macrobond.

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