



# Weekly Market Recap

## The week in review

- Job openings declined to 8.5M in Mar.
- Nonfarm payrolls increased 175k in Apr.
- Wages grew 0.2% m/m (3.9% y/y) in Apr.

## The week ahead

- 1Q24 SLOOS
- Prelim. consumer sentiment

## Thought of the week

This week's chart shows labor force participation rates in the U.S., Eurozone, and UK. Each market is continuing to experience tightness with different underlying drivers. Remarkably, the U.S. has added 2.8 million jobs (1.8% growth) in the past year without a reacceleration in wage growth. In April, wages grew 3.9% y/y, the slowest pace since June 2021, and only 0.2% m/m. This is partly due to the strong recovery in participation rates in addition to a surge in immigration. In the Eurozone, the rebound in participation has been equally impressive. However, employment growth has been a less impressive 1.0% over the past year with less help from immigration. Finally, employment growth in the UK has been negative at -0.6%, due to less positive immigration trends and poor participation rates. During the pandemic, many decided they had saved enough to retire early or are experiencing long-term health issues that prevent them from working.

In all three cases, inflation has continued to trend downward despite a tight labor market. While relatively weaker GDP growth in the Eurozone and UK may lead to more near-term policy easing, all three central banks should be able to cut rates by year-end. High for longer rates in the U.S. may prevent a dollar decline in the short run, but it could weaken once the Fed begins cutting rates, bolstering the dollar-denominated return from overseas assets. Consequently, while the April jobs report continues to show a healthy U.S. economy, investors should examine the opportunities that exist today in less buoyant, but also much less expensive, overseas markets.

Please see important disclosures on next page.

## Weekly Data Center

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	5128	0.56	-2.32	7.99	27.32	28.16
Dow Jones 30	38676	1.14	-2.76	3.21	18.20	20.51
Russell 2000	5059	1.71	-4.11	0.85	18.87	-6.83
Russell 1000 Growth	2205	1.02	-1.69	9.54	37.26	31.49
Russell 1000 Value	1052	0.02	-3.36	5.32	17.26	16.58
MSCI EAFE	2309	1.66	-1.05	4.70	11.47	11.27
MSCI EM	1061	2.03	2.32	4.53	12.89	-13.22
NASDAQ	16156	1.44	-1.33	7.85	35.42	19.03

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	5.09	1.17	-1.29	-2.06	-0.66	-9.15
U.S. Corporates	5.52	1.30	-1.26	-1.65	2.27	-7.83
Municipals (10yr)	3.28	0.54	-0.87	-1.41	1.60	-1.86
High Yield	8.05	1.06	0.00	1.47	10.36	5.47

Key Rates	Levels (%)					
	5/3/24	4/26/24	3/28/24	12/29/23	5/3/23	5/3/21
2-yr U.S. Treasuries	4.81	4.96	4.59	4.23	3.89	0.16
10-yr U.S. Treasuries	4.50	4.67	4.20	3.88	3.38	1.63
30-yr U.S. Treasuries	4.66	4.78	4.34	4.03	3.70	2.30
10-yr German Bund	2.51	2.55	2.29	2.00	2.26	-0.22
SOFR	5.31	5.32	5.34	5.38	4.81	0.01
3-mo. EURIBOR	3.83	3.87	3.89	3.91	3.28	-0.54
6-mo. CD rate	2.34	2.33	2.33	2.23	1.89	0.17
30-yr fixed mortgage	7.29	7.29	6.91	6.76	6.50	3.18
Prime Rate	8.50	8.50	8.50	8.50	8.00	3.25

Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
20.18	4.51	1.36	43006	
17.91	4.84	1.83	13595	
22.33	1.91	1.34	2519	
26.61	11.71	0.68	25787	
15.46	2.42	2.15	21058	
14.03	1.83	2.99	16625	
12.30	1.63	2.78	7325	
26.70	6.10	0.73	26198	

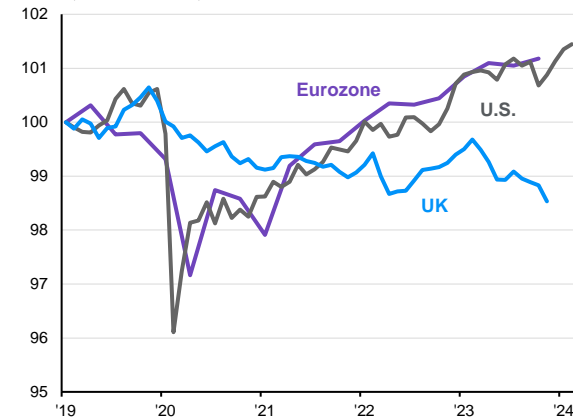
Currencies	Levels		
	5/3/24	12/29/23	5/3/23
\$ per €	1.08	1.10	1.11
\$ per £	1.25	1.27	1.25
¥ per \$	152.89	140.98	135.14

Commod.	Levels		
	5/3/24	12/29/23	5/3/23
Oil (WTI)	78.99	71.89	68.62
Gasoline	3.65	3.12	3.60
Natural Gas	2.04	2.58	2.01
Gold	2294	2078	2014
Silver	26.50	23.79	25.25
Copper	9737	8476	8486
Corn	4.46	4.59	6.33
BBG Idx	236.95	226.43	224.99

## Chart of the Week

### Labor force participation rates in the U.S. and Europe

Indexed, 100 = Jan. 2019, sa



## Style Returns

	V	B	G
L	0.0	0.6	1.0
M	0.6	0.4	-0.2
S	2.1	1.7	1.3
	V	B	G
L	5.3	8.0	9.5
M	4.2	4.3	4.4
S	-0.2	0.9	1.9

## S&P 500 Sector Returns

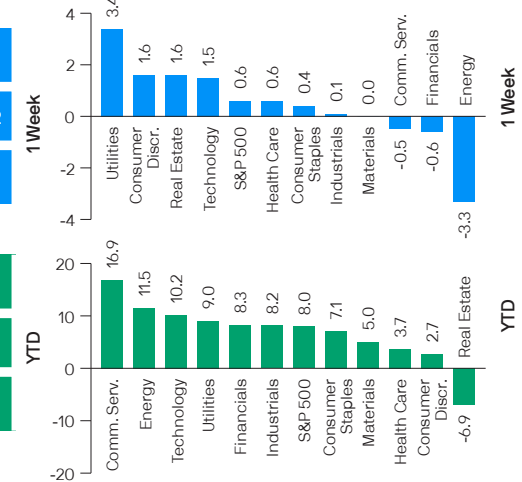




Chart of the Week: Source: FactSet, OECD, ONS, U.S. Department of Labor, J.P. Morgan Asset Management. Participation rates are for people between 16-64 in the UK, 15-64 in the Eurozone, and 18-64 in the U.S.

Thought of the week: Source: FactSet, OECD, ONS, U.S. Department of Labor, J.P. Morgan Asset Management.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.) ; provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI – EAFE; provided by: MSCI – gross official pricing. Index: MSCI – EM; provided by: MSCI – gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Bloomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by

Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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**Diversification does not guarantee investment returns and does not eliminate the risk of loss.**

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