

Market Flash Report

April 2024

Key Takeaways

- **Market News:** April's mixed economic data threw a wrench in the promising start to the year, causing a significant equity sell-off and raising doubts about a soft landing and the timing of rate cuts. In April, positive data on jobs and the manufacturing sector suggested that the Federal Reserve wouldn't be cutting interest rates anytime soon. This caused bond yields to rise and stocks to fall. Additionally, tensions in the Middle East and high CPI numbers caused more uncertainty, leading the VIX (Wall Street's "fear gauge") to hit levels not seen since October. Despite strong earnings from major tech companies, the S&P 500 failed to end the month in positive territory.
- **International Markets:** Chinese equities excelled last month as its economy showed signs of improvement. The MSCI China Index is now up +17% over the last 3 months. The recovery of the Chinese economy was reflected in industrial commodity prices such as copper and iron which were up +14% and +17% in April.
- **Fixed Income:** Bonds continued their suffering as inflation data disappointed and caused interest rates to rise. In April, bond prices fell as 10-year treasury yields rose by 50 basis points. Short-term bonds, which are less interest rate sensitive, outperformed long-term bonds for the month. Junk bonds continued to be the top-performing asset class within fixed income as investors searched for yield.

Index Performance (as of 4/30/2024)

ARIZONA
CALIFORNIA
COLORADO
D.C. METRO AREA
FLORIDA
GEORGIA
MASSACHUSETTS
NEW JERSEY
NEW YORK
PHILADELPHIA METRO AREA
RHODE ISLAND
TEXAS
WASHINGTON
WYOMING
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	April	YTD	One-Year
Equity			
U.S. Large Cap	-4.1%	6.0%	22.7%
U.S. Small Cap	-7.0%	-2.2%	13.3%
Developed Non-U.S.	-2.5%	3.3%	9.8%
Emerging Market	0.5%	2.9%	10.3%
Real Assets			
Real Estate	-7.9%	-9.1%	-0.8%
Commodities	2.7%	4.9%	2.9%
Natural Resource Equities	-0.7%	10.4%	15.6%
Fixed Income			
<u>Core Plus</u>			
U.S. High Yield Debt	-0.9%	0.5%	9.0%
Emerging Market Debt	-2.2%	-4.0%	2.8%
<u>Core Bonds</u>			
U.S. Aggregate Bonds	-2.5%	-3.3%	-1.5%
U.S. Treasuries	-2.3%	-3.3%	-2.8%
U.S. Municipal Bonds	-0.9%	-1.2%	1.6%
Month-End Values/Yield	Current	Prior Month	One-Year
CBOE Volatility Index	15.7	13.0	15.8
10-Year Treasury Yield	4.7%	4.2%	3.4%

Disclosures

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U.S. Large Cap Equity is represented by the S&P 500 Index, with dividends reinvested. U.S. Small Cap Equity is represented by the Russell 2000 Index. Developed Non-U.S. Equity is represented by the MSCI EAFE Index. Emerging Market Equity is represented by the MSCI EM Index. Real Estate is represented by the S&P Global Property Index. Commodities are represented by the Bloomberg Commodity Index. Natural Resource Equities are represented by the S&P North American Natural Resources Index. U.S. High Yield Debt is represented by the Bloomberg Barclays U.S. Corporate High Yield Index. Emerging Market Debt is represented by the JPM GMI-EM Global Diversified Index. U.S. Aggregate Bonds is represented by the Bloomberg Barclays U.S. Aggregate Bond Index. U.S. Treasuries is represented by the Bloomberg Barclays U.S. Treasury Index. U.S. Municipal Bonds is represented by the Bloomberg Barclays Municipal 1-10yr Index.