

Market Flash Report

July 2024

Key Takeaways

- **Market News:** June's unexpectedly cooler inflation data catalyzed a significant market shift, prompting a notable rotation out of mega-cap stocks and into small caps, real estate, and bonds. This transition led to a downturn for both the "Magnificent 7" and Nasdaq in July, while small caps experienced their most robust performance since December 2023. Despite the downturn in tech, the S&P 500 finished the month up +1.2%.
- **Fixed Income:** The inflation report triggered a sharp decline in both long and short-term yields. This downward trend persisted even after a strong Q2 real GDP print, and bolstered by the Federal Reserve's indication that a September rate cut was on the table. Consequently, the bond market rallied throughout the month, with longer-duration bonds outperforming.
- **Commodities:** Oil prices moved lower, primarily due to China's lower-than-expected economic growth and the softening U.S. labor market. This contributed to a broader underperformance in the commodities sector, marking its weakest month since May 2023. In contrast, gold prices continued their upward trajectory, as interest rates declined and the dollar weakened.

Index Performance (as of 7/31/2024)

ARIZONA
CALIFORNIA
COLORADO
D.C. METRO AREA
FLORIDA
GEORGIA
MASSACHUSETTS
NEW JERSEY
NEW YORK
PHILADELPHIA METRO AREA
RHODE ISLAND
TEXAS
WASHINGTON
WYOMING
888-750-PATH (7284)
www.pathstone.com

Equity	July	YTD	One-Year
U.S. Large Cap	1.2%	16.7%	22.1%
U.S. Small Cap	10.2%	12.1%	14.3%
Developed Non-U.S.	2.9%	8.9%	11.8%
Emerging Market	0.4%	8.1%	6.7%
Real Assets			
Real Estate	6.0%	3.5%	8.4%
Commodities	-4.0%	0.9%	-5.2%
Natural Resource Equities	3.6%	13.5%	12.9%
Fixed Income			
<u>Core Plus</u>			
U.S. High Yield Debt	1.9%	4.6%	11.1%
Emerging Market Debt	2.3%	-1.3%	0.8%
<u>Core Bonds</u>			
U.S. Aggregate Bonds	2.3%	1.6%	5.1%
U.S. Treasuries	2.2%	1.3%	4.1%
U.S. Municipal Bonds	0.9%	0.1%	2.9%
Month-End Values/Yield			
CBOE Volatility Index	16.4	12.4	13.6
10-Year Treasury Yield	4.0%	4.4%	4.0%

Disclosures

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