Weekly Market Dashboard: December 20, 2024

Market overview

Stocks Retreat

The major U.S. equity indices finished the week in negative territory, largely driven by declines ranging from 3% to 4% following the FOMC's interest rate decision on Wednesday. Despite a partial recovery on Friday, the Dow, S&P 500, and Nasdaq all closed the week lower, giving back 2.2%, 2.0% and 1.8%, respectively.

Fed Pivot

The Federal Reserve reduced its benchmark interest rate by 0.25% on Wednesday, a cut widely anticipated by investors, bringing the Fed funds target range to 4.25% to 4.50%. However, Fed officials also indicated that they now anticipate only two rate reductions in 2025, a reversal from previous expectations for about four rate cuts next year.

Sticky Inflation

The Federal Reserve's preferred inflation measure, Core PCE, accelerated 0.1% in November and 2.8% on a yearly basis – both readings slightly below forecasts. Notably, November's annual inflation reading was unchanged from the previous month, while its monthly result came in 0.2% lower than in October. Including food and energy, headline PCE rose at a 2.4% annual rate, 0.1% below estimates but higher than 2.3% in October.

Expansionary Trend

The final estimate of third-quarter GDP saw the U.S. economy expand at a 3.1% annual rate, besting forecasts and the 2.8% second estimate recorded last month. This latest reading marked the ninth straight positive quarter for GDP and the eighth quarter above 2% out of the past nine.

Market returns

Index	1 Week	YTD	1 Year	3 Year
S&P 500	-1.97%	26.03%	27.97%	10.80%
Nasdaq	-1.77%	31.30%	33.40%	10.20%
DJIA	-2.23%	15.79%	17.68%	9.23%
Russell 2000	-4.43%	12.07%	14.65%	3.06%
Russell Mid Cap	-3.29%	16.47%	18.88%	5.92%
MSCI EAFE	-3.58%	2.60%	4.08%	2.57%
MSCI EM	-3.12%	7.12%	10.03%	-0.86%
Russell 1000 Value	-2.89%	14.62%	16.91%	7.16%
Russell 1000 Growth	-1.55%	35.25%	36.92%	12.68%
U.S. Agg. Bond	-0.69%	1.27%	1.62%	-2.43%
Domestic 60/40 [1]	-1.76%	14.14%	15.54%	4.46%
Global 60/40 [2]	-1.95%	10.50%	11.84%	3.09%

The week ahead

CB Consumer Confidence (Dec)
(Monday, December 23)

Durable Goods Orders (Nov)
(Tuesday, December 24)

Building Permits (Nov)
(Tuesday, December 24)

New Home Sales (Nov)
(Tuesday, December 24)

Equity style returns

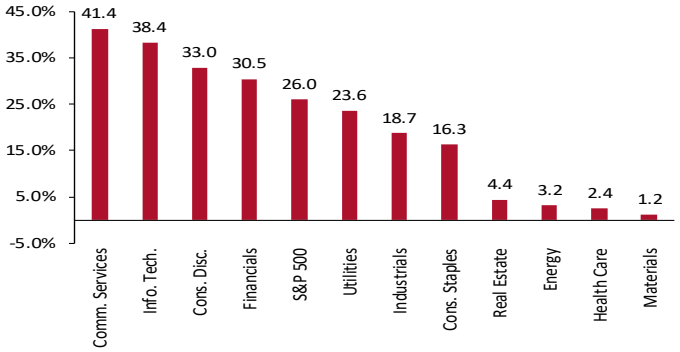
1-Week %

	Value	Core	Growth
Large	-2.89	-1.97	-1.55
Mid	-3.48	-3.29	-2.73
Small	-5.33	-4.43	-3.58

YTD %

	Value	Core	Growth
Large	14.62	26.03	35.25
Mid	13.57	16.47	25.17
Small	7.93	12.07	16.36

YTD equity sector returns



U.S. Treasury yields

Date	2-Yr	5-Yr	10-Yr	30-Yr
12/20/2024	4.30%	4.37%	4.52%	4.72%
11/20/2024	4.31%	4.28%	4.41%	4.59%
12/20/2023	4.34%	3.86%	3.86%	3.98%

See page 2 for complete sources and important disclosures.

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Disclosure

U.S. Treasury Data from U.S. Department of the Treasury. Equity, Index, and Sector returns from Morningstar. Equity Style Returns: Large Core – S&P 500 TR, Large Value – Russell 1000 Value TR, Large Growth – Russell 1000 Growth TR, Mid Core – Russell Midcap Index TR, Mid Value – Russell Midcap Value TR, Mid Growth – Russell Midcap Growth TR, Small Core – Russell 2000 TR, Small Value – Russell 2000 Value TR, Small Growth – Russell 2000 Growth TR, U.S. Agg. Bond – Bloomberg U.S. Aggregate Bond Index. Equity Sector Returns: Utilities – S&P 500 Sec/Utilities TR USD, Cons. Disc. – S&P 500 Sec/Cons Disc TR USD, Cons. Staples – S&P 500 Sec/Cons Staples TR USD, Energy – S&P 500 Sec/Energy TR USD, Financials – S&P 500 Sec/Financials TR USD, Real Estate – S&P 500 Sec/Real Estate TR USD, Health Care – S&P 500 Sec/Health Care TR USD, Industrials – S&P 500 Sec/Industrials TR USD, Info. Tech. – S&P 500 Sec/Information Technology TR USD, Materials – S&P 500 Sec/Materials TR USD, Comm. Services – S&P 500 Sec/Comm. Services TR USD, S&P 500 – S&P 500 TR USD. *P* = Preliminary Release.

[1] Domestic 60/40: 42% S&P 500 TR, 6% Russell 2000 TR, 12% Russell Mid Cap TR, 40% Bloomberg U.S. Aggregate Bond Index.

[2] Global 60/40: 29% S&P 500 TR, 4% Russell 2000 TR, 8% Russell Mid Cap TR, 40% Bloomberg U.S. Aggregate Bond Index, 15% MSCI EAFE NR, 4% MSCI EM NR

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