

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	5.362 (-1.3 bps)	Bond Buyer 40 Yield:	4.35 (1 bps)
6 Mo. T-Bill:	5.291 (-3.2 bps)	Crude Oil Futures:	80.63 (-0.41)
1 Yr. T-Bill:	4.959 (-9.9 bps)	Gold Spot:	2,165.44 (9.54)
2 Yr. T-Note:	4.589 (-13.8 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	4.351 (-15.5 bps)	US High Yield:	7.83 (-10 bps)
5 Yr. T-Note:	4.182 (-14.3 bps)	BB:	6.49 (-17 bps)
10 Yr. T-Note:	4.198 (-10.8 bps)	B:	7.96 (-10 bps)
30 Yr. T-Bond:	4.378 (-5.1 bps)		

Treasury yields fell throughout the week as the Fed stuck to its outlook for rate cuts later this year. Housing starts rebounded in February, increasing by 10.7% to a 1.52 million annual rate, surpassing the expected consensus of 1.44 million. The surge in housing starts was largely influenced by poor weather in January that hindered construction throughout the month. Treasury Yields fell on Wednesday after the Fed left interest rates unchanged for the fifth straight meeting, upgraded their growth forecasts for this year, and signaled they expect three rate cuts in 2024. On Thursday, existing home sales saw the largest increase in a year, rising by 9.5% in February to a 4.38 million annual rate, surpassing the expected consensus of 3.95 million. After two consecutive months of healthy increases, it appears that sales activity has finally bottomed out and is beginning to recover after two years of declines. On the employment front, initial jobless claims for last week remained at historically low levels, coming in at 210k, while the median forecast called for 213k. Major economic reports (related consensus forecasts, prior data) for the upcoming holiday-shortened week include Monday: February New Home Sales (675k, 661k); Tuesday: February Preliminary Durable Goods Orders (1.2%, -6.2%), March Conference Board Consumer Confidence (106.8, 106.7); Wednesday: March 22 MBA Mortgage Applications (N/A, -1.6); Thursday: 4Q T GDP Annualized QoQ (3.2%, 3.2%), March 23 Initial Jobless Claims (213k, 210k), March MNI Chicago PMI (46.0, 44.0), March Final University of Michigan Sentiment (76.5, 76.5); Friday: February Personal Income (0.4%, 1.0%), February Personal Spending (0.5%, 0.2%).

US Equities			
Weekly Index Performance:		Market Indicators:	
The Dow <sup>®</sup> :	39,475.90 (1.97%)	Strong Sectors:	Communication Services, Info Tech, Industrials
S&P 500 <sup>®</sup> :	5,234.18 (2.31%)	Weak Sectors:	Real Estate, Health Care, Materials
S&P MidCap 400 <sup>®</sup> :	2,991.26 (2.32%)	NYSE Advance/Decline:	2,122 / 813
S&P SmallCap 600 <sup>®</sup> :	1,311.59 (1.87%)	NYSE New Highs/New Lows:	590 / 85
Nasdaq Composite <sup>®</sup> :	16,428.82 (2.86%)	AAll Bulls/Bears:	43.2% / 27.2%
Russell 2000 <sup>®</sup> :	2,072.00 (1.61%)		

The S&P 500 Index returned 2.31% last week, marking the best performing week of 2024. Though the index posted small declines the two weeks prior, the index has trended up in 2024 posting positive returns in eight of the twelve trading weeks of the year and is up 10.11% YTD. Equities moved up through the week with the largest jump coming on Wednesday after Federal Reserve Chairman Jerome Powell spoke. Though rates remained unchanged, investors' concerns were reduced by the updated FOMC dot plot which implied that three interest rate cuts for the year were still expected. The Fed began raising rates in early 2022 to aggressively combat inflation that started running up in 2021 in hopes of reducing it to their long-term target. While inflation has come down, the target goal has still not been met and an uptick in the February unemployment data had the Fed Chairman expressing his willingness to cut rates to prevent a deterioration in the jobs market, potentially leaving the economy to endure above optimal inflation for longer. The rate cut expectations helped equities rally and pushed the index higher, posting another all-time closing high on Thursday at 5,241.53. U.S. initial jobless claims of 210K last week were lower than the 213K expected and the previous week's 209K. **Micron Technology Inc.** was the best performer in the S&P 500 Index last week, returning 18.19%. The semiconductor company that produces memory chips saw its stock jump on Thursday's open after announcing beating revenue and earnings estimates. **FedEx Corp** also jumped after positive earnings releases, returning 12.25% last week. The package and freight company beat earnings estimates on slightly lower revenue as initiatives to lower structural costs helped improve profitability. **Lululemon Athletica Inc.** returned -13.28% last week, posting the worst performance in the S&P 500 Index. Though the company reported beating fourth quarter earnings, the stock declined on Friday on lower 2024 guidance which they attributed to the slowing of the US consumer. Earnings announcements expected this week include **Cintas Corp**, **Paychex Inc.**, **Carnival Corp**, **McCormick & Company Inc.**, **Walgreens Boots Alliance Inc.**, **Jefferies Financial Group Inc.**, **RH**, and many more.

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