

Two Minutes With Todd

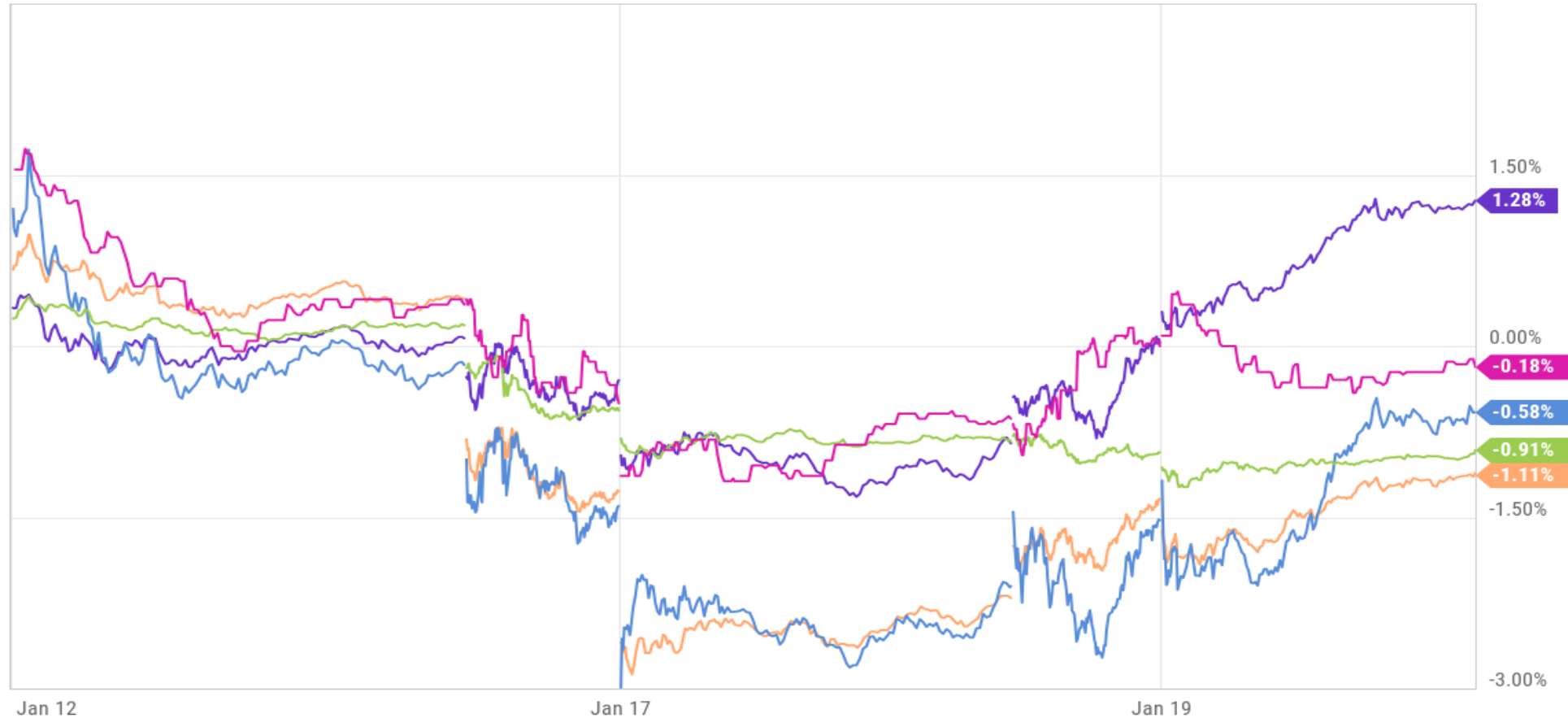
Supporting Charts + Commentary

January 22, 2024

Last Week's Performance



	VAL
SPDR® S&P 500 ETF Trust Price % Change	1.28%
iShares MSCI EAFE ETF Price % Change	-1.11%
iShares Russell 2000 ETF Price % Change	-0.58%
iShares Core US Aggregate Bond ETF Price % Change	-0.91%
Invesco DB Commodity Tracking Price % Change	-0.18%



US Large Stocks

Commodities

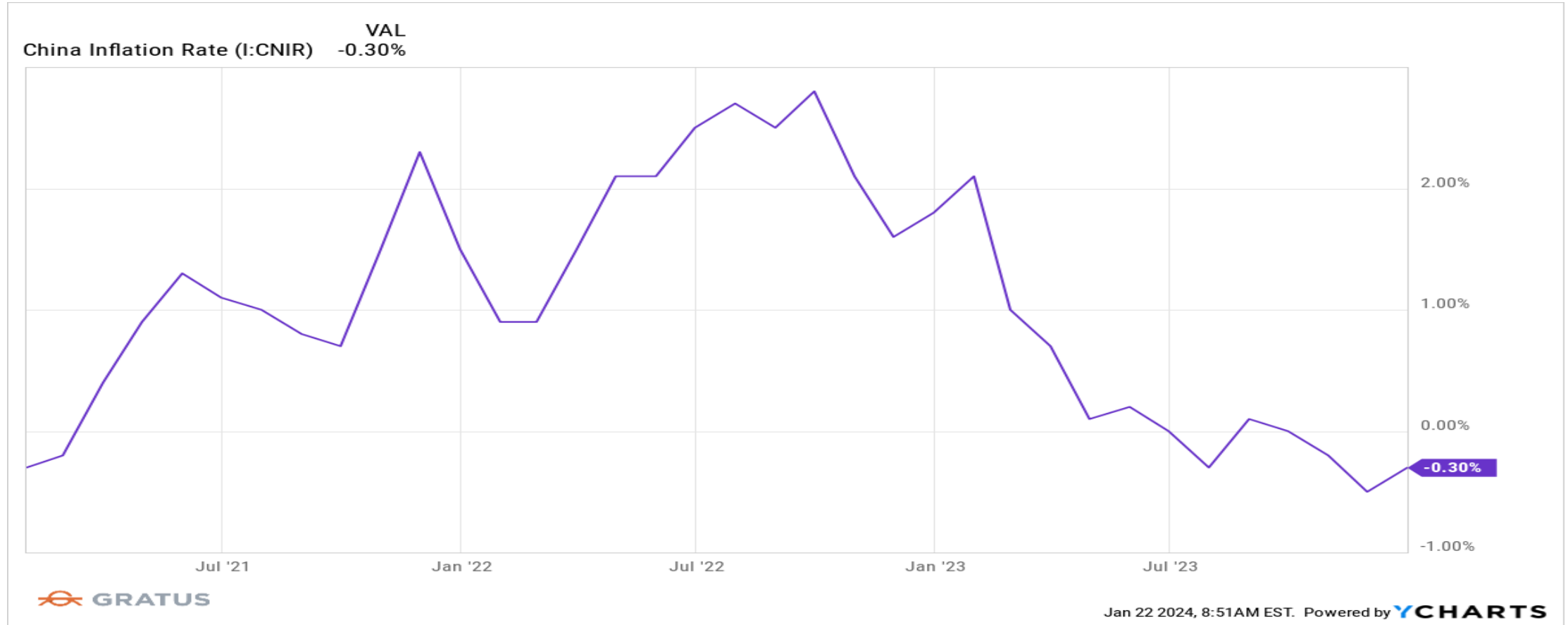
US Small Company Stocks

US Total Mkt Bonds

International Developed Mkt Stocks

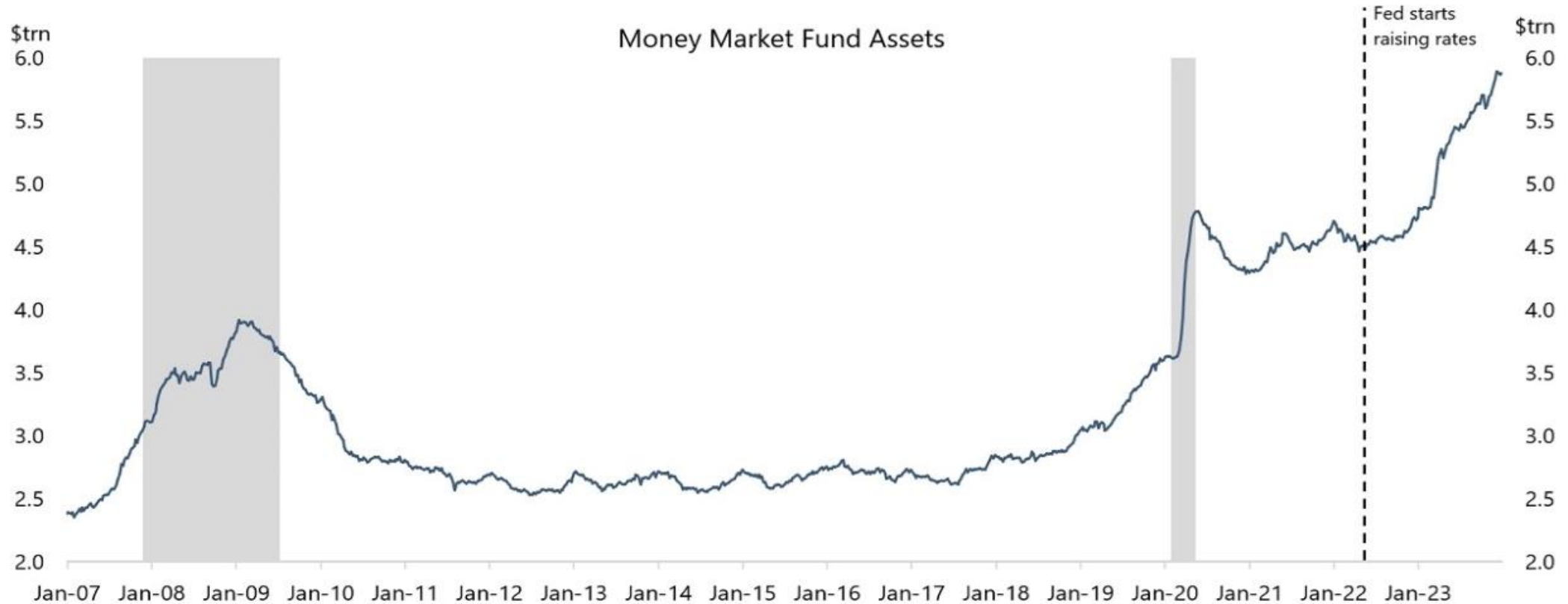


Chart #1: Chinese Deflation



Economic data from China continues to paint an ugly picture for the country. Not only did China report it's second year of population decline, but it's third monthly inflation reading below zero (i.e. deflation). Two observations: (1) Chinese stocks remain uninvestable, and (2) the Chinese situation in 2023 is eerily similar to Japan in 1989. It could take 10+ years for the Chinese economy to fully recover.

Chart #2: Sizable Money Market Holdings



One ray of sunshine for the foreseeable future, is the fact that money market assets have swelled to ~\$6tn. Much of the growth in money market assets has come at the expense of bank deposits given the disparate rates between the two. However, this is a useful reminder that there remains a significant amount of capital on the sidelines that could be used to support financial assets if prices decline.

Appendix

Correction / Recession Indicators



Market Price Indicators		
Commodities Trend (50 Day Moving Average) ¹	Declining	↓
S&P 500 Trend (200 Day Moving Average) ¹	Above	↑
High Yield Credit Spreads (579 bps ave) ²	358	
BBB Credit Spreads (172 bps ave) ²	126	
Yield Curve 10yr - 3M (175 bps ave) ²	-136	
Yield Curve 10yr -2yr ²	-24	
NYSE Advance/Decline Line (month/month) ¹	Advancing	

Economic Indicators		
Continued Unemployment Claims (mln) ²	2,122	
GDP Nowcast (1.5-2.5% ave) ⁵	2.4%	
Case-Schiller HPI (y/y) ⁶	3.9%	
US ISM Manufacturing (>50= expansion) ²	47.4	
US ISM Services (>50= expansion) ²	50.6	
Headline Consumer Price Index (y/y) ²	3.35%	↑
Leading Economic Index (m/m) ²	-0.5%	

Sentiment Indicators		
CNN Fear/Greed Index ³	Greed	
AII % Bulls Sentiment (39% ave) ⁴	40.4%	↑
Volatility Index (13-19 ave) ¹	13.3%	
CBOE Total Put/Call Ratio (range = 0.9 to 1.1) ¹	0.88	
% S&P 500 Above the 200 Day Moving Average (40-60 ave) ¹	70.8%	↑
Total Positive	4 / 19	
Total Negative	10 / 19	

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