



Two Minutes With Todd

Supporting Charts + Commentary

February 5, 2024

Last Week's Performance



	VAL
SPDR® S&P 500 ETF Trust Price % Change	1.42%
iShares MSCI EAFE ETF Price % Change	0.13%
iShares Russell 2000 ETF Price % Change	-0.80%
iShares Core US Aggregate Bond ETF Price % Change	0.40%
Invesco DB Commodity Tracking Price % Change	-3.54%

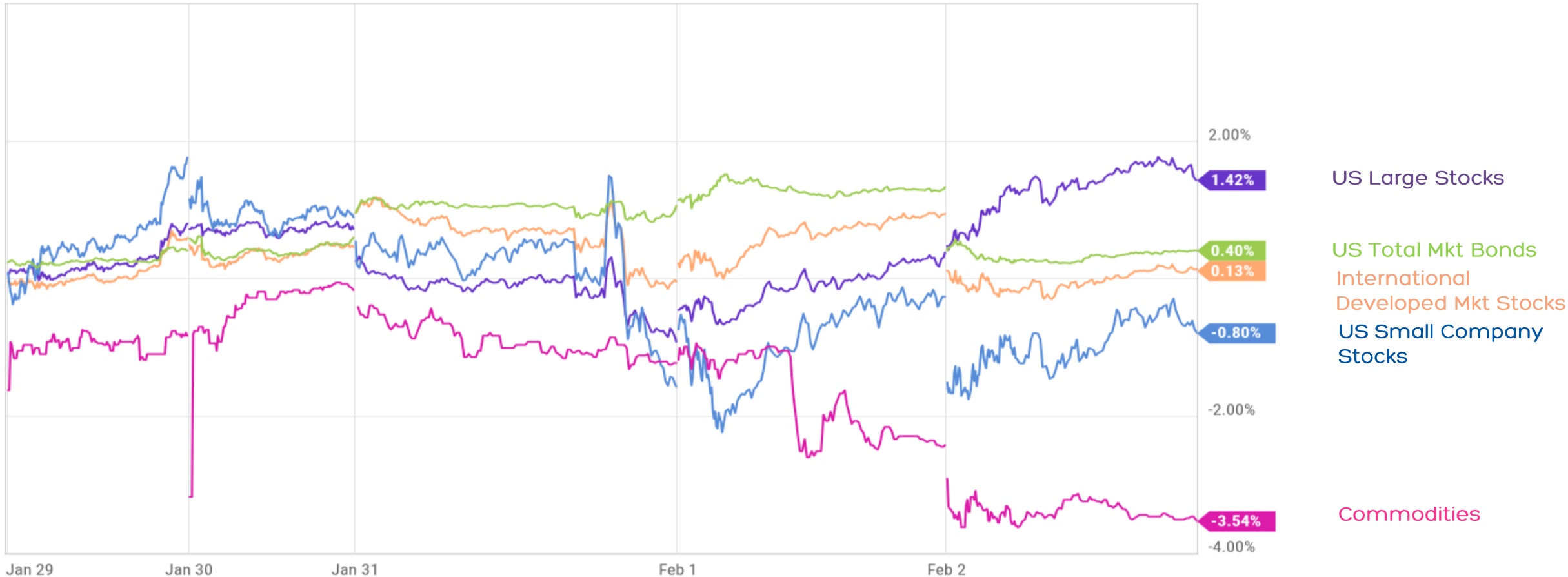


Chart #1: 2000 versus 2024 Market Dynamics



Five largest stocks in March 2000

Company	Ticker	Market cap (\$ bn)	Total return		1999-2001 Sales CAGR		Price/2001E EPS	'01E earnings yield gap 10yr = 6.0%	EV/2001E Sales	3-yr Growth Investment Ratio
			1999	2000	Consensus	Realized				
Microsoft Corp	MSFT	\$557	68 %	(63)%	16 %	10 %	51 x	(407)bp	20 x	31 %
Cisco	CSCO	533	131	(29)	39	11	99	(502)	20	58
General Electric	GE	513	54	(6)	13	8	38	(340)	7	28
Intel	INTC	442	39	(27)	16	(5)	39	(348)	13	36
Exxon Mobil	XOM	271	13	10	NA	10	21	(125)	NA	3
Top 5 aggregate		\$2,316	59 %	(37)%	16 %	8 %	43 x	(370)bp	11 x	26 %
S&P 500 ex. Top 5		10,370	16	(4)	(7)	6	23	(162)	2	34
S&P 500		\$12,686	21 %	(9)%	(7)%	6 %	25 x	(200)bp	3 x	33 %

Magnificent 7 today

Company	Ticker	Market cap (\$ bn)	Total return		Consensus 2023-25E Sales CAGR		Price/2025E EPS	'25E earnings yield gap 10yr = 4.0%	EV/2025E Sales	3-yr Growth Investment Ratio
			2023	YTD	Current					
Microsoft Corp.	MSFT	\$3,056	58 %	9 %	14%		30x	(66)bp	10x	42 %
Apple Inc.	AAPL	2,890	49	(3)	5		25	(9)	7	23
Alphabet Inc.	GOOGL	1,668	58	2	11		18	140	5	53
Amazon.com Inc.	AMZN	1,775	81	13	11		35	(114)	2	159
NVIDIA Corp.	NVDA	1,634	239	34	39		27	(38)	14	59
Meta Platforms Inc.	META	1,054	194	34	12		24	23	5	81
Tesla Inc.	TSLA	597	102	(24)	18		45	(181)	4	52
Magnificent 7		\$12,705	76 %	8 %	12%		27x	(28)bp	6x	60 %
S&P 500 ex. Mag 7		30,992	14	3	4		17	192	2	17
S&P 500		\$43,697	26 %	4 %	5%		19x	128 bp	3x	26 %

Source: FactSet, Goldman Sachs Global Investment Research.

We hear many investors referencing the Magnificent 7 and technology companies of the early 2000s as a warning of what's to come. While we are certainly uncomfortable with the level of index concentration in the top seven companies, the starting point of these companies versus 2000 is very different.

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	356	
BBB Credit Spreads (172 bps ave) ²	128	
Yield Curve 10yr - 3M (175 bps ave) ²	-140	
Yield Curve 10yr -2yr ²	-33	
NYSE Advance/Decline Line (month/month) ¹	Advancing	

Economic Indicators		
Continued Unemployment Claims (mln) ²	2,187	
GDP Nowcast (1.5-2.5% ave) ⁵	4.2%	
Case-Schiller HPI (y/y) ⁶	3.9%	
US ISM Manufacturing (>50= expansion) ²	49.1	
US ISM Services (>50= expansion) ²	50.6	
Headline Consumer Price Index (y/y) ²	3.35%	
Leading Economic Index (m/m) ²	-0.1%	

Sentiment Indicators		
CNN Fear/Greed Index ³	Greed	
AAII % Bulls Sentiment (39% ave) ⁴	49.1%	
Volatility Index (13-19 ave) ¹	14.2%	
CBOE Total Put/Call Ratio (range = 0.9 to 1.1) ¹	1.04	
% S&P 500 Above the 200 Day Moving Average (40-60 ave) ¹	69%	
Total Positive	5 / 19	
Total Negative	9 / 19	

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