

Two Minutes With Todd

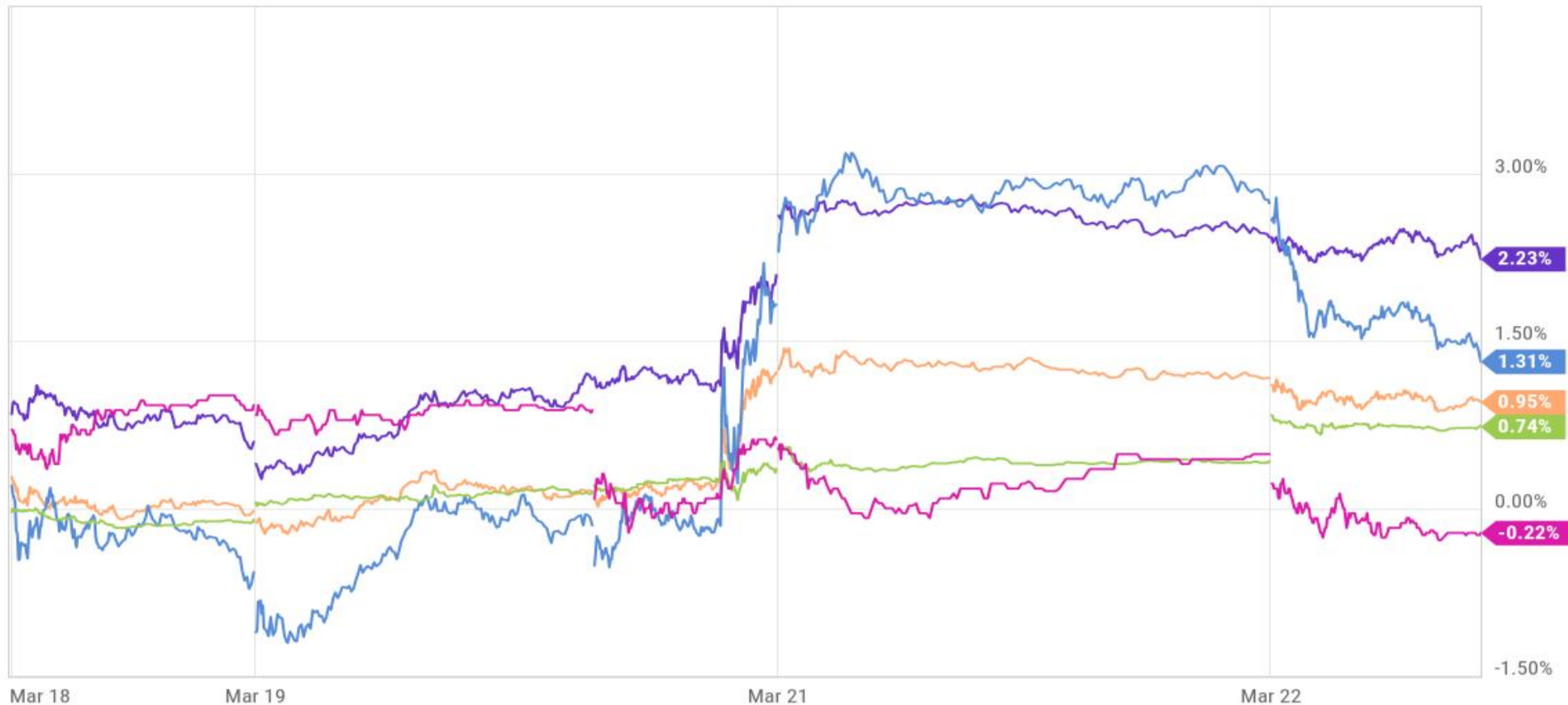
Supporting Charts + Commentary

March 25, 2024

Last Week's Performance



	VAL
SPDR® S&P 500 ETF Trust Price % Change	2.23%
iShares MSCI EAFE ETF Price % Change	0.95%
iShares Russell 2000 ETF Price % Change	1.31%
iShares Core US Aggregate Bond ETF Price % Change	0.74%
Invesco DB Commodity Tracking Price % Change	-0.22%



US Large Stocks

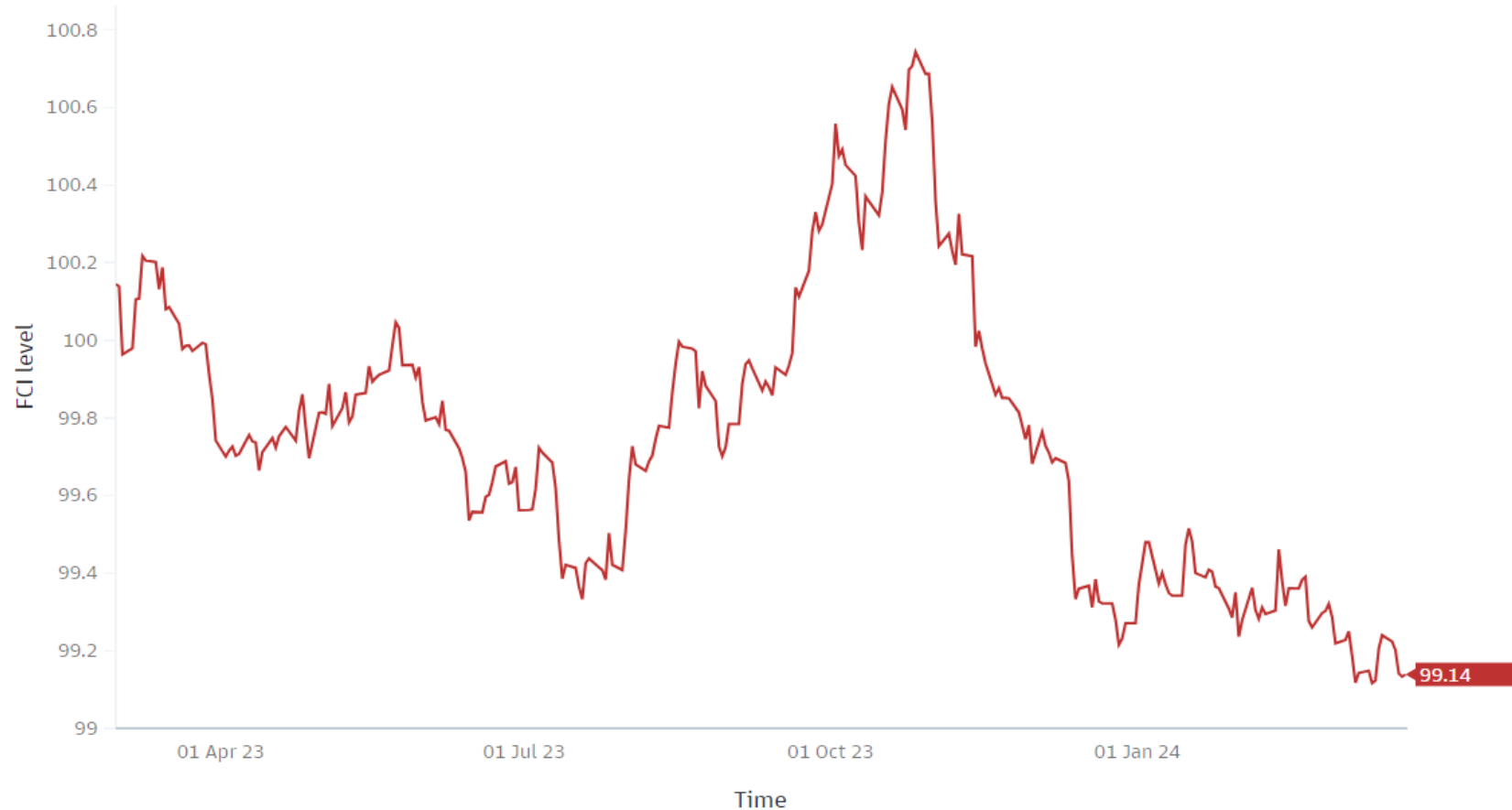
US Small Company Stocks

International Developed Mkt Stocks

US Total Mkt Bonds

Commodities

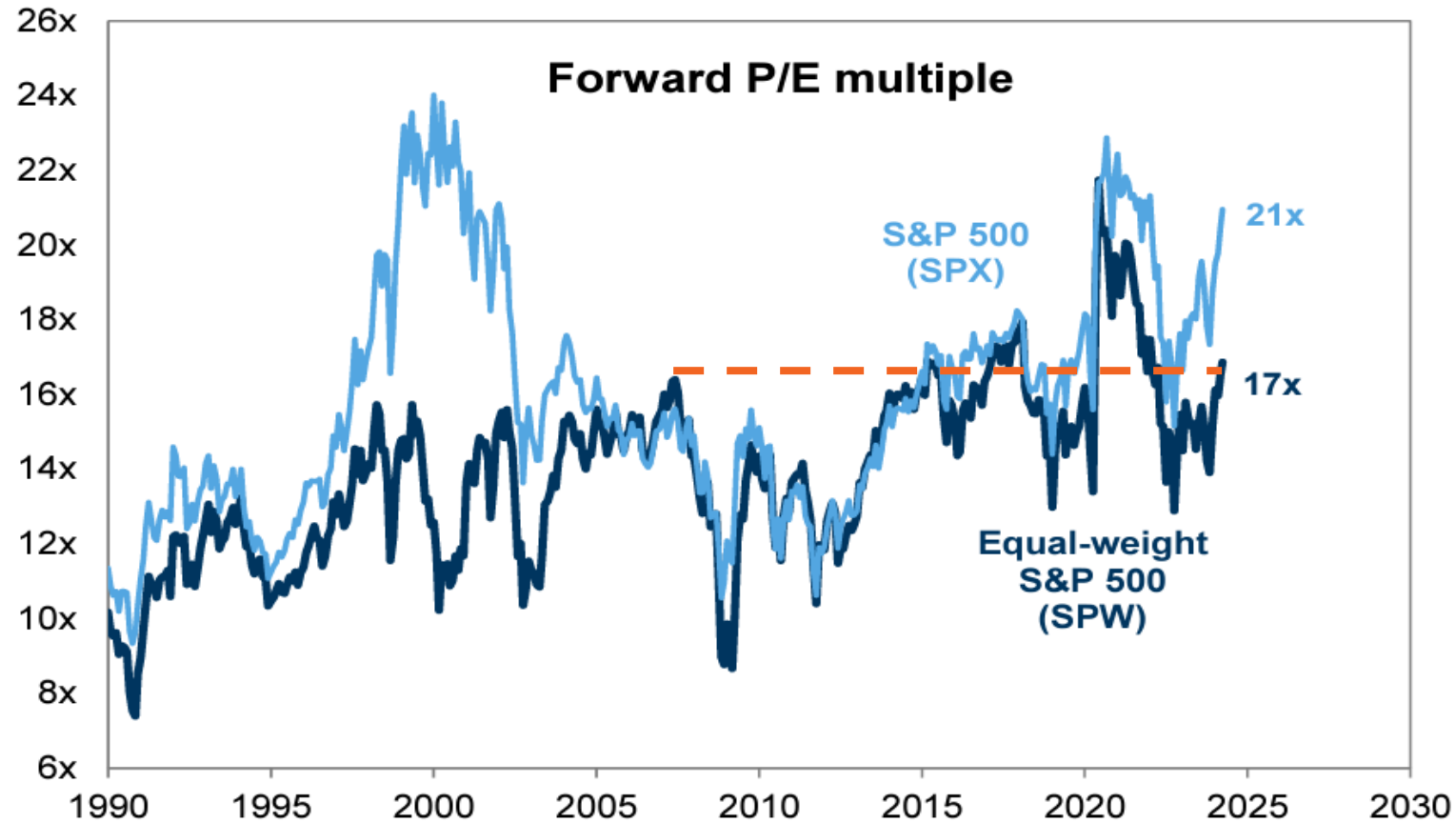
Chart #1: A Look At Financial Conditions



■ Headline FCI

As the chart above shows, financial conditions in the USA have become much looser over the last 6 months. Driving a majority of this “loosening” has been the massive rally in the US stock market that was, in part, driven by interest rate cut *expectations*. With financial conditions increasingly loose, the Federal Reserve will have a hard time justifying rate cuts absent a recession.

Chart #2: Relative Valuation



Source: Goldman Sachs Global Investment Research

Relative valuation is a term describing the price/value of one asset versus another under the idea that if similar assets trade at very different valuations, then the lower price/value asset may be a better opportunity. As the chart above illustrates, the S&P 500 (dominated by the Magnificent 7) trades at a higher valuation than the equal-weighted S&P 500 (which skews toward mid/small companies). To that end, we find midcap companies attractive on relative value terms.

Source: Goldman Sachs as of 3/22/2024

Appendix

Correction / Recession Indicators



Market Price Indicators		
Commodities Trend (50 Day Moving Average) ¹	Advancing	↑
S&P 500 Trend (200 Day Moving Average) ¹	Above	
High Yield Credit Spreads (579 bps ave) ²	305	
BBB Credit Spreads (172 bps ave) ²	114	
Yield Curve 10yr - 3M (175 bps ave) ²	-124	
Yield Curve 10yr -2yr ²	-37	
NYSE Advance/Decline Line (month/month) ¹	Advancing	

Economic Indicators		
Continued Unemployment Claims (mln) ²	2,022	
GDP Nowcast (1.5-2.5% ave) ⁵	2.1%	
Case-Schiller HPI (y/y) ⁶	5.1%	
US ISM Manufacturing (>50= expansion) ²	47.8	
US ISM Services (>50= expansion) ²	52.6	
Headline Consumer Price Index (y/y) ²	3.15%	
Leading Economic Index (m/m) ²	-0.1%	

Sentiment Indicators		
CNN Fear/Greed Index ³	Greed	
AII % Bulls Sentiment (39% ave) ⁴	43.2%	
Volatility Index (13-19 ave) ¹	13.06	
CBOE Total Put/Call Ratio (range = 0.9 to 1.1) ¹	1.29	
% S&P 500 Above the 200 Day Moving Average (40-60 ave) ¹	80%	↑
Total Positive	6 / 19	
Total Negative	8 / 19	

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