



Two Minutes With Todd

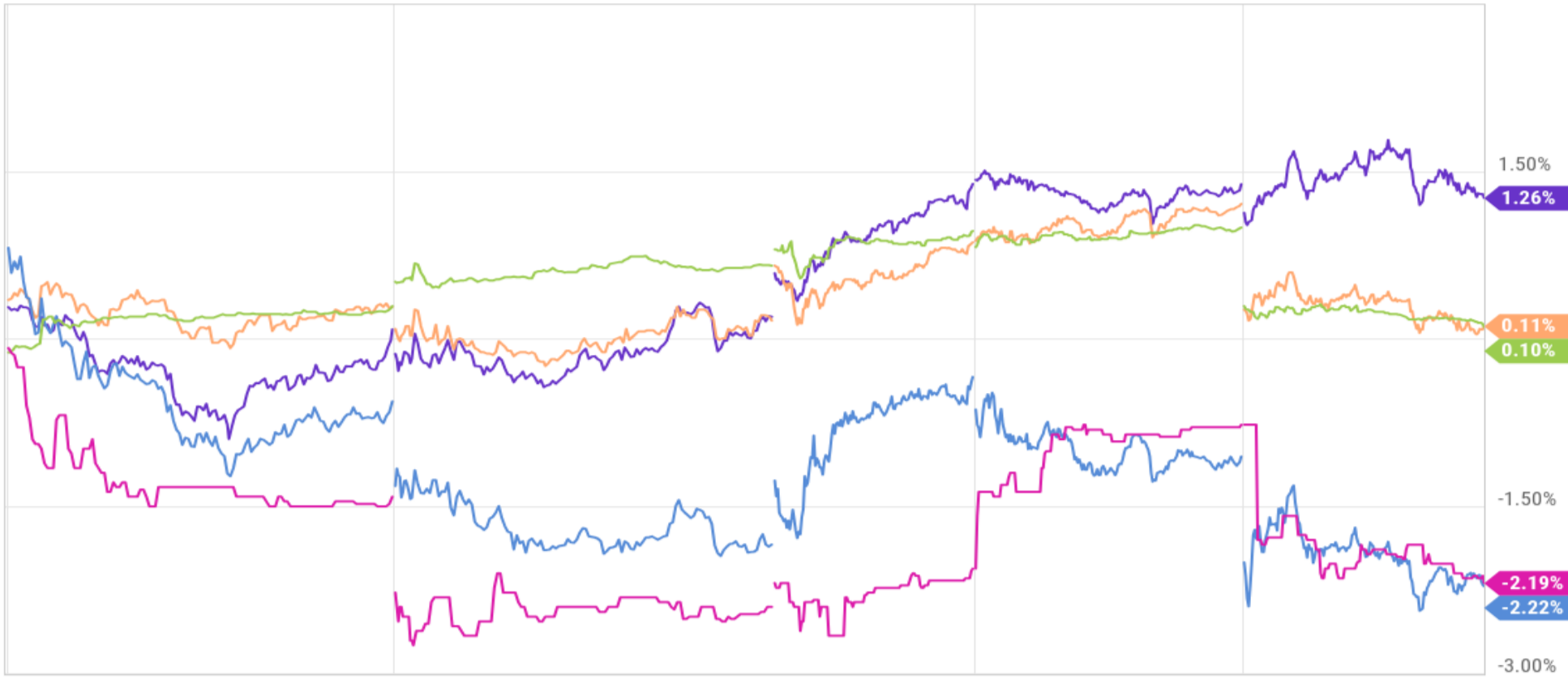
Supporting Charts + Commentary

June 10, 2024

Last Week's Performance



	VAL
SPDR® S&P 500® ETF Trust Price % Change	1.26%
iShares MSCI EAFE ETF Price % Change	0.11%
iShares Russell 2000 ETF Price % Change	-2.22%
iShares Core US Aggregate Bond ETF Price % Change	0.10%
Invesco DB Commodity Tracking Price % Change	-2.19%



US Large Stocks

International
Developed Mkt Stocks

US Total Mkt Bonds

Commodities
US Small Company
Stocks

Jun 3

Jun 4

Jun 6

Jun 7

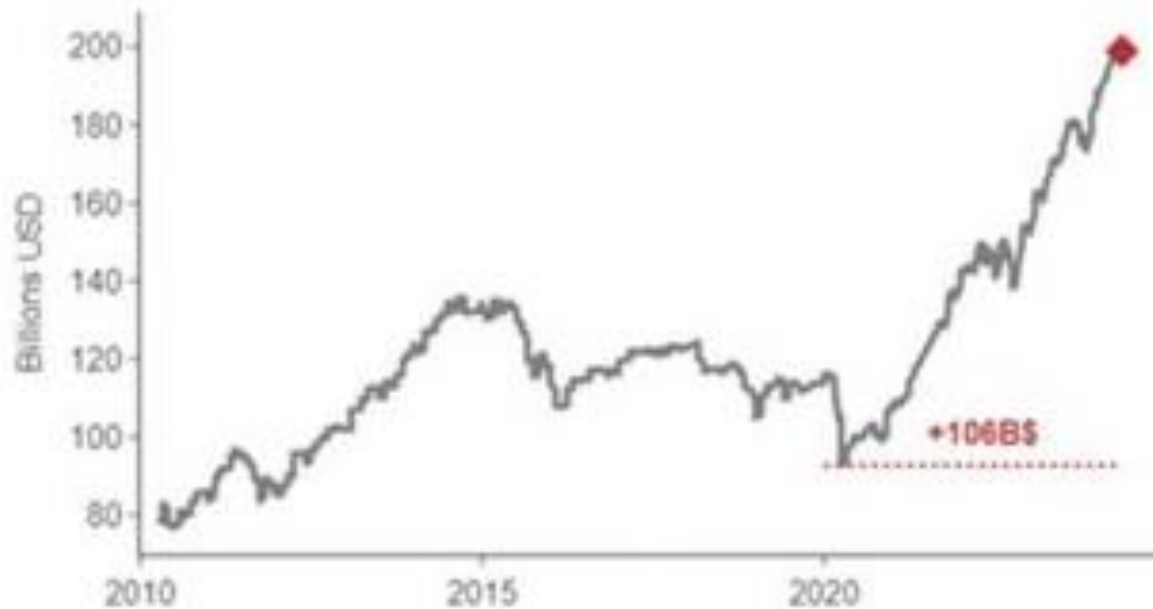


Chart #1: The Low Volatility Puzzle



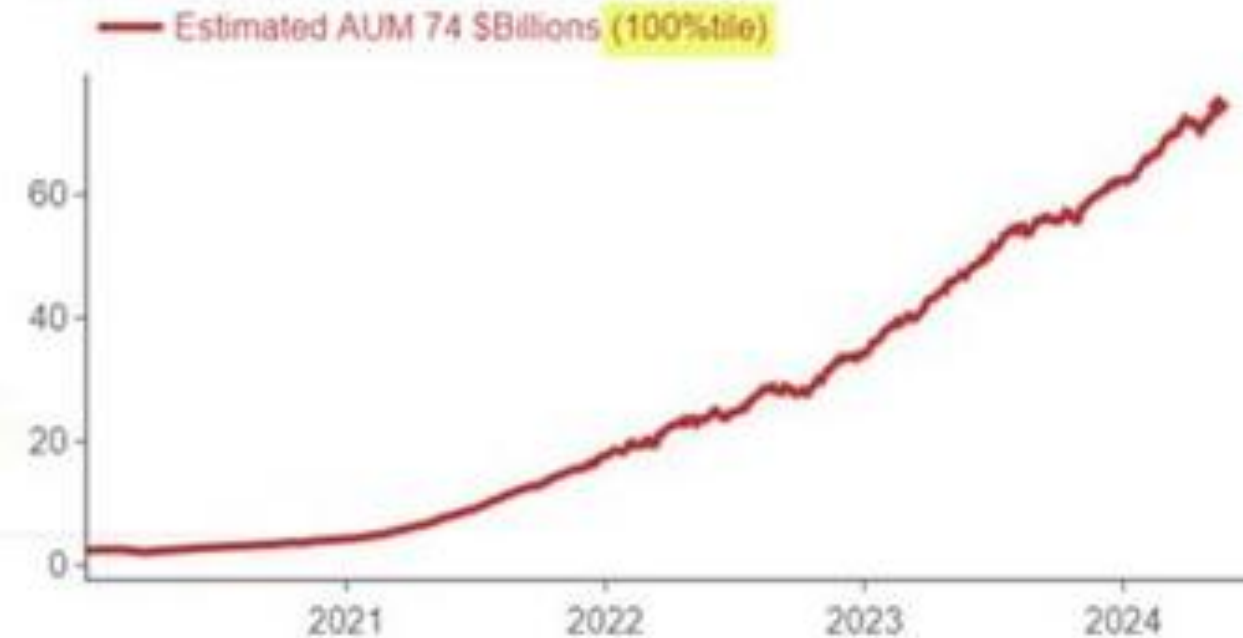
Derivatives/Income Fund AUM Growth: Current AUM 199B

Since 2010, Billions USD



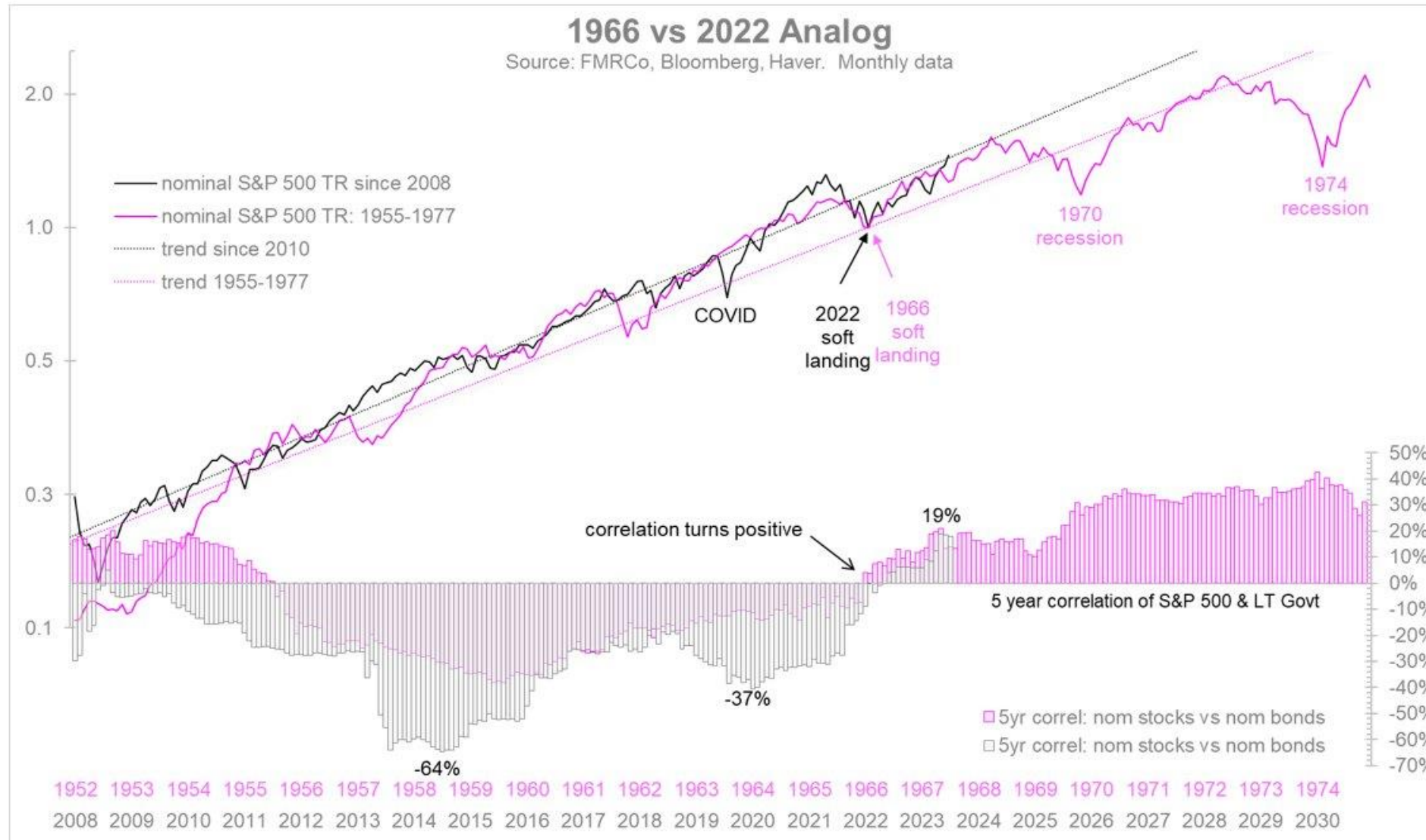
ETFs with Embedded Options Selling Strategies

Estimated AUM Since 2020



Recently, we have heard questions from clients asking why the overall level of volatility in the S&P 500 is so low when single stock volatility (e.g. Salesforce last week) remains elevated. The simplest answer we can produce relates to the recent proliferation of products that now use options and derivatives. As you can see from the chart above left, since 2020 derivative fund AUM has grown \$106bln. This comes as derivative fund AUM remained stable from 2010 to 2020. This new dynamic highlights one of the ways we believe market structure has changed post-Covid.

Chart #2: Is History Rhyming?



Data source: FMRCo, Bloomberg, Haver Analytics, FactSet. Data as of 05/12/2024. Past performance is no guarantee of future results.



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	320	
BBB Credit Spreads (172 bps ave) ²	113	
Yield Curve 10yr - 3M (175 bps ave) ²	-109	
Yield Curve 10yr -2yr ²	-44	
NYSE Advance/Decline Line (month/month) ¹	Advancing	

Economic Indicators		
Continued Unemployment Claims (mln) ²	1,672	
GDP Nowcast (1.5-2.5% ave) ⁵	3.1%	
Case-Schiller 20 Mkt HPI (y/y) ⁶	7.37%	
US ISM Manufacturing (>50= expansion) ²	48.7	
US ISM Services (>50= expansion) ²	53.8	
Headline Consumer Price Index (y/y) ²	3.36%	
Leading Economic Index (m/m) ²	-0.6%	

Sentiment Indicators		
CNN Fear/Greed Index ³	Neutral	
AII % Bulls Sentiment (39% ave) ⁴	39.0%	
Volatility Index (13-19 ave) ¹	13.1	
CBOE Total Put/Call Ratio (range = 0.9 to 1.1) ¹	0.85	
% S&P 500 Above the 200 Day Moving Average (40-60 ave) ¹	67%	
Total Positive	5 / 19	
Total Negative	8 / 19	

Disclosure



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