



Two Minutes With Todd

Supporting Charts + Commentary

July 1, 2024

Last Week's Performance



	VAL
SPDR® S&P 500® ETF Trust Price % Change	-0.05%
iShares MSCI EAFE ETF Price % Change	0.49%
iShares Russell 2000 ETF Price % Change	1.27%
iShares Core US Aggregate Bond ETF Price % Change	-0.71%
Invesco DB Commodity Tracking Price % Change	0.13%



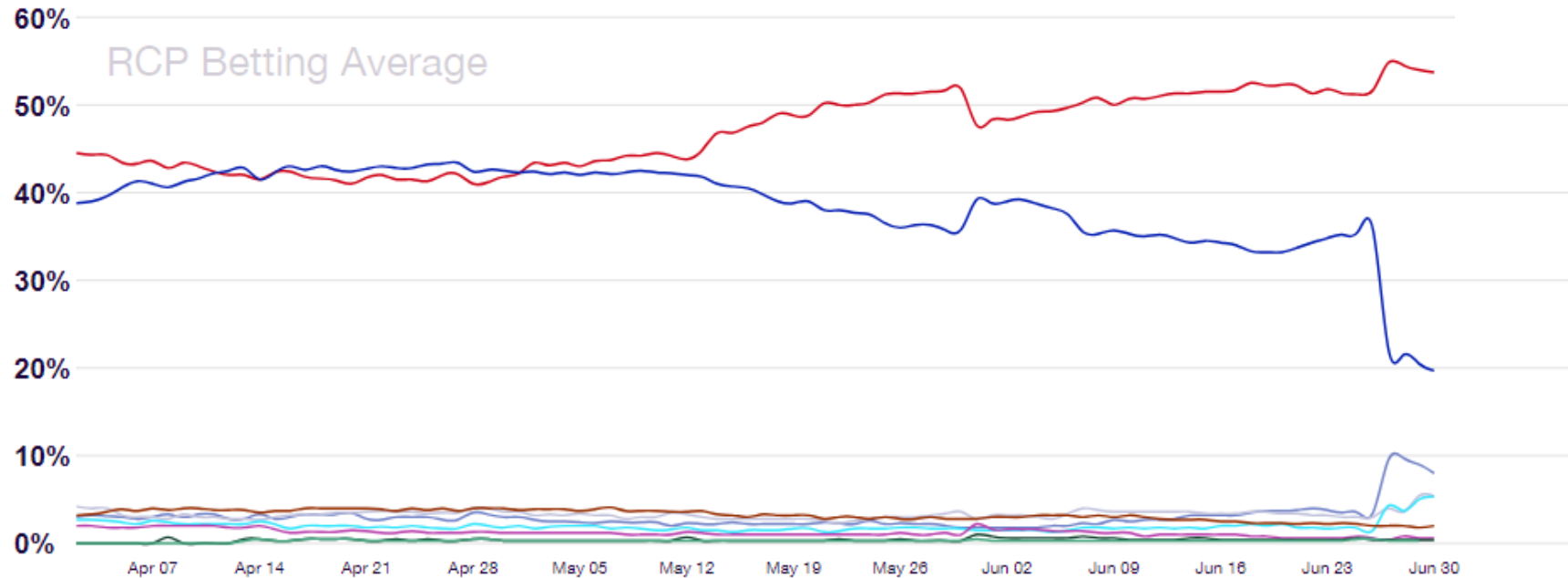
Chart #1: US Election....Turbulence Ahead



RealClearPolitics Betting Average

53.7	Trump	19.7	Biden	8.0	Newsom	5.4	Obama
5.3	Harris	2.0	Kennedy	0.6	Haley	0.4	DeSantis

2024 U.S. President



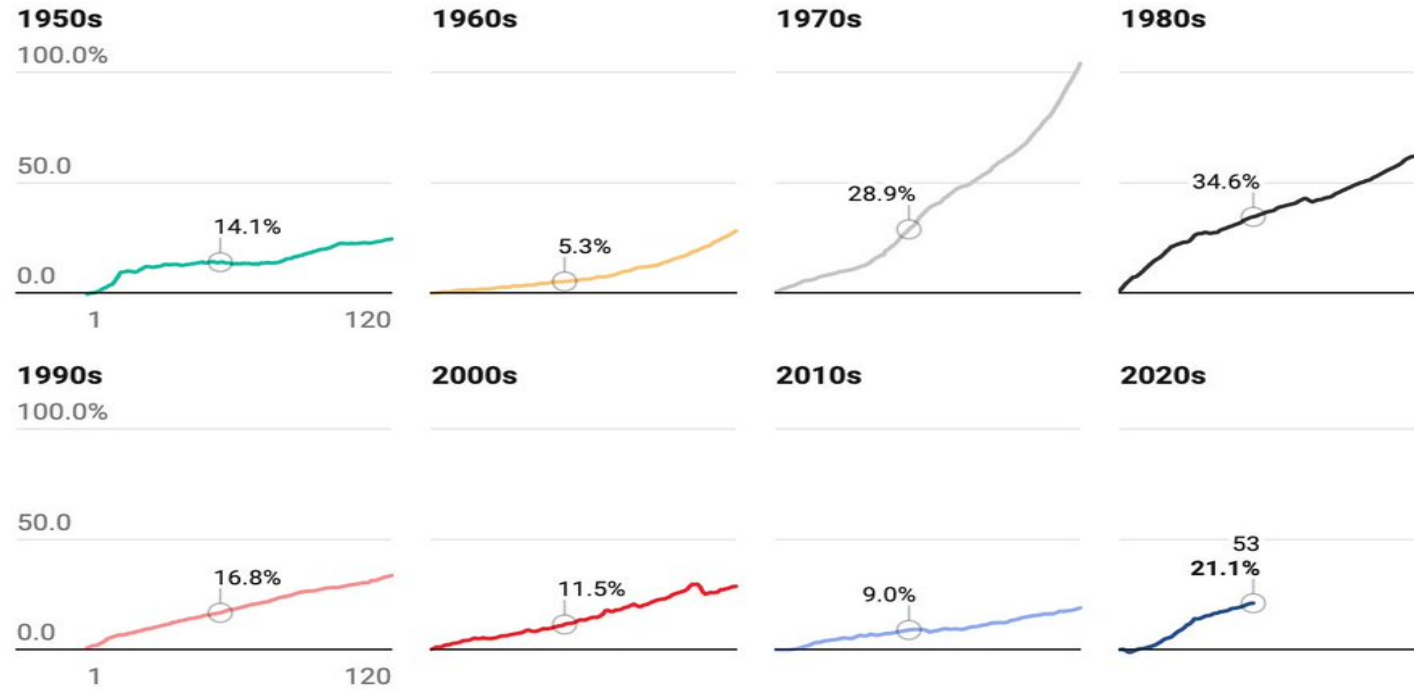
For those who watched the first US Presidential debate, it is clear that the Democrats have a decision to make soon. Either they press forward with incumbent Joe Biden or look to replace him and run another candidate. Post-debate, betting markets (above) have adjusted expectations as well and now show Gavin Newsom rising as a potential outcome. More to unfold in the weeks ahead but this decision will likely be accompanied with some market volatility.

Chart #2: Inflation's Continued Deceleration But....



Inflation by decade

Through the first 53 months of the 2020s decade, the Consumer Price Index is up 21.1%



X-axis represents months into the decade

Chart: Lance Lambert • Source: U.S. Bureau of Labor Statistics' Consumer Price Index for all urban consumers • Created with [Datawrapper](#)



As a follow up to the Bureau of Labor and Statistics (BLS) May Consumer Price Index (CPI), which showed another modest tick lower in the headline inflation rate from 3.3% to 3.2%, we still have concerns that long-run inflation could be problematic. As seen in the chart above, the 2020's are already hitting a trajectory similar to the 1970s and 1980s. While equity markets have largely ignored inflation to this point, there is a risk that valuations wake up and re-rate lower.

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	321	
BBB Credit Spreads (172 bps ave) ²	118	
Yield Curve 10yr - 3M (175 bps ave) ²	-112	
Yield Curve 10yr -2yr ²	-35	
NYSE Advance/Decline Line (month/month) ¹	Declining	

Economic Indicators		
Continued Unemployment Claims (mln) ²	1,754	
GDP Nowcast (1.5-2.5% ave) ⁵	2.2%	
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	3.27%	↓
Leading Economic Index (m/m) ²	-0.6%	

Sentiment Indicators		
CNN Fear/Greed Index ³	Fear	
AII % Bulls Sentiment (39% ave) ⁴	44.5%	
Volatility Index (13-19 ave) ¹	12.4	
CBOE Total Put/Call Ratio (range = 0.9 to 1.1) ¹	0.89	
% S&P 500 Above the 200 Day Moving Average (40-60 ave) ¹	69.6%	
Total Positive	4 / 19	
Total Negative	10 / 19	

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