



Two Minutes With Todd

Supporting Charts + Commentary

August 5, 2024

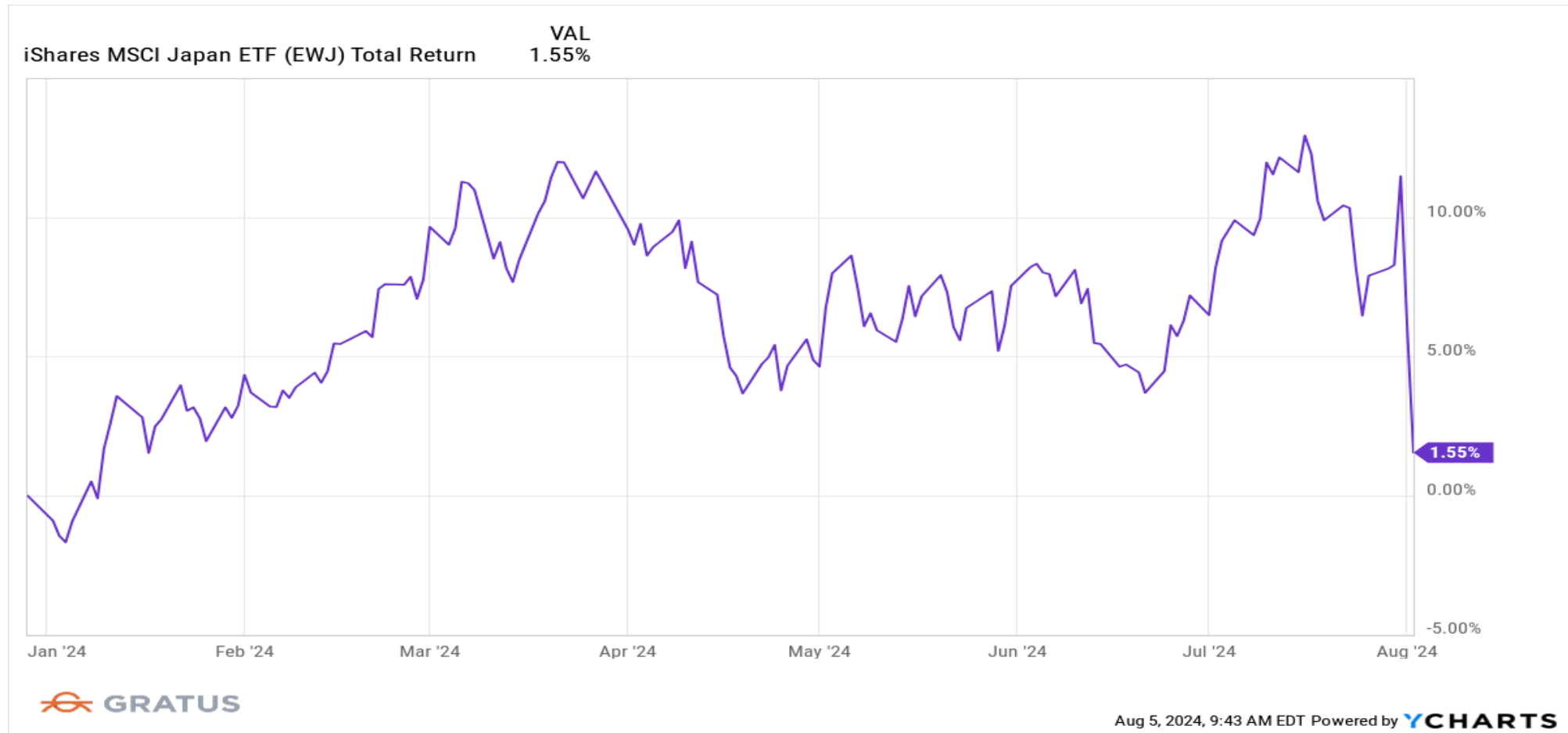
Last Week's Performance



	VAL
SPDR® S&P 500® ETF Trust Price % Change	-2.12%
iShares MSCI EAFE ETF Price % Change	-3.03%
iShares Russell 2000 ETF Price % Change	-6.82%
iShares Core US Aggregate Bond ETF Price % Change	2.04%
Invesco DB Commodity Tracking Price % Change	-1.53%

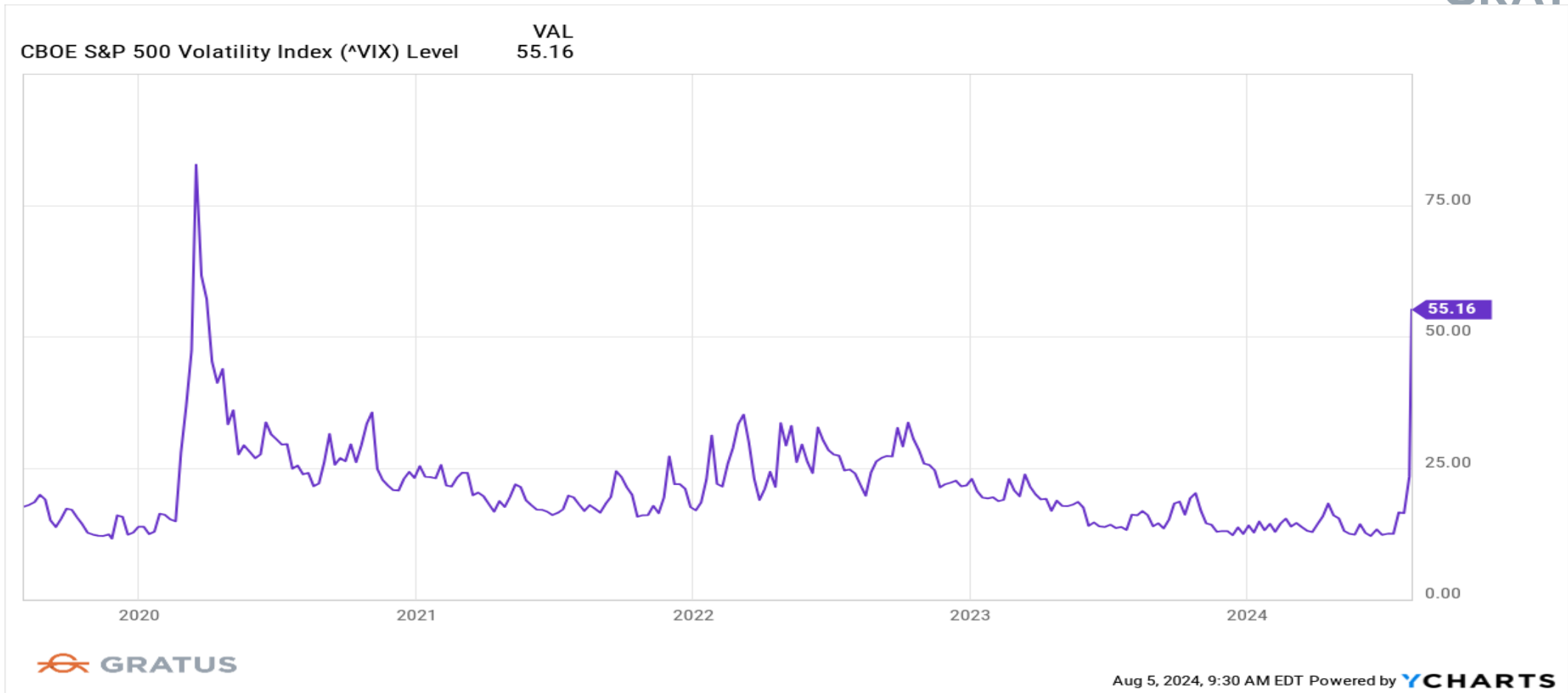


Chart #1: Turbulence From Asia Begets Global Volatility



What started last Thursday as tremors in Japanese interest rates and currency has now evolved into outright liquidation across global stock markets. The speed and severity of the selling would seem to point to margin calls and forced selling versus a fundamental factor. As we pointed out in TMWT publications in July, this type of price activity is likely more the norm in the future versus lower volatility markets as global central bank accommodation reverses.

Chart #2: Summer Slowdown Is Heating Up



Equity market anxiety is rising as proxied by the S&P Volatility Index (VIX), seen above. Spikes in volatility of the current magnitude were last seen during the pandemic era and are typically accompanied by significant drawdowns in stocks. One note, however, is historically these levels in the VIX index don't last too long. Bouts of market volatility like the current environment should be looked at more as opportunities to add to new/existing positions versus wholesale selling.

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	335	
BBB Credit Spreads (172 bps ave) ²	123	
Yield Curve 10yr - 3M (175 bps ave) ²	-149	
Yield Curve 10yr -2yr ²	-8	
NYSE Advance/Decline Line (month/month) ¹	Advancing	

Economic Indicators		
Continued Unemployment Claims (mln) ²	1,942	
GDP Nowcast (1.5-2.5% ave) ⁵	2.5%	
Case-Schiller 20 Mkt HPI (y/y) ⁶	6.74%	
US ISM Manufacturing (>50= expansion) ²	46.8	
US ISM Services (>50= expansion) ²	48.8	
Headline Consumer Price Index (y/y) ²	3.27%	
Leading Economic Index (m/m) ²	-0.5%	

Sentiment Indicators		
CNN Fear/Greed Index ³	Fear	
AII % Bulls Sentiment (39% ave) ⁴	44.9%	
Volatility Index (13-19 ave) ¹	56.9	
CBOE Total Put/Call Ratio (range = 0.9 to 1.1) ¹	1.16	
% S&P 500 Above the 200 Day Moving Average (40-60 ave) ¹	69%	
Total Positive	7 / 19	
Total Negative	8 / 19	

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