Good Friday caps off a good quarter for stocks.

The economy

- The U.S. stock market saw mixed performance for the week ending March 29. Investors' optimism that the Federal Reserve (Fed) remained on track to cut interest rates this year partially offset signs of more tentative consumer confidence in the U.S. economy. Two of the three major U.S. equity market indices gained ground for the week, while the tech-heavy Nasdaq Composite Index recorded a negative return. The broad-market S&P 500 Index ended the first quarter with its strongest start to a calendar year since 2019. The U.S. stock and bond markets were closed at the end of the week in observance of the Good Friday holiday.
- The Conference Board's Consumer Confidence Index® came in at 104.7 in March, virtually unchanged from the previous month. However, the index fell short of market expectations and the 104.8 reading for February was revised downward from 106.7. Nonetheless, the index remained in positive territory; a reading above 100 signals a boost in consumer confidence regarding the future economic situation. The Expectations Index, an indicator of consumers' short-term outlook for income, business, and labor market conditions, slipped 2.5 points to 73.8 in March. A reading below 80 suggests that consumers believe that there will be a recession in the U.S. over the next 12 months. The Present Situation Index, which reflects consumers' views of current conditions in the business and labor markets, was up 3.4 points to 151.0 in March.
- The Department of Commerce reported that the personal-consumption-expenditures (PCE) price index advanced 0.3% in February—down slightly from the 0.4% rise in January. The index posted an annual increase of 2.5%, up marginally from January's 2.4% increase. The PCE price index is the Federal Reserve's preferred gauge of inflation, as it tracks the change in prices that consumers pay for a more comprehensive set of goods and services than that of the consumer-price index (CPI). Food prices increased 0.1% and 1.3% in February and year-over-year, respectively. Prices for energy goods and services rose 1.3% in February, but decreased 2.3% over the previous 12 months. The core PCE price index, which excludes volatile food and energy costs, rose 0.3% in February, and the year-over-year advance of 2.8% was unchanged from the 2.8% annual upturn in January.
- According to the third estimate from the Department of Commerce, U.S. gross domestic product (GDP) grew at an annualized rate of 3.4% in the fourth quarter of 2023, slightly higher than the second estimate of 3.2% but down from the 4.9% rise in the third quarter. The U.S. economy expanded by 2.5% for the 2023 calendar year, topping 2022's 1.9% annual rise, bolstered mainly by increases in consumer spending—which comprises more than two-thirds of U.S. GDP—and nonresidential fixed investment (purchases of both nonresidential structures and equipment and software). The largest contributors to GDP growth for the fourth quarter included consumer spending, state and local government spending, and exports. The government attributed the lower economic growth rate in the fourth quarter relative to the previous three-month period primarily to slowdowns in private inventory investment (a measure of the changes in values of inventories from one time period to the next) and federal government spending.
- The Census Bureau announced that new orders for durable goods increased by a greater-than-expected rate of 1.4% to $277.9 billion in February, following a 6.9% decline in January. Durable goods orders data provide a gauge of the status of the supply chain and the level of confidence that businesses and consumers have in the U.S. economy. The upturn in February was due mainly to a 24.6% increase in orders for transportation equipment—particularly nondefense aircraft and parts. Excluding transportation equipment, new orders rose 0.5% in February. New orders for defense capital goods (including arms and ordnance, aircraft, missiles, and space vehicles and parts) and communications equipment fell 24.2% and 1.7%, respectively, in February.

Stocks

- Global equities garnered positive returns during the week. Emerging markets outperformed developed markets.
- U.S. equities were mixed for the week. Utilities and real estate were the top-performing sectors, while information technology and communication services lagged. Value stocks led growth, while small caps outperformed large caps.

Bonds

- The 10-year U.S. Treasury note yield was unchanged at 4.20% for the week.
- Global bond markets gained ground for the week.
- Government bonds led the markets, followed by corporate bonds and high-yield bonds.

The Numbers as of March 29, 2024	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI ($)	0.2%	7.7%	22.4%	783.2
MSCI EAFE ($)	-0.2%	4.9%	12.6%	2346.8
MSCI Emerging Mkts ($)	0.1%	1.6%	5.5%	1040.4
US & Canadian Equities				
Dow Jones Industrials ($)	0.8%	5.6%	21.1%	39807.4
S&P 500 ($)	0.4%	10.2%	29.7%	5254.4
NASDAQ ($)	-0.3%	9.1%	36.3%	16379.5
S&P/ TSX Composite (C$)	0.8%	5.8%	11.2%	22167.0
UK & European Equities				
FTSE All-Share (£)	0.4%	2.5%	4.5%	4338.1
MSCI Europe ex UK (€)	0.6%	9.0%	13.6%	1836.6
Asian Equities				
Topix (¥)	-1.6%	17.0%	39.6%	2768.6
Hong Kong Hang Seng ($)	0.3%	-3.0%	-18.6%	16541.4
MSCI Asia Pac. Ex-Japan ($)	0.2%	1.3%	2.9%	535.9
Latin American Equities				
MSCI EMF Latin America ($)	1.0%	-4.8%	15.0%	2534.7
Mexican Bolsa (peso)	1.3%	0.0%	5.8%	57369.0
Brazilian Bovespa (real)	0.8%	-4.5%	23.5%	128106.1
Commodities ($)				
West Texas Intermediate Spot	2.6%	16.1%	11.8%	83.2
Gold Spot Price	3.3%	7.9%	12.4%	2229.9
Global Bond Indices ($)				
Bloomberg Global Aggregate ($)	0.2%	-2.1%	0.6%	461.6
JPMorgan Emerging Mkt Bond	0.1%	1.4%	9.9%	860.4
10-Year Yield Change (basis points*)				
US Treasury	0	32	65	4.20%
UK Gilt	0	40	42	3.93%
German Bund	-2	28	-7	2.30%
Japan Govt Bond	-1	11	39	0.73%
Canada Govt Bond	3	36	53	3.47%
Currency Returns**				
US$ per euro	-0.2%	-2.3%	-1.1%	1.079
Yen per US$	0.0%	7.3%	14.1%	151.35
US$ per £	0.1%	-0.9%	1.9%	1.262
C$ per US$	-0.4%	2.3%	0.2%	1.355

Source: Bloomberg. Equity-index returns are price only, others are total returns.

*100 basis points = 1 percentage point.

**Increases in U.S. dollars (USD) per euro or pound indicate a decline in the value of the USD; increases in yen or Canadian dollars per USD indicate an increase in the value of the USD.

Important information

Index returns are for illustrative purposes only and do not represent actual investment performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged, and one cannot invest directly in an index. Past performance does not guarantee future results.

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