US Equity	Jul-24	YTD	Last 12m
S&P 500	1.2%	16.7%	22.1%
Russell 1000	1.5%	15.9%	21.5%
Russell 1000 Value	5.1%	12.1%	14.8%
Russell 1000 Growth	-1.7%	18.6%	26.9%
Russell 2000	10.2%	12.1%	14.3%
Russell 2000 Value	12.2%	11.2%	15.7%
Russell 2000 Growth	8.2%	13.0%	12.8%
International Equity			
MSCI All-Country World ex-US	2.3%	8.1%	9.7%
MSCI EAFE	2.9%	8.4%	11.2%
MSCI Europe	1.3%	10.6%	12.7%
MSCI Japan	-1.0%	20.2%	23.1%
MSCI Emerging Markets	0.3%	7.8%	6.3%
Fixed Income			
U.S. Intermediate Treasuries	1.8%	2.1%	5.2%
U.S. Long Treasuries	3.6%	-1.6%	-0.1%
U.S. TIPS	1.8%	2.5%	4.4%
Corporate IG Bond	2.4%	1.9%	6.8%
High-Yield Bonds	1.9%	4.6%	11.1%
Tax-Exempt Bonds	1.0%	3.3%	7.1%
International Bonds	2.8%	-0.5%	3.0%
Emerging Market Bonds	1.8%	4.1%	8.7%
Currencies			
Us Dollar	-1.7%	2.7%	2.2%
Euro	1.1%	-1.9%	-1.6%
Yen	-6.8%	6.3%	5.4%
Emerging Markets	0.3%	-0.7%	1.5%
Real Assets			
Commodities	-4.0%	0.9%	-5.2%
Energy	-7.6%	-0.3%	-12.8%
Industrial Metals	-6.8%	1.6%	-1.5%
Gold	10.9%	21.2%	19.9%
Master Limited Partnerships	0.6%	18.4%	29.0%
Real Estate Investment Trust	6.2%	6.1%	11.3%
Alternative Investments*			
Equity Hedge	-0.2%	3.8%	6.2%
Equity Market Neutral	0.5%	4.0%	6.7%
Event Driven	1.7%	2.0%	5.3%
Relative Value Arbitrage	1.4%	3.5%	6.9%
Macro	-0.6%	5.0%	6.4%

Source: Bloomberg data

*AI Source: HFRI Hedge Fund Indices

MONTHLY MARKET COMMENTARY, AS OF JULY 2024

In July, markets experienced significant volatility due to several economic and political events. Early in the month, a weaker than expected US Consumer Price Index (CPI) and labor market data led bond investors to anticipate that the Federal Reserve (Fed) would start cutting interest rates soon, with the first cut expected in September and nearly three cuts priced in for the year. Interest-rate sensitive assets performed well, with small-cap returns up 10.2%[iii], global REITs up 6.2%[iii], and the Bloomberg Global Aggregate Bond Index up 2.8%[i]. In contrast, US equities saw a modest 1.2% increase[iii], and growth stocks fell by 1.7%[iii] due to skepticism about AI investments and a retraction from its recent rally. Despite this, growth stocks have gained 18% year to date, aiding the 16% year-to-date increase in developed market equities[i]. Commodities declined, with the Bloomberg Commodity Index dropping 4.0%[iii], mainly due to lower oil prices impacted by weak demand from China and Middle East supply issues[i].

Equity: In the US, four of the 'magnificent seven' companies reported quarterly earnings, but market response was milder than expected, causing pressure on the tech sector for most of July before a late month rebound. The S&P 500 gained 1.2%[iii] for the month, with over half of its companies reporting earnings that beat expectations, indicating a resilient US economy. Investors shifted to small-cap stocks, leading to the largest one-month outperformance of the Russell 2000 versus the Nasdaq 100 and the S&P 500 in over 20 years[i].

In the UK, the FTSE All-Share rose due to strong service sector PMIs and better-than-expected Q2 economic growth[i]. European stocks underperformed, with the MSCI Europe ex-UK up only 0.6%, affected by a weak eurozone PMI. Lastly, the MSCI Japan Index fell 1.0% [iii], pressured by global tech stock weakness and a weakening yen.

Emerging markets experienced significant volatility in July, with the MSCI Emerging Markets Index showing a marginal increase of 0.3% [iii]. Asian markets, particularly China, underperformed amid ongoing regulatory concerns and weaker economic data.

Fixed Income: In the US, a soft CPI print in July and a mixed labor market have led investors to anticipate Fed rate cuts in 2024 and 2025, boosting long duration US Treasuries by 3.6% for the month.

In the eurozone, government bonds outperformed core bonds as investors sought higher yields, expecting further ECB rate cuts. Italian and Spanish sovereign bonds returned 2.8% and 2.3%, respectively, with Italy leading major sovereign bond markets year to date[i].

In the credit market, investment grade (IG) bonds outperformed high yield bonds due to their generally longer duration. The Bloomberg Global Aggregate Corporate Index, which tracks developed market IG bonds, returned 2.4% for the month. US high yield bonds returned 1.9%, while European high yield bonds returned 1.2%[i].

Liquid Real Assets: Commodities had a mixed month in July, reflecting declines in both industrial metals and energy[ii]. Oil prices were notably volatile, closing the month on a 6.6% decline[ii]. Gold prices on the other hand, spiked during the month, reaching a new high in USD terms after a 10.9% rise for the month.

Sources:

i. *Monthly Market Review (July 2024) – JPM Asset Management.*
ii. *Capital Market Flash Report – Greycourt*
iii. *Bloomberg data.*

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