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| **RESOURCE LOG – June 2024** | | | | |
| **Article Title** | **Detail** | **Publication** | **Date** | **Author** |
| Real-Estate Slump Jolts Government Pension Plans | Government pension plans are getting hit by the commercial real-estate meltdown and many fear the bleeding is far from over.  The moves offer a new glimpse into the widespread and slow-moving commercial real-estate s lump. Because those investments generally don’t trade on public markets like stocks, there isn’t an agreed-upon price. When the market shifts, it can take months or years for managers to adjust the value of their holdings. | The Wall Street Journal | 06/01-02/2024 | Heather Gillers |
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| Dow Rallies as Stocks Log Monthly Gain  *The Nasdaq ended the month up 6.9% despite a recent tech-stock stumble* | A late-day rally drove the Dow up 575 points and helped all three major stock indexes finish May higher despite a recent swoon in technology stocks.  Treasury yields declined Friday. The yield on the benchmark 10-year note ended at 4.512%, down from 4.55% Thursday and the year-to-date high of 4.706% hit in late April.  The biggest gains in the S&P 500 on Friday came from the energy, real-estate and utility sectors. | The Wall Street Journal | 06/01-02/2024 | Ryan Dezember |
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| What’s News | ♦ OPEC+ tentatively agreed to extend all production curbs into next year, a deal that gives the cartel considerable leeway to make adjustments depending on market conditions and that likely signals oil prices will remain elevated through the U.S. presidential election. | The Wall Street Journal | 06/03/2024 |  |
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| Boost From Chips Act to Be Tested | The Chips Act, passed in 2022 to jump-start domestic semiconductor production, is supposed to supercharge chip making in the U.S. but even in its early states, it is being challenged by fast-growing chip industries in competing countries, political complexity regarding the allotments at home and the sheer expense of manufacturing chips. | The Wall Street Journal | 06/03/2024 | Asa Fitch |
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| Inflation Isn’t the Fed’s Only Worry | The U.S. economy continues to lose momentum. Growth has yet to slow to the point that it would be a concern, but it might soon if current trends continue.  It seems the cumulative impact of years of inflation is catching up with consumers and eroding their savings cushion-something that companies selling discretionary goods from Starbucks to Kohl’s are saying in their public reports. BMO Capital Markets chief economist Scott Anderson notes April’s savings rate of 3.6%, while unchanged from March, was well below the 12-month average of 5.2%.  Also on Friday, the Chicago Business Barometer, known as the Chicago purchasing managers index and a gauge of economic activity in the region, fell to 35.4 in May from 3709 in April.  All those readings came on the heels of a downward revision in first-quarter gross domestic product growth on Thursday, to an annualized 1.3% from an earlier estimate of 1.6%.  In short, signs of a slowdown are becoming hard to ignore. | The Wall Street Journal | 06/03/2024 | Aaron Back |
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| S&P 500 Rises, Energy Stocks Falter | The S&P 500 eked out a gain on Monday, opening June on a subdued note.  The choppy performance comes after widespread gains in May, when all three major indexes increased by at least 2.3%.  Trading has been more volatile in recent days, and fresh data released on Monday pointed to a slowing U.S. economy.  For the year, the S&P 500 is up 10.8%.  The benchmark 10-year Treasury yield edged lower to settle at 4.401%, its third straight day of declines. | The Wall Street Journal | 06/04/2024 | Charley Grant |
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| U.S. Crude Logs Steepest Drop In Five Months | U.S. crude prices on Monday suffered their steepest one-day decline in nearly five months despite the Saudi-led OPEC and its Russia-led allies agreeing on Sunday to extend production cuts.  Benchmark U.S. crude changed hands for $74.22 a barrel…  The decline of crude prices has been a boon for American drivers and slowed U.S. inflation.  …new output from the U.S., Guyana and Canada has weighed down prices. | The Wall Street Journal | 06/04/2024 | David Uberti |
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| Stocks Rise as Investors Await Jobs Data  *Energy shares, oil prices are lower on expectations of slowing economy* | The S&P 500 staged a mid-day reversal and eked out a gain for a third consecutive day.  Traders have grown jittery about economic growth in recent weeks, chipping away at some of stocks’ gains after a big run-up and driving intraday volatility. Some investors have become concerned about U.S. consumers after earnings from big retailers indicated that some Americans are getting more choosy about where they spend their money. | The Wall Street Journal | 06/05/2024 | Gunjan Banerji |
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| Tech Titans Unplug Stock Market From the Reality of Rate Concerns | Big technology stocks aren’t just dominating the market. They’re hiding just how scared investors are that the Federal Reserve will keep rates higher for longer.  The average stock in the S&P 500 is hurt more by rising yields – and helped more by falling yields – than any time this century. Yet the S&P itself is far less affected by the outlook for interest rates, because the Big Tech stocks that make up so much of the standard, value-weighted index are insulated from the Fed by their enormous cash piles. | The Wall Street Journal | 06/05/2024 | James Mackintosh |
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| What’s News | ♦ The S&P 500 and Nasdaq hit records, rising 1.2% and 2%, respectively, as Nvidia and other tech stocks drove indexes higher. | The Wall Street Journal | 06/06/2024 |  |
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| Tech-Stock Pullback Weighs on S&P 500  *Declines in Nvidia and Apple were offset in part by gains I other areas* | The S&P 500 slipped from its latest record Thursday, dragged slightly lower by a pullback in technology stocks.  Gains in other areas limited the damage. Consumer stocks advanced…  All in all, the S&P 500 dropped less than 0.1%, snapping a four-session winning streak. The Dow Jones Industrial Average added 0.2%, or about 79 points. The Tech-heavy Nasdaq composite fell 0.1% after notching its own record Wednesday. | The Wall Street Journal | 06/07/2024 | Karen Langley |
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| What’s News | ♦ The ECB lowered interest rates by a quarter point, beginning to reverse a historic series of rate increases and widening a policy gap with the Fed, which isn’t expected to follow suit for months. | The Wall Street Journal | 06/07/2024 |  |
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| Inflation Spooks Public And Keeps Fed on Guard | Fed policymakers are poised on Wednesday to leave their benchmark federal-funds rate steady at the highest level in more than two decades, and inflation is the biggest reason. Their preferred measure of consumer prices, from the commerce Department, was up 2.7% from a year earlier in April. | The Wall Street Journal | 06/10/2024 | Justin Lahart |
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| Under Calm Market Is a Flurry | Only once in the past 25 years have stocks swung about like this while the overall market stayed so placid.  The result is far more stocks with 10% swings in a day over the past three months than at almost any other time when the market can barely get above an average move of 0.5%.  As for AI, the bet so far is about who the winners will be, with little evidence yet of who will lose.  The implied dispersion of stocks within the S&P over the next 30 days is at its highest since data began in 2014… | The Wall Street Journal | 06/10/2024 | James Mackintosh |
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| Bond Pickers Win Over Investors  *About 74% of active funds beat their benchmarks in the past 12 months* | About $105 billion has flowed into actively managed fixed-income funds on a net basis this year, compared with $74 billion for funds that choose investments by tracking an index, according to Morningstar Direct data as of April 30.  Bonds have stabilized since posting their worst year on record in 2022. Still, the widely tracked Bloomberg aggregate bond index has delivered a negative total return, including interest payments, or 1.2% this year, thanks to a run of hotter-than-expected inflation data, which has caused investors to significantly reduce expectations for how many times the Federal Reserve will cut interest rates this year.  “There are certainly plenty of scenarios where the Fed does not get a chance to cut rates in 2024 at all,” said Dan Shaykevich, a portfolio manager in Vanguard’s active taxable fixed-income group.  Like stock pickers, active bond managers choose among various types of investments to maximize a fund’s payouts – such as Treasurys, corporate bonds or mortgage debt. They can add riskier debt to get higher yields or find mispriced securities or overlooked sectors. | The Wall Street Journal | 06/12/2024 | Vicky Ge Huang |
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| What’s News | ♦ Fed officials penciled in just one interest-rate cut for this year, indicating most are in no hurry to lower rates, even after a widely watched report showed inflation improved last month. | The Wall Street Journal | 06/13/2024 |  |
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| What’s News | ♦ the S&P 500 and Nasdaq rose to records after the consumer-price figures were released, gaining 0.9% and 1.5%, respectively. The Dow shed 0.1% and the yield on the 10-year Treasury note slid. | The Wall Street Journal | 06/13/2024 |  |
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| What’s News | ♦ Global oil markets are headed toward a major glut this decade ,the IEA forecast, citing surging supplies and slowing demand growth. | The Wall Street Journal | 06/13/2024 |  |
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| Oil Glut Forecast by End of 2020s | The International Energy Agency, whose members include the world’s biggest oil consumers, predicted in its closely watched medium-term oil-market report that spare capacity – the amount of pumping capacity left unused because of adequate supply-could surge in coming years to levels only seen during the Covid-19 pandemic.  Despite the slowdown, global oil demand in 2030 is still forecast to rise by 3.2 million barrels a day from 2023, the agency said.  Meanwhile, global production capacity growth will be led by producers outside of the OPEC+ alliance-particularly the U.S., Brazil, Canada, Argentina and Guyana-which are forecast to account for three quarters of the expected increase to 2030. | The Wall Street Journal | 06/13/2024 | Giulia Petroni |
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| Tech Sector Powers S&P 500, Nasdaq To Record Levels | The artificial-intelligence trade and Tesla powered the Nasdaq and S&P 500 to records, while the blue-chip Dow Jones Industrial Average continued to sputter.  The mixed market came a day after the Federal Reserve indicated it is in no hurry to reduce interest rates despite Labor Department data…  The tech-laden Nasdaq composite rose 0.3% to a record 17667.56. The S&P 500 added 0.2% to a record 5433.74, paced by a 1.4% rise in information-technology stocks. | The Wall Street Journal | 06/14/2024 | Ryan Dezember |
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| What’s News | ♦ Major U.S. stock indexes ended mixed a day after the Fed indicated it was in no hurry to cut rates. The S&P 500 and Nasdaq rose0.2% and 0.3%, respectively, to records and the Dow fell 0.2%. | The Wall Street Journal | 06/14/2024 |  |
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| Corporate Tax Rate Spurs Political Battle | The rate could climb as high as 28% if Democrats sweep November’s elections and move as low as 15% if Republicans gain full power.  President Biden’s plan for a 28% rate would reverse half of Republicans’ 2017 rate cut, pushing the U.S. corporate rate back near the highest among major economies. | The Wall Street Journal | 06/18/2024 | Richard Rubin |
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| What’s News | ♦ Nvidia became the U.S.’s most valuable listed company this week, surpassing Microsoft, thanks to the demand for its AI chips, leading a tech boom that brings back memories from around the start of this century. | The Wall Street Journal | 06/20/2024 |  |
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| Global Stocks Mixed After Nvidia Spurs U.S. Records | Enthusiasm over artificial intelligence continues to boost markets. The S&P 500 on Tuesday notched its 31st record close this year, while the Nasdaq Composite finished at its 20th all-time high.  The indexes were lifted by a rally in shares of Nvidia.  Stocks received a boost from data indicating the U.S. economy is cooling. Investors were rattled in recent months by its resilience, which raised questions about the likelihood of the Federal Reserve cutting interest rates this year. Investors largely expect the Fed, which left rates unchanged last week, to begin easing policy in September, according to federal-funds futures data from CME Group. | The Wall Street Journal | 06/20/2024 | Chelsey Dulaney |
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| S&P 500 Rises for Third Week in a Row  *The benchmark index is up 15% this year due to gains in AI-related stocks* | The Dow Jones Industrial Average was the relative outperformer, inching up slightly to bring its weekly gain to 1.5%.  The S&P 500 has climbed 15% this year, in large part because of a rush of investments in companies at the vanguard of artificial-intelligence development.  Since the S&P 500 and Nasdaq composite are weighted by market value, moves in megacap stocks such as Nvidia have a big influence on their performance.  Meantime, business activity in the U.S. continued to grow rapidly this month, according to surveys of purchasing managers released Friday.  The yield on the benchmark 10-year U.S. Treasury note ticked up to 4.256%, from 4.252% on Thursday. | The Wall Street Journal | 06/22-23/2024 | Hannah Miao |
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| Tech Giants Boost Nasdaq, As Amazon Tops $2 Trillion  *Some nontech stocks record large gains, including FedEx and Rivian* | A jump in technology behemoths pushed up the Nasdaq Composite for a second consecutive session.  The S&P 500 inched up 0.2%. The Dow Jones Industrial Average rose less than 0.1%.  Some investors said they expected the good times to keep rolling. “There aren’t a lot of macro issues today that are signaling we should take some risk off,” said Mark Stoeckle, an independent director at Nikko Asset Management Group. | The Wall Street Journal | 06/27/2024 | Gunjan Banerji |
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| Overvalued Houses Are a Warning Sign | Prices jumped 1.2% in April from March, and are now up about 50% from the end of 2019, according to one prominent index.  But for everyone, it should also be a warning sign. Homes are as overvalued as they were near the peak of the 2000s bubble, according to a variety of metrics, including a Federal Reserve model.  But homes are also assets, and overvaluation is a predictor of stagnant, even negative, real returns in coming years, a headwind to anyone counting on real estate as a source of wealth.  Like any asset, a house’s value depends on several factors, and all have made valuations more stretched.  A model in the Fed’s semi-annual financial stability report incorporates all these elements and shows that homes are now 25% over-valued, just below the 28% peak in 2007, using the Labor Department’s measure of rent, and 19% overvalued using private measures of market rents.  Burns Research calculates that 74% of metropolitan markets are “high risk” for investors right now.  But don’t expect prices to plunge as they did from 2006 to 2011. That reflected the lax underwriting and high leverage of the bubble era. When buyers defaulted, the resulting foreclosures drove down prices, which caused more borrowers to default. Bad loans lacking federal guarantees caused poorly capitalized lenders to fail or seek bailouts, shrinking the supply of mortgage credit. | The Wall Street Journal | 06/28/2024 | Greg Ip |

Over the last 30 years, the purchasing power of the U.S. consumer dollar has been cut in half due to inflation. At the same, the S&P 500 has gained 840% after adjusting for inflation. -*Charlie Bilello, March 20, 2024*

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Prepared by James M. Juengling.

Juengling & Associates