

Market Flash Report

February 2024

Key Takeaways

- **Market News:** There were two primary market-moving events in February. The first was a hotter than expected CPI print, which sent yields higher and stocks lower, further proving that it might not be such a smooth road back to target inflation. However, markets only had to wait a week for the second, as Nvidia smashed earnings expectations and jumped 16%. The news sent markets soaring, and the S&P 500 had its best day in over a year.
- **Small Caps:** February was a strong month for US Small Caps despite mixed economic data and hawkish language from Fed Chair Jay Powell which sent yields higher. Small caps have struggled under restrictive monetary policy. Still, the recent optimism around a lower probability of a recession and the prospect of rate cuts have allowed these companies to join in on the recent rally.
- **International Markets:** While Int'l Large Caps had a benign yet positive month (relative to US equities), Japanese equities were up +3% in February and +27% over the past year. The recent surge brought the Nikkei 225 to its first new all-time high since 1989. Chinese equities rebounded solidly (+8.4%) in February after a disastrous start to the year. Business activity data out of China is still in contractionary territory but showed signs of improvement in both the manufacturing and services sectors in February.

Index Performance (as of 2/29/2024)

ARIZONA
 CALIFORNIA
 COLORADO
 D.C. METRO AREA
 FLORIDA
 GEORGIA
 MASSACHUSETTS
 NEW JERSEY
 NEW YORK
 RHODE ISLAND
 TEXAS
 WASHINGTON
 WYOMING
 888-750-PATH (7284)
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Equity	February	YTD	One-Year
U.S. Large Cap	5.3%	7.1%	30.5%
U.S. Small Cap	5.7%	1.5%	10.0%
Developed Non-U.S.	1.8%	2.4%	15.0%
Emerging Market	4.8%	-0.1%	9.2%
Real Assets			
Real Estate	0.2%	-3.7%	3.0%
Commodities	-1.5%	-1.1%	-3.9%
Natural Resource Equities	2.6%	0.6%	7.2%
Fixed Income			
<u>Core Plus</u>			
U.S. High Yield Debt	0.3%	0.3%	11.0%
Emerging Market Debt	-0.6%	-1.9%	10.9%
<u>Core Bonds</u>			
U.S. Aggregate Bonds	-1.4%	-1.7%	3.3%
U.S. Treasuries	-1.3%	-1.6%	2.3%
U.S. Municipal Bonds	0.1%	-0.3%	4.1%
Month-End Values/Yield			
CBOE Volatility Index	13.4	14.4	20.7
10-Year Treasury Yield	4.3%	3.9%	3.9%

Disclosures

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