



OAKCREST MARKET MINUTE

MARKET MINUTE JULY 2024

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Market Review

The second quarter of 2024 began with a jittery start as April finished in negative territory but rebounded with a strong May and June. Tech stocks led the charge, with the Nasdaq gaining over 6% in June alone and currently up 18.57% year to date. A strong earnings season also boosted optimism propelling the S&P 500 to a close of 5,460, vastly exceeding the average analyst outlook of 4,861.

Economic Review

The focus remains on inflation and the Federal Reserve's next move on interest rates. The trend of disinflation appears to be resuming with cooler inflation reports; however, the Fed has stated they need to be more confident before reducing rates. Their current outlook is that their 2% inflation target won't be hit this year nor the next, even with cooling metrics like unemployment ticking up to 4%. The overarching risk to the Fed is moving too fast when it comes to cutting rates potentially reigniting inflation risk. Markets are currently pricing in two rate cuts later this year, but the most recent Fed guidance only has one cut.

Looking Forward

Overall, the 2024 economic market outlook is still one of cautious optimism. Rising geopolitical tensions and relatively sticky inflation has created global uncertainty. Nonetheless, the American consumer is in a good position with broad job security, wage growth, and overall positive sentiment. Furthermore, despite an approaching contentious election, the stock market just recorded its best first half of an election year since 1976. Historically, a rally of at least 10% in the first half of the year was followed by an average return of 7.7% in the subsequent half. Furthermore, since 1950, the S&P 500 has seen an average positive return of 4.2% during an election year.

RETURNS (AS OF 7/1/2024)

ASSET CLASS	INDEX	4 WEEK	YTD	1 YEAR
US Large Cap	S&P 500 TR	3.59%	15.29%	24.54%
US Large Cap	Dow Jones TR	1.33%	4.79%	16.02%
US Small Cap	Russell 2000 TR	-.93%	1.75%	10.03%
International	MSCIEAFE NR USD	-1.59%	5.75%	12.09%
Taxable Bonds	Barclays US Agg Bond TR	.95%	-.71%	2.63%

