

Last Week's Summary

- S&P 500 Index rose 0.05%
- International Equities fell 1.03%
- Emerging Markets fell 1.48%
- U.S. 10-Year Treasury Yield rose to 4.46%
- U. of Mich. Sentiment rose to 69.1
- U. of Mich. 1 Yr. Inflation fell to 3.3%
- Initial Jobless Claims fell to 215k

What to Watch for This Week

- M, 5/27/24 MARKETS CLOSED MEMORIAL DAY
- T, 5/28/24 Conf. Board Consumer Confidence
- W, 5/29/24 MBA Mortgage Applications
- Th, 5/23/24 GDP Annualized, Core PCE, Initial Jobless Claims
- F, 5/24/24 PCE Deflator, Personal Income, Personal Spending, MNI Chicago PMI

Weekly Market Recap

Stocks rose after data showed American consumers tempered their inflation expectations, bolstering sentiment regarding the prospects for Federal Reserve rate cuts this year. The S&P 500 rebounded after a two-day slide, reclaiming the 5,300 mark and erasing this week's losses in a session of low trading volume. The Nasdaq 100 hit a fresh all-time high, led by gains in Nvidia Corp. and Apple Inc. Treasuries barely moved after Fed Governor Christopher Waller stated that he still believes the neutral interest rate is relatively low but warned that unsustainable fiscal spending could change that trend. The Fed's preferred inflation measure, the core PCE deflator, is due next Friday and is expected to show the slowest monthly increase this year. Swaps now fully price in the Fed's first full quarter-point rate cut for December, rather than November. Growth in activity at service providers was the fastest in a year, and manufacturing output expanded at a quicker pace. Such economic resilience is making it difficult for inflation to cool, which helps explain why the Fed is intent on keeping rates higher for longer. When traders return from the holiday weekend, the "T+1" rule will come into effect, reducing the settlement period for U.S. equities from two days to one.

WEEKLY MARKET DATA

Equities	Level	Index Returns (%)								
		1 Week	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Max DD	
S&P 500	5,304.72	0.05	1.17	11.85	22.58	8.04	13.16	12.38	-55.25	
Dow Jones Industrial Avg.	39,069.59	-2.30	-1.60	4.44	13.22	5.86	9.60	11.08	-53.78	
Nasdaq Composite	16,920.79	1.42	3.42	13.06	29.05	4.74	15.10	15.50	-77.93	
Russell 2000	2,069.67	-1.21	-2.42	2.63	13.24	-3.21	5.79	7.19	-59.89	
MSCI EAFE	2,358.87	-0.84	1.45	7.52	9.89	3.48	6.80	4.98	-61.85	
MSCI ACWI ex USA	333.63	-1.03	2.11	7.06	9.88	0.89	5.59	4.48	-62.17	
MSCI Emerging Market	1,082.98	-1.48	4.24	6.80	10.21	-5.36	2.23	3.33	-66.06	
S&P 500 Growth	3,531.42	1.49	3.64	16.85	26.61	6.34	13.94	14.05	-61.84	
S&P 500 Value	1,806.39	-1.73	-1.80	6.11	18.08	9.16	11.32	9.97	-63.27	
S&P High Dividend	10,003.39	-2.23	-1.49	4.38	4.87	4.29	7.95	9.69	-54.72	
S&P 500 Buy Backs	47,196.82	-0.99	-4.51	5.22	16.55	6.41	11.18	11.31	-57.19	
S&P 500 Low Volatility	10,464.23	-1.56	-0.99	4.79	2.45	4.31	5.99	8.93	-40.04	

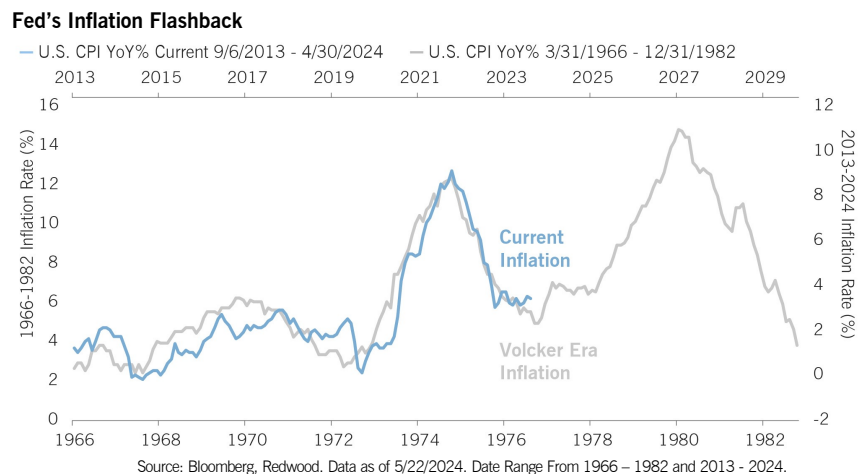
Fixed Income	Yield	Index Returns (%)								
		1 Week	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Max DD	
U.S. Aggregate	5.11	-0.28	-0.91	-1.68	-1.46	-3.53	-0.16	1.20	-18.41	
IG U.S. Corporates	5.49	-0.26	-0.80	-1.20	0.76	-3.02	0.78	2.11	-21.31	
Municipals	4.23	-0.90	-1.02	-1.11	2.35	-0.83	1.38	2.46	-15.11	
High Yield Municipals	5.58	-0.52	0.58	2.10	6.61	-0.14	2.78	4.37	-30.59	
High Yield Corporates	7.95	-0.21	0.16	1.64	8.99	1.50	3.71	4.27	-35.34	
S&P/LSTA Leveraged Loan	9.39	0.20	1.60	3.60	11.47	5.57	4.83	4.15	-33.03	
S&P U.S. Preferred Stock	6.80	-0.32	-1.78	1.98	0.52	-0.96	2.91	4.01	-71.77	

Strategic Blend	Index Returns (%)								
	1 Week	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Max DD	
60/40 S&P 500/AGG	-0.07	0.38	6.28	12.54	3.58	7.78	7.76	-32.19	
60/40 MSCI ACWI/AGG	-0.33	0.54	5.12	9.85	1.55	5.84	5.65	-35.34	

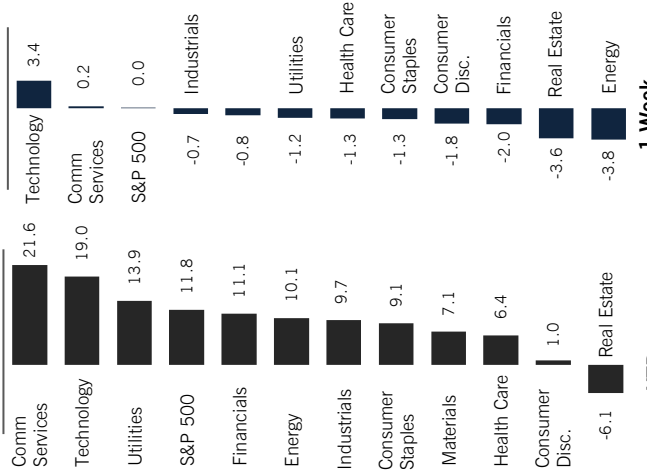
Levels %

Key Rates	5/24/2024	12/29/2023	12/30/2022	12/31/2021	12/31/2020	5/24/2021
5-Year U.S. Treasuries	4.53	3.85	4.00	1.26	0.36	0.80
10-Year U.S. Treasuries	4.47	3.88	3.87	1.51	0.91	1.60
10-Year German Bund	2.58	2.02	2.57	-0.19	-0.57	-0.14
6-mo. CD rate	5.53	5.37	5.10	0.36	0.32	0.18
3-mo. USD Libor	5.60	5.59	4.77	0.21	0.24	0.14
Prime Rate	8.50	8.50	7.50	3.25	3.25	3.25

Chart of the Week



S&P 500 Sector Returns %



Index Characteristics

Div. Yld (%)	FCF Yld (%)	P/E	P/B
1.35	3.16	24.71	4.39
1.85	1.78	22.95	4.66
0.71	2.35	41.09	5.83
1.47	2.04	37.47	1.61
3.02	5.00	16.13	1.84
2.93	4.86	15.99	1.78
2.72	4.47	15.40	1.64
0.62	2.90	33.07	9.37
2.28	3.52	18.71	2.62
2.91	3.01	18.78	2.93
1.25	6.71	14.55	2.67
2.15	3.34	20.19	3.70

Levels

Currencies	5/24/2024	12/29/2023	12/30/2022
\$ per €	1.08	1.10	1.07
¥ per \$	156.99	141.04	131.12
\$ per £	1.27	1.27	1.21

Commodities

Commodities	5/24/2024	12/29/2023	12/30/2022
Oil (WTI)	78.74	71.65	80.26
Natural Gas	2.52	2.51	4.48
Gold	2,333.83	2,062.98	1,824.02
Silver	30.26	23.80	23.95
Copper	477.85	389.05	381.05

Net Flows (\$ Millions)

Fund Flows	1 Week	YTD	1 Year
Equities	6,565	34,294	29,613
Fixed Income	7,910	199,465	261,839
Commodities	19	-2,291	-12,295

Sources for all charts and tables: Bloomberg, S&P, Redwood. Data for all tables and charts is as of 5/24/2024 unless stated otherwise, excluding 1 YR, 3 YR, 5 YR, 10 YR, MAX DD, which is as of 4/30/24. For illustration purposes only. Past performance is not a guarantee of future results. Please see disclosures on the next page for important additional information.

Definitions and Disclosures

Market Recap and Chart of the Week: The Consumer Price Index measures the overall change in consumer prices based on a representative basket of good and services over time. **Volcker era inflation** refers to a period in time when Fed Chairman' Volcker dealt with inflation where at the end of his term, inflation was at a manageable rate at around four percent, while unemployment had fallen under six percent, as the economy grew and business confidence returned.

Abbreviations: MAX DD refers to Maximum Drawdown from 1/1/2000 to the as of data date indicated. A drawdown is a measure of peak to trough loss in a given period; maximum drawdown is a measure of the maximum peak to trough percentage loss in any given period. YTD refers to year to date and QTD refers to quarter to date.

Indices and Data: *Equities:* S&P 500 refers to the S&P 500 Index which is a stock market index based on the market capitalization of 500 leading companies publicly traded in the U.S. stock market, as determined by Standard & Poor's. Dow Jones Industrial Avg. (Average) is an index by Standard & Poor's that tracks 30 widely-traded blue chip stocks with large market capitalization. Nasdaq Composite (Index) is a broad-based capitalization-weighted index of stocks in all three Nasdaq tiers: Global Select, Global Market and Capital Market. Russell 2000 Index is an index that measures the performance of the small-cap segment of the U.S. equity universe, including approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. MSCI EAFE refers to the Morgan Stanley Capital International Index that is designed to measure the equity market performance of developed markets outside of the U.S. & Canada and includes Europe, Australia, and the Far East. MSCI ACWI ex USA refers to the Morgan Stanley Capital International All Country World Index, which is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets; the MSCI ACWI ex USA Index does not include the U.S. MSCI ACWI refers to the Morgan Stanley Capital International All Country World Index, which is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. MSCI Emerging Market Index is an equity index that captures large and mid cap representation across Emerging Market (EM) countries. S&P 500 Growth Index is an index that tracks stocks with growth characteristics in the S&P 500 Index; growth stocks are typically company stock that tends to increase in capital value rather than yield high income. S&P 500 Value Index is an index that tracks stocks with value characteristics in the S&P 500 Index; value stocks are typically company stock that tends to have fundamentals that are priced below those of its peers, based on analysis of price/earnings ratio, yield, and other factors. S&P High Dividend refers to the S&P High Yield Dividend Aristocrats Index and is designed to measure the performance of the S&P 500 Index constituents that have followed a policy of consistently increasing dividends every year for at least 25 years. S&P 500 Buy Backs refers to the S&P 500 Buyback Index, which is designed to measure the performance of the top 100 stocks with the highest buyback ratios in the S&P 500. S&P 500 Low Volatility refers to the S&P 500 Low Volatility Index, which is designed to measure the performance of the 100 least volatile stocks in the S&P 500 Index. *Equities Characteristics:* Calculations and data for characteristics for indices are supplied by Bloomberg. Div. Yld refers to Dividend Yield and is the annual dividends per share divided by the price per share, expressed as a percentage. FCF Yld refers to Free Cash Flow Yield and is an overall return evaluation ratio of a stock, which standardizes the free cash flow per share a company is expected to earn against its market price per share; this ratio is calculated by taking the free cash flow per share divided by the share price. P/E refers to the Price-Earnings Ratio, which is a valuation ratio of a company's current share price compared to its per-share earnings. P/B refers to the Price/Book, which is a ratio of a stock's price divided by the book value per share; for indices, the price-to book value ratio is the average of the index member's capitalization divided by their book value. *Fixed Income:* Performance of these indices reflect total-return, which includes both price and dividends and reinvestments of dividends. "Yield" shown may represent different yield types and calculations and varies from index (or asset class) to index determined by availability of data. U.S. Aggregate refers to the Bloomberg U.S. Capital Aggregate Bond Index, which measures investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency). IG ("Investment Grade") U.S. Corporates is represented by the Bloomberg U.S. Corporate Bond Index, which measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by US and non-US industrial, utility and financial issuers. Municipals is represented by the S&P Municipal Bond Index, which is a broad, comprehensive, market value-weighted index that tracks bond issues that are exempt from U.S. federal income taxes or subject to the alternative minimum tax. High Yield Municipals are represented by the Bloomberg Muni High Yield Total Return Index which covers the USD-denominated long-term tax exempt high-yield bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds. High Yield Municipals are represented by the Bloomberg Muni High Yield Total Return Index which covers the USD-denominated long-term tax exempt high-yield bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds. The S&P/LSTA Leveraged Loan Index is designed to reflect the performance of the largest facilities in the leveraged loan market. S&P U.S. Preferred Stock Index is an index designed to represent the U.S. preferred stock market. Yield shown for Barclays U.S. Aggregate and IG Corporates, High Yield Municipal, and High Yield Corporates is Yield To Worst as provided by Bloomberg. Yield shown for Municipals and S&P/LSTA Leveraged Loan is Yield To Maturity as provided by S&P. Yield shown for S&P U.S. Preferred Stock is the Dividend Yield as provided by S&P on a monthly basis – data shown is as of the last day of the previous month this piece is dated. MSCI All Country World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. *Key Rates:* Key rate data are provided by Bloomberg. 2-Year, 5-Year, 10-Year U.S. Treasuries are the yield of a debt obligation by the United States government that matures at the year indicated. 10-Year German Bund is a debt obligation issued by the German government that matures in 10-years. A 6-mo CD is a certificate of deposit with a 6-month maturity, 3-mo. USD LIBOR is the "London Inter-Bank Offered Rate, often used as a benchmark for borrowing between banks. The Prime Rate is the lowest rate of interest at which money may be borrowed commercially. *Currencies and Commodities:* \$ per € is the Dollar per Euro and ¥ per \$ is the Yen per Euro, calculated using spot prices. For commodities, the spot price is per common unit (barrel for WTI (West Texas Intermediate) Oil, thermal units for natural gas ounce for precious metals). Data and quotes provided by Bloomberg. *Fund Flows:* Aggregate net amount of flows per investment type in both mutual funds and exchange traded funds; data is as of 5/8/24 as provided by Investment Company Institute. *S&P 500 Sector Returns:* Returns within the S&P 500 Index broken down by GICS (Global Industry Classification Standards). Indices used to show performance are the S&P 500 Utilities Sector Index (Utilities), S&P 500 Telecommunications Sector Index (Communication Services), S&P Consumer Staples Sector Index (Consumer Staples), S&P 500 Health Care Sector Index (Health Care), S&P 500 Industrial Sector Index (Industrials), S&P 500 Technology Sector Index (Technology), S&P 500 Consumer Discretionary Sector Index (Consumer Disc.), S&P 500 Materials Sector Index (Materials), S&P 500 Energy Sector Index (Energy), S&P 500 Financials Sector Index (Financials). UNLESS OTHERWISE NOTED, INDEX RETURNS REFLECT THE REINVESTMENT OF INCOME DIVIDENDS AND CAPITAL GAINS, IF ANY, BUT DO NOT REFLECT FEES, BROKERATE COMMISSIONS OR OTHER EXPENSES OF INVESTING. INVESTORS CANNOT MAKE DIRECT INVESTMENTS INTO ANY INDEX.

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