

Weekly Update – December 16, 2024

Market Returns Ending 12/13/2024			
Category	1 Week	QTD	YTD
US			
Large Cap	-0.6%	5.3%	28.5%
Mid Cap	-2.0%	5.5%	17.4%
Small Cap	-2.5%	5.5%	17.3%
International			
Developed	-1.5%	-5.8%	7.0%
Emerging	0.3%	-5.2%	11.1%
Bonds			
Aggregate	-1.4%	-2.4%	2.0%
High Yield	-0.2%	0.8%	8.9%

US Equity Style Returns			
	Weekly		
	Value	Core	Growth
Large	-2.0	-0.8	0.3
Mid	-1.9	-2.3	-3.6
Small	-1.8	-2.5	-3.3
	YTD		
	Value	Core	Growth
Large	18.0	28.4	37.4
Mid	17.7	20.4	28.7
Small	14.0	17.3	20.7

Source: Bloomberg

Key Events: Conflicting data

This week's economic data was mostly positive: Small business optimism rose above a key level, while inflation met expectations, and growth remains solid.

Inflation, though, remains high and, paired with increased unemployment claims, brought fears of stagflation to the investment dialogue.

Market review: Tech gains but losses elsewhere

Outside of technology, virtually all asset classes sold off – bonds did not like inflation data and small stocks reacted to stagflation fears. New China stimulus drove emerging markets higher.

Outlook: Santa Claus rally to usher in a strong '25?

Policy and growth expectations have led the markets higher since Trump was elected. As we close out the year and begin to think about 2025, we are reminded that momentum has been the biggest return driver in 2024ⁱ. This has been justified by strong corporate earnings, technological advancements, and economic growth. Investor cheer may lead to a "Santa Claus rally" in the last few days of the year and leading into the new year.ⁱⁱ

However, there are valuation concerns as large technology stocks are trading at historically high valuations, suggesting gains may not be sustainable.

While the market's momentum has been impressive, it is essential for investors to consider the potential for the market to correct – we see some technical weakness in some areas of the market.

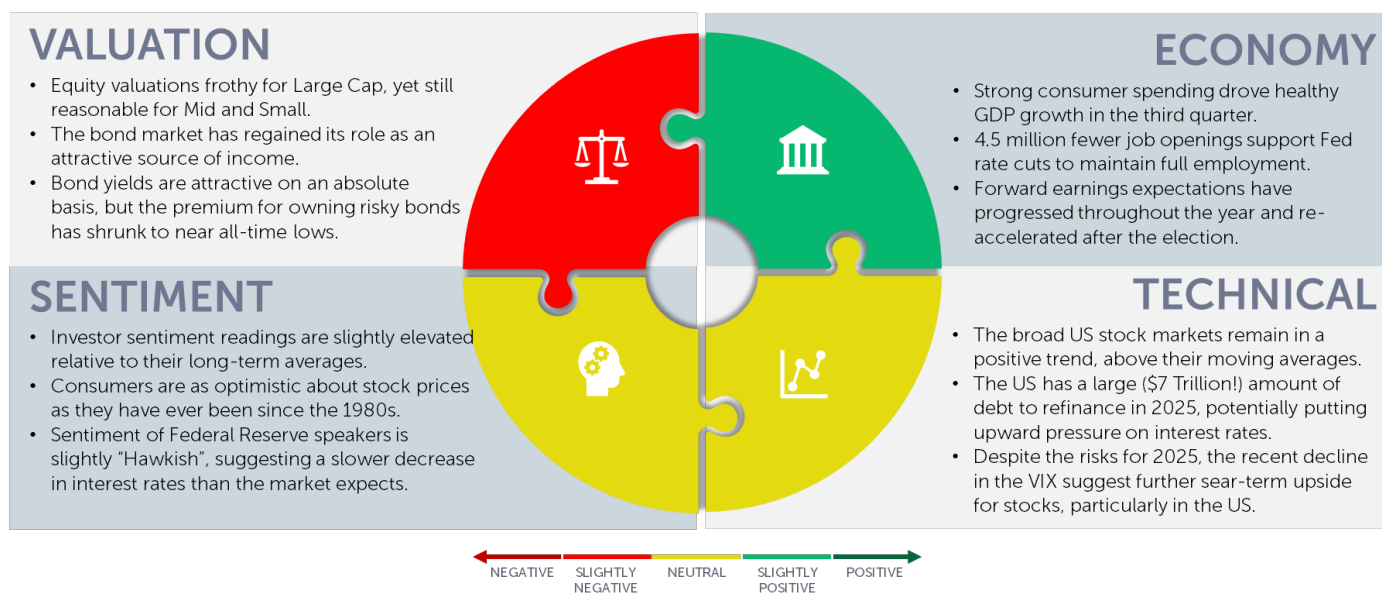
We urge investors to maintain their enthusiasm but balance it with prudence, focusing on discipline as we navigate the complexities of the coming year.



Can Trump and Elon deliver a Santa Claus rally?ⁱⁱⁱ



OneAscent Navigator Outlook: December 2024



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clients as well as all other readers are encouraged to consult with their own professional advisers, including investment advisers and tax advisors. OneAscent can assist in determining a suitable investment approach for a given individual, which may or may not closely resemble the strategies outlined herein.

ⁱ Source: Bloomberg

ⁱⁱ Source: Wikipedia

ⁱⁱⁱ Source: Microsoft Co-pilot

^{iv} Market Returns reference the following indices: Large Cap – S&P 500, Mid Cap Growth – Russell Midcap growth, Mid Cap Value – Russell Midcap Value, Small Cap – Russell 2000, Developed – MSCI EAFE, Emerging – MSCI Emerging Markets, Aggregate – Bloomberg US Aggregate, High Yield – Bloomberg High Yield