

Weekly Update – December 23, 2024

Market Returns Ending 12/20/2024			
Category	1 Week	QTD	YTD
US			
Large Cap	-2.0%	3.2%	26.0%
Mid Cap	-4.2%	1.1%	12.5%
Small Cap	-4.4%	0.8%	12.1%
International			
Developed	-3.6%	-9.2%	3.2%
Emerging	-3.1%	-8.2%	7.6%
Bonds			
Aggregate	-0.7%	-3.0%	1.3%
High Yield	-0.8%	0.0%	8.0%

US Equity Style Returns			
	Weekly		
	Value	Core	Growth
Large	-2.9	-2.2	-1.5
Mid	-3.5	-3.3	-2.7
Small	-5.3	-4.4	-3.6
	YTD		
	Value	Core	Growth
Large	14.6	25.6	35.2
Mid	13.6	16.5	25.2
Small	7.9	12.1	16.3

Source: Bloomberg

Key Events: The Fed’s “Hawkish rate cut” paradox

The Fed provide what Wall Street described as a “hawkish” rate cut – guiding to fewer rate cuts and higher inflation than previously expected for 2025.

A survey of economists agreed with Fed expectations: 2025 inflation forecasts rose from 2.3% to 2.5%. Growth expectations rose as well, as 3Q GDP was revised from 2.8% to 3.1%.ⁱ

Market review: A fragile market takes a beating

Bond markets sold off on resurgent inflation, while stock multiples declined on lowered expectations for rate cuts in the face of high valuations.

Global stocks suffered broadly, led by smaller US stocks as the market adjusted to fewer rate cuts.

Outlook: A Christmas gift just for you

Hours reading Wall Street investment outlooks have given us a key insight – their forecasts aren’t worth much! The chart below illustrates their inaccuracy.

Our gift to you is freedom from paying attention to the noise; our prayer is this allows you to focus on the blessings of the season:

“Glory to God in the highest heaven, and on earth peace to those on whom his favor rests.”ⁱⁱ

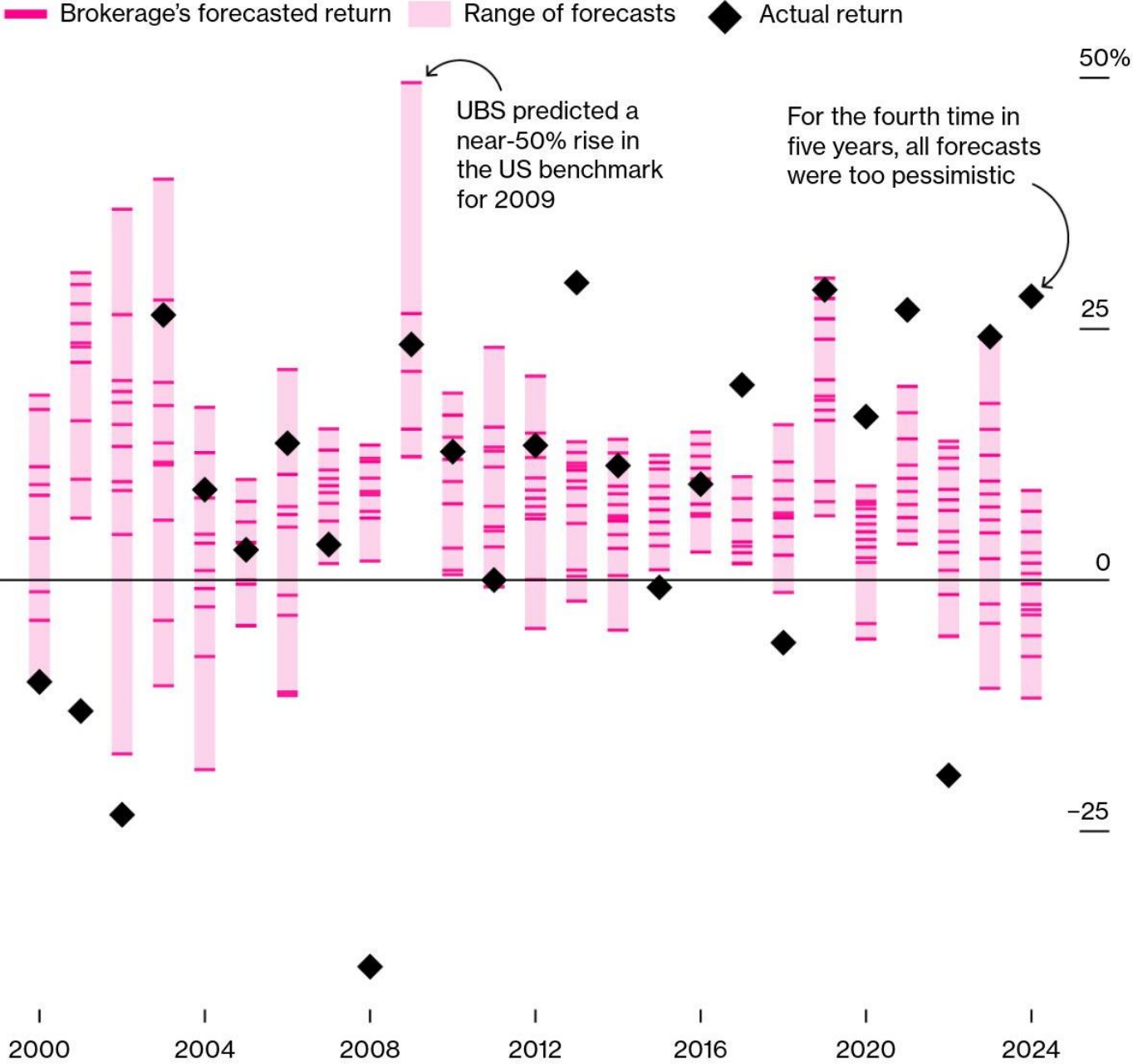
While praying for peace we urge investors to maintain their long term discipline, helped by data in our [2025 Capital Market Assumptions white paper](#), and to position portfolios for important risks, such as the risks of blowout government spending we highlight in our [Fiscal Deficit White Paper](#).

We wish you a very Merry Christmas!



Don't waste your time following forecasts

Predicted and actual returns for the S&P 500 Index

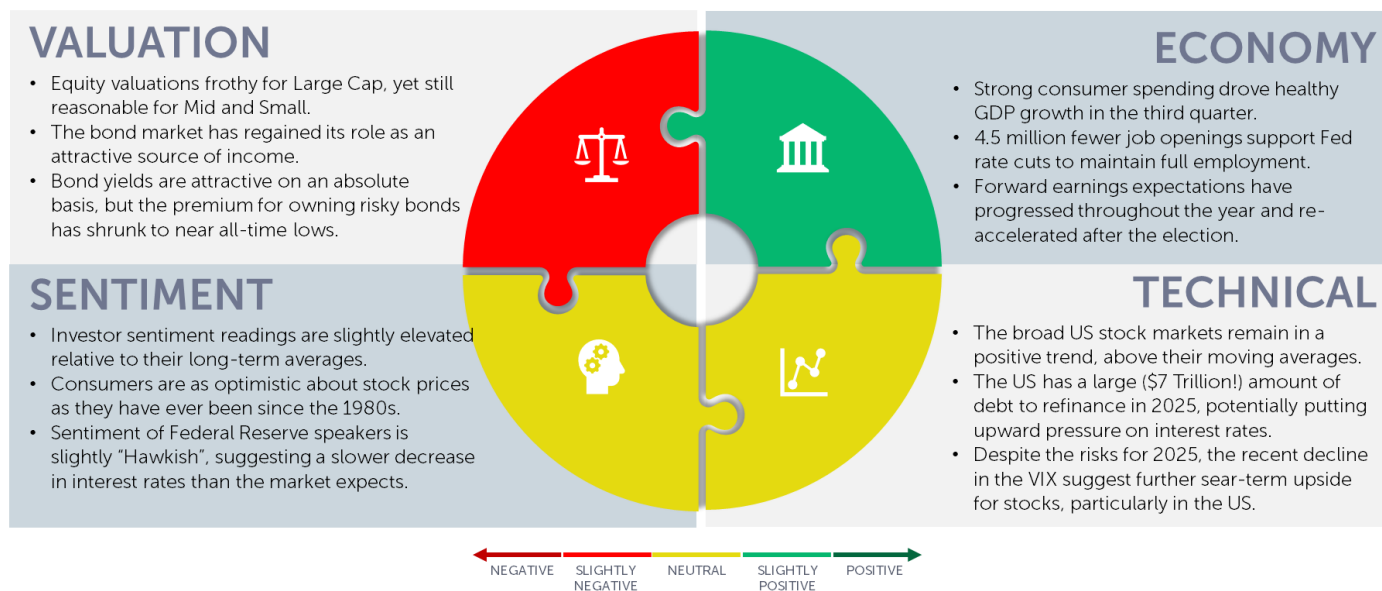


Source: Bloomberg

Note: Forecasts and actual returns are for price change only.

Bloomberg

OneAscent Navigator Outlook: December 2024



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ⁱ Source: Bloomberg News economic survey

ⁱⁱ Luke 2:14 English Standard Version

ⁱⁱⁱ 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