

Weekly Update – January 22, 2024

Market Returns Ending 1/19/2024			
Category	1 Week	YTD	1 Year
US			
Large Cap	1.2%	0.3%	26.1%
Mid Cap Growth	0.8%	-1.2%	21.8%
Mid Cap Value	-0.4%	-2.9%	7.4%
Small Cap	-0.3%	-4.0%	7.5%
International			
Developed	-2.5%	-2.9%	8.4%
Emerging	-3.5%	-6.1%	-3.8%
Bonds			
Aggregate	-1.1%	-1.4%	0.6%
High Yield	-0.6%	-0.7%	8.6%

US Equity Style Returns			
	Weekly		
	Value	Core	Growth
Large	-0.2	1.1	2.2
Mid	-0.4	0.0	0.8
Small	-0.6	-0.3	0.0
	YTD		
	Value	Core	Growth
Large	-0.8	1.3	3.1
Mid	-2.9	-1.6	-1.2
Small	-4.4	-4.0	-3.7

Source: Bloomberg

Key Events: Something for everyone

The data probably validated your opinion this week:

Retail sales, housing starts, and jobless claims came in better than expected and consumer sentiment rose to the highest level since the summer of 2021.

The Empire state manufacturing survey registered the largest decline since the pandemic.

Trump won the first 2024 GOP primary in Iowa.

Market review: Record highs for the S&P 500

This good data and consumer optimism carried the S&P 500 to its first new high since January 3, 2022.

Gains did not spread to other stock categories, though, as small and international stocks declined.

Bonds also lost money on reduced expectations for the magnitude of 2024 Fed rate cuts.

Outlook: Coping with delinquency

Let's temper the S&P 500 enthusiasm a bit. We have discussed reduced bank lending as a potential drag on 2024 growth; commercial real estate delinquency levels are beginning to foreshadow slowing lending activity as bank balance sheets weaken. The chart below shows that bank holdings of delinquent commercial real estate loans has grown to levels approaching the financial crisis.

While we celebrate the positive economic data, portfolios remain balanced, structured to withstand the negative as well as benefit from the positive.

Real Estate Delinquencyⁱ

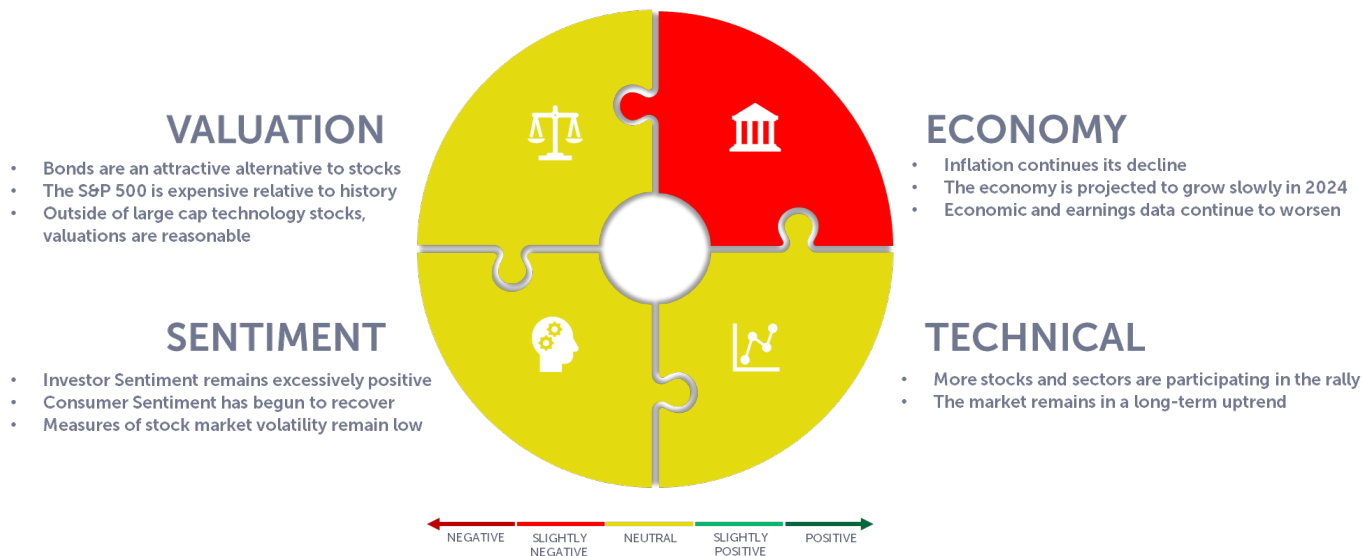


Non-current commercial real estate loans at FDIC-insured financial institutions

Quarterly; Q1 2008 to Q3 2023



OneAscent Navigator Outlook: January 2024



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ⁱ Source : Data: FDIC; Chart: Axios Visuals

ⁱⁱ 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