

Last Week at a Glance

Global equities stumbled for the third consecutive week as geopolitical tensions drove market volatility higher. There were indications that the US Federal Reserve's interest rate cuts will not begin as soon as previously expected, dampening investor sentiment.

- Israel launched a retaliatory attack against Iran. The aerial strike appeared to be limited in scope, but markets remained on edge. The VIX Index, which represents implied volatility, ended the week at its highest level since October 2023.
- The US economy continued to show strength. Both retail sales and industrial production readings topped expectations. These readings came after the higher-than-expected March inflation release. The US ten-year Treasury note moved 12 basis points higher to 4.62%.
- Investors expected a delayed timeline for Fed rate cuts. Fed Chair Jerome Powell noted on Tuesday that it is taking longer than expected for inflation to return to the targeted 2% level, and markets are now pricing only one rate cut in 2024.
- The European Central Bank (ECB) appeared ready to cut its policy rate in its June meeting. Inflation has continued to cool in the Eurozone, which supports potential rate cuts. However, ECB officials have noted that policy divergence between the Fed and the ECB could drive the value of the euro lower versus the US dollar.
- Growth stocks stumbled as concerns about higher-for-longer US interest rates weighed on large technology companies. The MSCI World Growth Index shed almost 5%, its worst weekly loss since September 2022.

MARKET PERFORMANCE

As of April 21, 2024 • Local Currency • Percent (%)

Equities	Last Week	This Month	This Year
Global	-2.8	-4.6	4.5
Developed Markets	-2.8	-4.8	4.8
United States	-3.1	-5.5	4.2
Euro Area	-0.9	-2.9	7.0
United Kingdom	-1.3	-0.5	3.6
Japan	-5.0	-5.5	12.6
Emerging Markets	-3.2	-2.6	1.8
Fixed Income			
US Aggregate	-0.6	-2.4	-3.1
US Treasuries	-0.4	-2.1	-3.0
US Corporate IG	-0.7	-2.6	-2.9
US Corporate HY	-0.6	-1.6	-0.2
Real Assets			
Global Equity REITs	-3.1	-8.3	-9.2
Global Natural Resources	-1.1	3.5	9.5
Gold Bullion	-0.8	8.1	15.9
Currencies			
EUR/USD	0.4	-1.2	-3.4
GBP/USD	0.0	-1.6	-2.5
USD/JPY	1.1	2.2	9.7