

Last Week at a Glance

Global equities turned positive last week, breaking a three-week streak of losses. Emerging markets equities led on strong returns from China, even as most developed markets posted solid returns. Large-cap and growth strategies led globally. Higher yields weighed on most US fixed income assets and gold prices, while copper prices edged higher yet again and oil gained modestly.

- The 1Q US GDP growth estimate of 1.6% fell short of expectations and was well below 4Q 2023 growth of 3.4%, as a widening trade deficit weighed on the economy. This raised concerns of the risk of stagflation and increased the odds of a delay to policy rate cuts by the Fed to later in 2024. However, headline PCE inflation for March was in line with expectations, easing some of these concerns. The US ten-year Treasury yield rose to 4.7%, the highest level this year.
- Bullish US earnings reports from mega-cap tech stocks added credence to the theme of AI-led secular growth. The technology sector led, with all but Meta of the 'Magnificent Seven' stocks rallying this week. With nearly half of the S&P 500 Index having reported, expectations are for 1Q earnings to grow by 3.5%, higher than expectations at the end of March.
- The Japanese yen further weakened, reaching levels against the US dollar not seen since June 1990. The BOJ elected to hold its rate steady and chose not to intervene in supporting the currency. However, it did increase its projections for 2024 core inflation and left the door open to further rate hikes.
- The Hang Seng posted its best weekly return in nearly 12 years, with positive inflows from mainland China. Factors driving the rally included bond extensions for developers and the securities regulator introducing supportive schemes.

MARKET PERFORMANCE

As of April 28, 2024 • Local Currency • Percent (%)

Equities	Last Week	This Month	This Year
Global	2.7	-2.1	7.2
Developed Markets	2.6	-2.4	7.5
United States	2.8	-2.9	7.1
Euro Area	2.2	-0.8	9.3
United Kingdom	3.2	2.8	6.9
Japan	2.4	-3.3	15.3
Emerging Markets	3.5	0.8	5.4
Fixed Income			
US Aggregate	-0.1	-2.4	-3.2
US Treasuries	-0.2	-2.3	-3.2
US Corporate IG	0.0	-2.5	-2.9
US Corporate HY	0.6	-1.1	0.4
Real Assets			
Global Equity REITs	1.2	-7.2	-8.1
Global Natural Resources	0.9	4.5	10.5
Gold Bullion	-2.5	5.4	13.0
Currencies			
EUR/USD	0.1	-1.1	-3.3
GBP/USD	0.2	-1.4	-2.2
USD/JPY	1.7	3.9	11.6