

## Last Week at a Glance

Global equities rose modestly amid up-beat economic data. However, bonds weakened and the US dollar strengthened amid reduced expectations of near-term Fed rates cuts, with the Japanese yen falling back toward the sensitive USD/JPY 160 level.

- Preliminary June PMI data for the US service sector beat expectations, reaching 55.1, the highest level in two years. Combined with a modest rise in the manufacturing survey to 51.7, this signals the US economy maintains economic momentum heading into the third quarter. Surveys for Europe and Japan, however, showed slowing momentum, highlighting the gap between the US and the rest of the world.
- US bond yields rose modestly in response to the positive data, with ten-year US Treasury yields ending the week at 4.26%. The back up in yields has only partly reversed the rally seen in June on the back of cooling inflation data earlier in the month.
- REITs and gold stalled amid the increase in yields, with the former being particularly sensitive to interest rates. NREs rebounded from oversold levels but remain down nearly 5% MTD given falling energy and metals prices, partly due to growth concerns in China, as new data showed little improvement in the real estate sector.
- The US dollar rose across the board on the back on rising rates, with the Japanese yen falling sharply and retesting the USD/JPY 160 level that in the past has triggered currency interventions from the Ministry of Finance. The prospect of a rising yen combined with weaker-than-expected PMI numbers also weighed on Japanese equities, which sold off in contrast to most other markets.

### MARKET PERFORMANCE

As of June 23, 2024 • Local Currency • Percent (%)

Equities	Last Week	This Month	This Year
Global	0.6	2.4	13.0
Developed Markets	0.5	2.2	13.3
United States	0.6	3.5	14.6
Euro Area	1.1	-2.0	8.9
United Kingdom	1.3	-0.2	8.8
Japan	-0.8	-1.7	17.2
Emerging Markets	1.0	4.2	10.9
<b>Fixed Income</b>			
US Aggregate	-0.2	1.6	-0.1
US Treasuries	-0.2	1.6	-0.3
US Corporate IG	-0.3	1.3	0.2
US Corporate HY	0.2	0.9	2.5
<b>Real Assets</b>			
Global Equity REITs	-0.2	0.8	-3.1
Global Natural Resources	1.4	-4.5	4.6
Gold Bullion	0.0	0.1	12.9
<b>Currencies</b>			
EUR/USD	-0.1	-1.6	-3.3
GBP/USD	-0.3	-0.8	-0.9
USD/JPY	1.4	1.6	13.2