



Tifin Market Moments 06-25-24

INTRO

Welcome to this week's Market Moments roundup, where we bring you the latest in timely market insights. In this edition, we examine the continuing surge in the markets, record home prices, and why many now anticipate at least one interest rate cut from the Federal Reserve (Fed) this year. We'll also take a look at the latest on Bitcoin, inflation, and a 104 year old lobsterwoman still going strong.

THREE NUMBERS:

Markets Power Higher: The markets [continued their surge higher in June](#), marking fresh new highs as investors poured into stocks. For the four weeks ending last week, the tech-heavy NASDAQ Composite Index (COMP) led the way once again up 4.5% for the period. The broad market S&P 500® (SPX) was also up for the four week span, gaining a hair over 3% while the Dow Jones Industrial Average® (DJIA) was up essentially flat. These gains are even more impressive considering the comparison periods were themselves in record territory. Stoking the continuing interest in stocks include still more positive economic reports, moderating inflation, and the general belief that the Fed is likely to lower rates at least once this year.

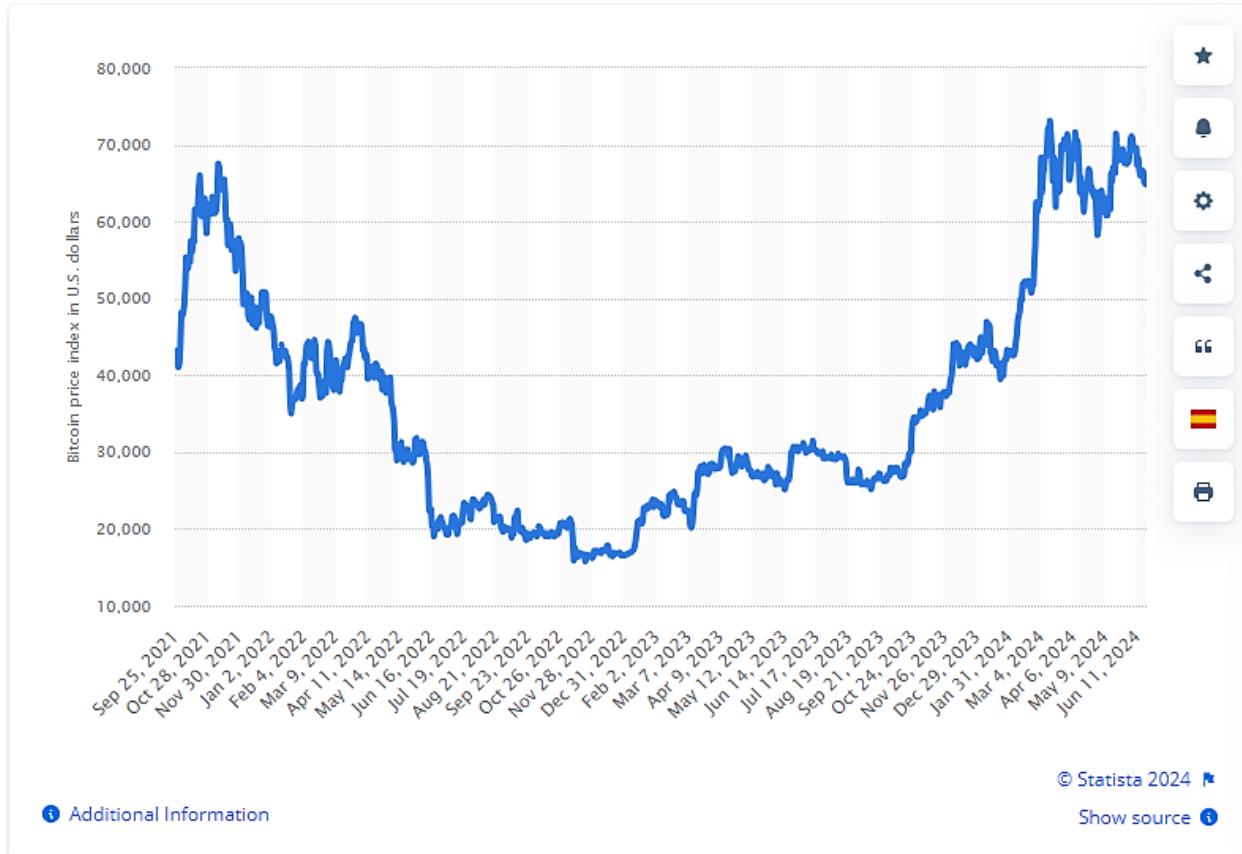
Home Prices Hit New Record: Home sales fell 0.7% in May compared to April to an annual rate of 4.11 million units. Compared to a year ago sales were also down 2.8%. And while the supply of homes on the market hit its highest level in four years, supplies are still below desired levels. As a result, [home prices rose for the 11th month to a median price of \\$419,300](#), up 5.8% compared to a year ago and setting a fresh record. High interest rates and a meandering policy from the Fed are keeping mortgage rates high, which is also discouraging home sales.

Fed Holds Rates Steady, But...: Taking no one by surprise, the [Fed held interest rates steady in June](#) with the Federal Funds rate remaining in the 5.25% to 5.5% range. And while the Fed remains focused on getting inflation below its 2% target, the latest policy statement noted "modest further progress" toward the central bank's inflation target, a more optimistic assessment than in May's statement. Many now believe the Fed will cut rates sometime this year, most probably in September.

THREE VISUALS:

After a topsy turvy 2021 to 2022 Bitcoin -- the most popular cryptocurrency -- has been climbing steadily since the beginning of 2023. And since the beginning of this year, [Bitcoin has been in record territory](#), routinely eclipsing the \$70,000 level. The most recent upturn in Bitcoin is likely

due to the approval of Bitcoin ETFs. ETFs in general tend to be a positive for the assets collected under their umbrella. ETFs can also add credibility to their collected assets, a plus for investors interested in Bitcoin. And unlike fiat currencies like the US dollar, there is a finite supply of Bitcoin, which many believe can make it more valuable and more reliable as a store of value, especially in times of economic stress.

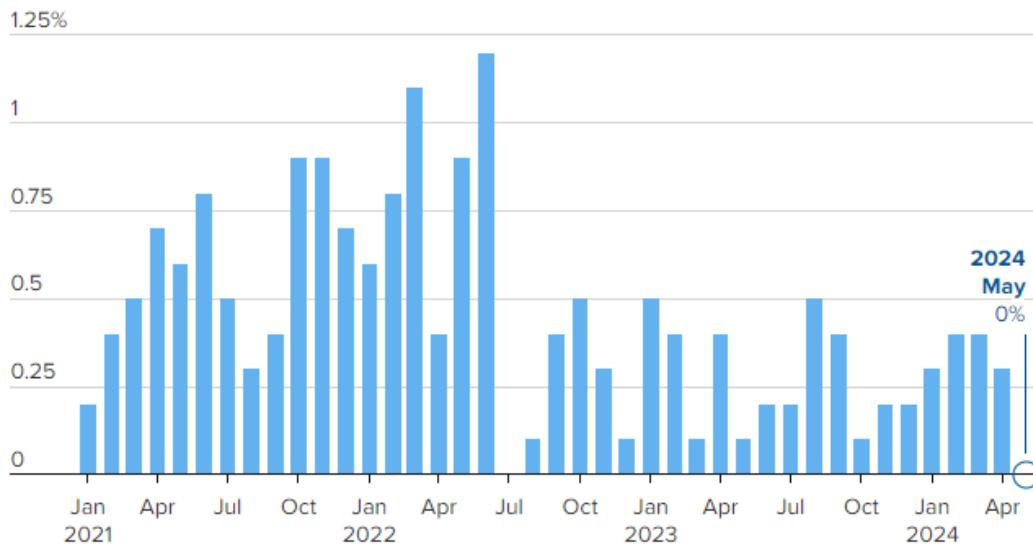


Source

Both the markets and the Fed breathed a sigh of relief following the latest better-than-expected report on inflation. The US Bureau of Labor Statistics said that [prices were unchanged in May compared to April](#), beating expectations of a 0.1% rise and a marked improvement over the 0.3% uptick in April. Compared to a year ago, prices rose 3.3%, also better than expectations of 3.4%. Core prices – which strip out the more volatile components of food and energy – were up 0.2% for the month and 3.4% compared to a year ago, both better than estimates as well. The positive report cheered the Fed enough that traders are now anticipating at least one interest rate cut this year.

U.S. consumer price index

Month-over-month percent change



Note: Seasonally adjusted

Source: [U.S. Bureau of Labor Statistics via FRED](#)

Data as of June 12, 2024

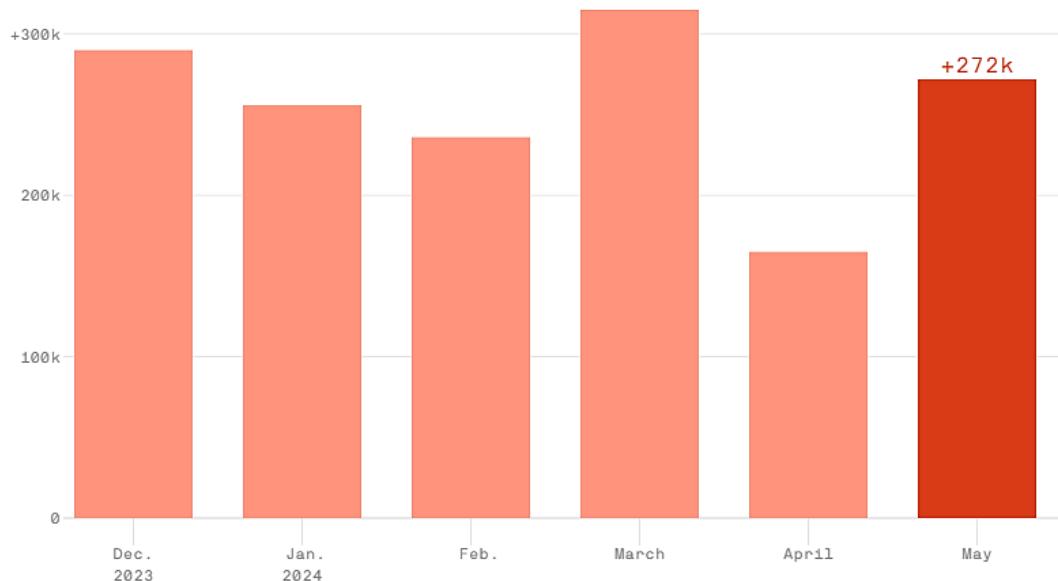


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The US economy added 272,000 jobs in May, [significantly above expectations calling for a gain](#) of 190,000. According to the latest report from the US Bureau of Labor Statistics, sectors that added jobs in May include health care, government, and leisure and hospitality. Average hourly earnings were also higher, gaining 4.1% compared to a year ago. The Fed, however, wasn't shaken by the report. According to Fed Chief Jerome Powell, "overall, a broad set of indicators suggest that conditions in the labor market have returned to about where they stood on the eve of the pandemic, relatively tight but not overheated."

Change in nonfarm payrolls

Monthly; December 2023 to May 2024



Data: U.S. Department of Labor; Chart: Axios Visuals

Source

THREE STORIES:

KPMG Advocates for Women: According to Paul Knopp, CEO of KPMG – one of the "Big Four" global accounting and advisory firms -- [supporting women in the workplace](#) is "an imperative in today's world," especially since more women are attending college than men. He added that representation of women in the workplace – including the C-suite – is crucial. Knopp says sponsorship of women in business, leadership accountability, and pipeline planning for the C-suite are critically important.

Social Security Regret? Getting social security checks as soon as possible does get money in your pocket. But it can also [shrink your monthly social security check by up to 30%](#), according to USA Today. But if you have a change of heart, there is a way out. If you change your mind within the first year, the Social Security Administration can give you a one-time "do-over" and request that you withdraw your application. Of course, you'll have to pay back the benefits you already received. You can also suspend your benefits if you've been receiving them for several years.

[Lobsterwoman Virginia Oliver has worked in the family lobster business](#) since she was age 8. Now at the age of 104, she's been at the task for 96 years. She first refused to conform to a stereotypical role when she joined her father – a shop owner and lobster dealer – on fishing expeditions. Oliver goes to bed at 9pm and wakes at 3am. Thick fog, heavy traps, and stormy seas haven't kept the centenarian from hitting the water three times a week. "It's a family tradition," says Oliver, "I wouldn't want to do anything else."