

STOCKS' BEST START TO THE YEAR SINCE 2019

APRIL 2024



Over the first quarter of 2024, the S&P 500 Index rose 10.5%. The Index of the 500 largest U.S. companies had its best start to the year since 2019. It also experienced 22 all-time closing highs in the period—the most in a first quarter in over 25 years.¹ Smaller companies participated in the market rally as well, with quarterly returns for the Russell 2000 Index and the Russell Midcap Index up 5.2% and 8.6%, respectively.

Ten of the 11 sectors in the S&P 500 rose in value in the first quarter. With continued enthusiasm over artificial intelligence developments, Communication Services and Information Technology were among the top-performing sectors, rising 15.8% and 12.7%, respectively. Energy, Financials and Industrials also rose double digits in the quarter. Real Estate was the bottom performer, falling 0.5% over the same period.

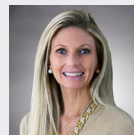
The strong equity performance this year is set against positive macroeconomic trends including:

- » Record high corporate profits at the end of 2023.²
- » Increasing consumer confidence that inflation will continue to fall.³
- » An accommodative Federal Reserve set to cut interest rates three times in 2024 as inflation stabilizes.
- » Continued strength of the labor market – The number of Americans signing up for unemployment benefits fell to 210,000 at the end of March 2024.⁴

- » Persistently low unemployment – The unemployment rate has remained below 4% for 25 straight months—the longest since the 1960s.⁵

Despite the strong start to the year, there are, and will always be, unforeseen events. Instead of acting impulsively, we find it helpful to focus on the data. Historically since 1950, the S&P 500 has risen 8% or more in the first quarter only 16 times, and in all but 1 instance, stocks finished the year with a higher positive return. Said differently, 94% of the time, the market continued its climb for the rest of the year.⁶

Regardless of future market direction, it helps to keep your focus on your long-term financial plan and remind yourself the reasons for investing: A vacation home? A college education for your child or grandchild? A future business venture? Let Jemma Financial help you and your family build a plan that will work towards those goals.



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1. Barron's, 4/1/24. 2. Thehill.com, 3/28/24. 3. University of Michigan Survey of Consumers Feb. 2024. 4. The Associated Press, 3/28/24. 5. U.S. Bureau of Labor Statistics. 6. Barron's, 4/1/24.

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