

# STOCKS EXPERIENCE STRONG FIRST HALF

JULY 2024



In the first six months of 2024, the S&P 500 Index of the largest U.S. companies increased 15%, the Nasdaq rose 17%, and the MSCI World Index climbed nearly 12%.

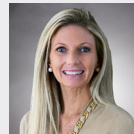
Among the S&P 500's 11 sectors, there was a wide disparity between the top and bottom performers. Information Technology and Communication Services sectors increased 28% and 26%, respectively, while the Real Estate sector fell 2%.

This significant disparity was also present in small versus large companies, and growth versus value stocks, where large companies generally outperformed their smaller counterparts and growth stocks outpaced their value peers.

For the first half of 2024, the market, as measured by the S&P 500, impressively experienced 31 record highs. What is more remarkable is that the S&P 500 added nearly \$6 trillion in market capitalization—the largest first-half increase ever.<sup>1</sup> However, only a few companies—especially those with exposure to generative artificial intelligence—drove this extraordinary growth: Super Micro Computer, NVIDIA, and Vistra all had triple-digit gains from January through June, leaving 75% of companies within the S&P underperforming the Index.

As we head into the last six months of 2024, the U.S. economic picture is largely positive. Inflation appears to be contained, the unemployment rate has remained low, and the Federal Reserve has kept its benchmark interest rate steady in the 5.25%-5.5% range since last July. Estimates for corporate earnings, which have historically declined as the year goes on, have increased 2.4%.<sup>2</sup> We believe this bodes well for the equity market.

Mid-year could be a good time to track progress toward your financial goals. Consider setting aside money for an emergency fund, making your 2024 Individual Retirement Account (IRA) contribution, funding an HSA account and increasing your contribution to your 401(k) or 403(b) account. Need help deciding your next course of action? A Jemma Financial Advisor can help.



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1. The Wall Street Journal. 2. MarketWatch.

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