

THE S&P 500 RISES IN AUGUST FOR THE FOURTH MONTH IN A ROW

SEPTEMBER 2024



Despite increased volatility at the beginning of August, stocks, on average, rose for the fourth month in a row. The S&P 500 Index of the largest U.S. companies increased 2.4% for the month. Global stocks climbed as well, with the MSCI EAFE Index returning 3.3%. Smaller company stocks, represented by the Russell 2000 Index, fell 1.5% in the month after advancing 10% in July.

Among the 11 sectors within the S&P 500, Consumer Staples and Real Estate sectors rose the most with a return of 6% each during the month. There were only two sectors—Consumer Discretionary and Energy—that fell in August.

The early-August volatility has been attributed to an unexpected increase in the unemployment rate to 4.3% in July from 4.1% in June.¹ A rise in the unemployment rate caused some concern of weakening economic growth. At month's end, the Federal Reserve continues to be on track to cut interest rates by either one quarter or one half of 1% at its September meeting to stimulate the economy.

Inflation pressures continue to recede with inflation now running below 3% as of the end of July 2024.² While unemployment ticked higher, GDP and personal spending rose in July. Specifically, GDP rose 3% in the second quarter of 2024.³

After the August market increase, the S&P 500 is up nearly 20% on a year-to-date basis. While September tends to be a weaker month of the year in terms of stock returns, the last three months of the year historically have been the strongest quarter of the year.⁴ Looking ahead, while we don't know where the markets are headed in the short term, we encourage investors to stay focused on saving for the future and achieving their long-term financial goals.



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1. U.S. Bureau of Labor Statistics. 2. U.S. Department of Labor. 3. Bureau of Economic Analysis. 4. S&P Global.

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