

4/15/2024

The Week Ahead



TRUST & ESTATE
FIDUCIARY SERVICES

THINGS TO WATCH

–BIG BANK EARNINGS PART 2: Goldman Sachs (GS) and Morgan Stanley (MS) are expected to show solid first quarter equity and debt underwriting fees when the duo report their latest quarterly results early this week. Trends in net interest margins and balance sheet repricing will be closely evaluated when Bank of America (BAC) and U.S. Bancorp (USB) deliver 1Q24 results tomorrow pre-market tomorrow and Wednesday, respectively. Potential guidance from any of these banks on capital levels ahead of this year's Fed stress tests could make headlines.

–UNH AND JNJ RESULTS: Tomorrow morning, UnitedHealth Group's (UNH) first quarter medical loss ratio (the portion of premium revenue spent on claims) and estimated costs related to the recent cyberattack on its Change Healthcare unit will be top of mind for investors. Fellow healthcare giant Johnson & Johnson's (JNJ) also delivers quarterly results tomorrow morning. Plenty of attention will be on management's guidance on generic competition trends for its immunology drug Stelara and discussion on the recent \$13.1 billion acquisition of cardiovascular device maker Shockwave Medical (SWAV).

–BEIGE BOOK: The Federal Reserve's Summary of Commentary on Current Economic Conditions (informally known as the Beige Book) will be released Wednesday covering a 7-week period through late-March. The report is a summary of anecdotal information on economic conditions in the central bank's 12 districts. Fed Governor Christopher Waller has recently cited the Beige Book as an increasingly useful source of information for policymakers given the large revisions and confusing patterns in many economic data series.

–MIDDLE EAST TENSIONS: The Israeli military is reportedly weighing a response to Iran's missile and drone attack this weekend, which saw 99% of the 300 missiles and drones launched by Tehran shot down with minimal damage inflicted.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
Consumer Price Index (Y/Y)	3.5%	3.4%	▲
Core Consumer Price Index (Y/Y)	3.8%	3.9%	▼
Producer Price Index (Y/Y)	2.1%	1.1%	▲
U. of Mich. Consumer Sentiment	77.9	79.0	▼
U. of Mich. 1-year Inflation Expectations	3.1%	2.9%	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	37893.24	-2.36%	1.32%	14.47%
NASDAQ	16175.09	-0.45%	7.97%	34.54%
S&P 500	5123.41	-1.52%	7.86%	25.75%
MSCI EAFE	2289.77	-2.19%	3.17%	8.80%
BB U.S. Aggregate	2107.58	-0.74%	-3.19%	-0.18%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	5.39%	5.37%	4.99%
10-Year Treasury	4.63%	4.31%	3.51%

REPORTS DUE THIS WEEK	LATEST
Retail Sales (M/M)	0.6%
Building Permits (Millions Annualized)	1.524
Housing Starts (Millions Annualized)	1.521
Existing Home Sales (Millions Annualized)	4.38

Total returns are as of 4/12/24. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

22.2%

The year-over-year increase in the auto insurance component of the March consumer price index (CPI) report released last week. Car insurance premiums have been rising for over two years, up nearly 46% since December 2021. Higher prices for new and used cars, along with elevated maintenance and repair costs have contributed to sharp increases in auto insurance prices. Increasingly complex and heavier vehicles and a scarcity of experienced repair technicians have led to rising repair costs.

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The number of trading days the S&P 500 went without a 2.5% correction before last Friday. From October 27 through April 4, the index experienced seven separate mini-declines between 1% and 2% lasting 3-5 days as dip-buyers quickly emerged. Key S&P 500 levels to watch in coming days will be the index's 20-day moving average of 5,211 to the upside and the 50-day (5,115) and 100-day (4,911) moving averages on the downside. A retest of the latter would imply a 4% decline from last week's close.

DISCLOSURES



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