

## Some good and some bad

The week that just concluded had its share of surprises. Some were good and some were bad.



The good included the following:

- The 2-yr, 5-yr, and 7-yr Treasury note auctions
- Carnival's earnings report
- FedEx surging after its earnings report
- Amazon.com eclipsing a \$2 trillion market capitalization
- All 31 large banks passing the Fed's annual stress test
- A Personal income and Spending report for May that hit the right soft landing notes, which included gains in personal income and personal spending to go along with a moderation in the PCE Price indexes

The bad included:

- A lack of broad-based participation. The equal-weighted S&P 500 declined 0.8% for the week.
- A massive 20% decline in Dow component Nike after it issued a greatly disappointing FY25 sales outlook.
- Reports of tension rising between Israel and Hezbollah.
- Micron losing nearly 8% after failing to live up to investors' high expectations with its guidance.
- Walgreens Boots Alliance missing earnings expectations, cutting its FY24 guidance, and announcing plans to close a significant number of underperforming stores
- Continuing jobless claims hitting their highest level since November 2021.
- New home sales sliding 11.3% month-over-month in May to a seasonally adjusted annual rate of 619,000 units.

The presidential debate, we suppose, could fit in either category depending on how one looked at things. We'll let others call that shot, but it's not a stretch to say that it injected a new level of uncertainty into the presidential election.

Market participants took the news as it came, but refrained from showing any strong conviction outside of individual stock moves. All in all, it was a mixed showing at the index level.

The market-cap weighted S&P 500 dipped 0.1% for the week, the Nasdaq Composite increased 0.2%, the S&P Midcap 400 dropped 0.1%, and the Russell 2000 gained 1.3%. The price-weighted Dow Jones Industrial Average was down fractionally for the week.

- Nasdaq Composite: +18.1% YTD
- S&P 500: +14.5% YTD
- S&P 400: +5.3% YTD
- Dow Jones Industrial Average: +3.8% YTD
- Russell 2000: +1.0% YTD

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