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Weekly Financial Markets Update August 26, 2024

## News & Insights

### Weekly Financial Markets Update: August 26, 2024

This Weekly Financial Markets Update reviews the top market headlines:  
Fed Chair Opens the Door to Rate Cuts, Leading Indicators Fall in July,  
Home Sales Decline Halted in July

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- **The current federal funds rate target set by the Federal Reserve is 5.25% to 5.50%**
- **The U.S. Leading Economic Index declined 0.6% in July**
- **Existing home sales grew 1.3% in July versus the prior month**

#### Top Three Market Headlines

**Fed Chair Opens the Door to Rate Cuts:** In a highly anticipated speech last week at an economic policy forum in Jackson Hole, WY, Federal Reserve Chair Jerome Powell laid the groundwork for the central bank to cut the federal funds rate at its next meeting in September. The Fed began raising its policy benchmark rate in March 2022 in a bid to quell inflation and has held the target range steady at 5.25% to 5.50% since July 2023. Citing growing confidence that inflation is on a "sustainable path" back to 2%, while recognizing the goal of maintaining a strong labor market, Powell said "The time has come for policy to adjust."

**Leading Indicators Fall in July:** The Conference Board's U.S. Leading Economic Index (LEI) fell by 0.6% in July 2024, the fifth straight monthly decline. Underlying factors keying the drop included lower new orders, pessimistic consumer expectations, and fewer hours worked in the manufacturing sector. Over the six-month period through July, the LEI fell by 2.1%, which officials noted was a smaller decline compared to the prior six-month period, an encouraging sign. Nonetheless, based on the latest LEI readings the organization expects U.S. real GDP to slow to a +0.6% annualized pace in Q3 2024 and +1.0% in Q4.

**Home Sales Decline Halted in July:** Existing home sales improved modestly in July, breaking a streak of four consecutive monthly declines, according to the National Association of Realtors (NAR). Sales grew 1.3% from the prior month to a seasonally adjusted annual rate of 3.95 million. Despite the rise, the NAR pointed out that "home sales are still sluggish," though it noted that affordability has improved as mortgage rates have declined since the spring. The median existing-home sales price rose 4.2% in July from one year ago to \$422,600, marking the 13th consecutive month of year-over-year price gains.

**Please note: There will be no Weekly Financial Market Update published next Monday, September 2, due to Labor Day.**

As of August 23, 2024	Week	Quarter-To-Date	Year-To-Date	One-Year
MSCI All Country World	1.73%	3.88%	15.62%	25.07%
S&P 500	1.47%	3.39%	19.20%	28.91%
Russell 2000	3.62%	8.53%	10.41%	20.43%
MSCI EAFE	2.76%	5.64%	11.28%	20.43%
MSCI Emerging Markets	0.70%	1.97%	9.60%	16.35%
FTSE NAREIT Equity	3.63%	12.09%	11.94%	23.03%
Bloomberg Commodity	0.88%	-3.71%	1.24%	-2.73%
Bloomberg U.S. Aggregate	0.67%	4.34%	3.60%	8.61%

*The Conference Board 8/19/2024, Bloomberg 8/23/2024, Federal Reserve 8/23/2024, Nat'l Assoc. of Realtors 8/22/2024. Data from Morningstar Direct. Returns for periods greater than one year are annualized. Investment advisory, named and independent fiduciary services are offered through Gallagher Fiduciary Advisors, LLC, an SEC Registered Investment Adviser. Gallagher Fiduciary Advisors, LLC does not express an investment opinion regarding any specific commodity, sector or individual security. Unless otherwise expressly noted, the contents of this communication do not constitute securities or investment advice, nor should this communication be construed as an opinion regarding the appropriateness of any investment. Gallagher Fiduciary Advisors, LLC is a single-member, limited-liability company, with Gallagher Benefit Services, Inc. as its single member. Neither Arthur J. Gallagher & Co., Gallagher Fiduciary Advisors, LLC nor their affiliates provide accounting, legal or tax advice. The information provided cannot take into account all the various factors that may affect your particular situation; therefore, you should consult your Gallagher Fiduciary Advisors consultant before acting upon any information or recommendation contained herein to discuss the suitability of the information/recommendation for your specific situation.*

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