

News & Insights

Weekly Financial Markets Update: January 22, 2024

This Weekly Financial Markets Update reviews the top market headlines: Retailers End 2023 on a Bright Note, 2023 Home Sales Hit 28-Year Low, Beige Book Signals Steady Economic Activity

- **U.S. retail sales rose 5.6% in December from the prior year**
 - **Existing home sales hit their lowest level in nearly 30 years in 2023**
 - **The Beige Book is published eight times per year by the 12 Federal Reserve Districts**
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Top Three Market Headlines

Retailers End 2023 on a Bright Note: The U.S. Census Bureau reported last week that sales at U.S. retail and food service establishments grew 0.6% in the month compared to the prior month. This exceeded economists' expectations and was the fastest monthly pace in three months. On a year-over-year basis, sales increased 5.6%, an acceleration from 4.0% in November's and the strongest rate of growth in almost a year. Particular areas of strength in December included motor vehicles & parts (+10.3% versus last year), restaurants & bars (+11.3%), and internet retailers (+9.7%).

2023 Home Sales Hit 28-Year Low: The National Association of Realtors reported last week that sales of existing homes fell 1.0% in December from the prior month to a seasonally adjusted annual rate of 3.78 million homes. This was down 6.2% from last year and was the lowest monthly tally since 2010. Despite the lower volume, the median sales price rose 4.4% from the prior year, the sixth consecutive monthly gain. For the full year, the number of sales totaled just 4.1 million, the lowest annual rate since 1995, while median prices hit a record high. The stark 2023 trends are attributed to higher mortgage rates suppressing demand at the same time that a limited supply of homes on the market supported prices.

Beige Book Signals Steady Economic Activity: The Federal Reserve last week released its most recent Beige Book, a compilation of anecdotal information about current economic conditions collected eight times a year by the 12 Federal Reserve Districts. Most of the Districts reported little or no change in the level of economic activity since the previous report issued in late November. Reported bright spots included solid holiday spending and increased leisure travel. Nearly all Districts cited indications of some softening in the labor market (e.g., lower turnover, easing wage increases), while a handful of Districts noted that pricing pressures have

subsidized to some degree.

As of January 22, 2024	Week	Quarter-To-Date	Year-To-Date	One-Year
MSCI All Country World	-0.05%	-0.33%	-0.33%	17.45%
S&P 500	1.19%	1.54%	1.54%	26.18%
Russell 2000	-0.33%	-4.05%	-4.05%	7.57%
MSCI EAFE	-2.15%	-2.52%	-2.52%	8.20%
MSCI Emerging Markets	-2.54%	-5.13%	-5.13%	-3.09%
FTSE NAREIT	-1.89%	-2.32%	-2.32%	6.08%
Bloomberg Commodity	-1.08%	-1.57%	-1.57%	-8.81%
Barclays U.S. Aggregate	-1.10%	-1.39%	-1.39%	0.67%

US Census Bureau 1/17/2024, Nat'l Assoc. of Realtors 1/19/2024, US Federal Reserve 1/17/2024. 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.