

# News & Insights

## Weekly Financial Markets Update: January 29, 2024

This Weekly Financial Markets Update reviews the top market headlines: GDP Grows at a 3.3% Pace in Q4, Leading Indicators Continue to Signal Weakness and China Considers Market Stabilization Plan.

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- **U.S. GDP grew at an annual pace of 3.3% in Q4**
- **The Leading Economic Index fell by 0.1% in December**
- **China is reportedly considering a \$280 billion stock market rescue plan**

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### Top Three Market Headlines

**GDP Grows at a 3.3% Pace in Q4:** The Bureau of Economic Analysis reported last week that real (inflation-adjusted) U.S. gross domestic product (GDP), a measure of all goods and services produced, rose in the calendar quarter ended December 31, 2023 at an annualized rate of 3.3%. This was the sixth straight quarter of positive GDP growth, though it represented a step down from the prior quarter's 4.9% pace. As in the third quarter, Q4 growth was keyed by government expenditures and consumer spending. In the latter category, growth was seen across both goods and services, with highlights being health care as well as food services and accommodations.

**Leading Indicators Continue to Signal Weakness:** The Conference Board reported last week that its Leading Economic Index (LEI), a composite of ten U.S. economic indicators intended to signal turning points in the economy, fell by 0.1% in December. Notwithstanding the continued growth in reported GDP over the last six quarters, as noted above, the LEI has now fallen for 20 straight months, continuing to indicate a risk of economic weakness ahead. The latest LEI decline was primarily attributed to weak manufacturing indicators, higher interest rates, and low consumer confidence readings.

**China Considers Market Stabilization Plan:** News reports surfaced last week that government authorities in China have been working on a nearly \$280 billion (2 trillion yuan) rescue fund to stabilize the country's stock market. The plan would involve sourcing capital from offshore Chinese state-owned corporations and investing it back into mainland Chinese shares. Chinese stocks have been under pressure since early 2021, as the benchmark CSI 300 Index, which hit a five-year low last week, has receded more than 40% over that time. The proposed plan would follow a series of separate actions taken last year to stem the selloff, including ETF purchases by state-supported funds, which proved unsuccessful.

| As of January 26, 2024 | Week  | Quarter-To-Date | Year-To-Date | One-Year |
|------------------------|-------|-----------------|--------------|----------|
| MSCI All Country World | 1.31% | 0.98%           | 0.98%        | 15.16%   |
| S&P 500                | 1.07% | 2.62%           | 2.62%        | 22.43%   |
| Russell 2000           | 1.75% | -2.37%          | -2.37%       | 5.61%    |
| MSCI EAFE              | 2.01% | -0.57%          | -0.57%       | 8.58%    |
| MSCI Emerging Markets  | 1.47% | -3.74%          | -3.74%       | -3.96%   |

|                         |        |        |        |        |
|-------------------------|--------|--------|--------|--------|
| FTSE NAREIT             | -0.63% | -2.94% | -2.94% | 1.82%  |
| Bloomberg Commodity     | 2.15%  | 0.55%  | 0.55%  | -7.38% |
| Barclays U.S. Aggregate | 0.10%  | -1.30% | -1.30% | 1.09%  |

*Bloomberg 1/19/2024, 1/22/2024 & 1/23/2024, US Dept. of Commerce 1/25/2024, The Conference Board 1/22/2024. 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.*