

Quarterly Market Recap

QUARTER ENDED June 2024

Authored By: Jason Marino CFA, CAIA

Stocks

Domestic large-cap stocks led the way higher for the quarter, particularly in technology growth companies. While the overall S&P 500® Index gained more than 4% in the quarter, the average stock return was more than a 2.6% loss, further illustrating the top-heavy return leadership. Outside the U.S., shares in emerging markets comfortably outpaced their developed-market counterparts.

Bonds

Bonds were mixed as the broad-based Bloomberg US Aggregate Bond® Index gained slightly in the quarter while corporate high-yield issues experienced stronger gains. The yield on the 10-year US Treasury bond rose by nearly 20 basis points in the period.

Macro

The U.S. economy continued to show resilience as GDP grew for the seventh straight quarter at 1.4%. The Atlanta Fed GDPNow estimate is for 3.9% second-quarter growth. Inflation continued to moderate, and a mixed bag of economic reports left the U.S. Federal Reserve (Fed) comfortable in leaving interest rates unchanged. One rate

cut is widely anticipated by year end. The European Central Bank (ECB), on the other hand, cut its key interest rate by a quarter point in June.

Earnings

According to FactSet, analysts are bullish on earnings growth expectations for second quarter results, estimating an 8.8% overall growth rate. Eight of the 11 sectors in the S&P 500 are expected to report year-over-year growth with communication services, health care, information technology and energy expected to deliver double-digit earnings growth.

This Week

HCOB Eurozone Manufacturing PMI, S&P Global U.S. Manufacturing PMI, ISM Manufacturing PMI, and 10-year JGB Auction (Mon.); Eurozone CPI, JOLTs Job Openings, and Caixin Services PMI (Tues.); HCOB Eurozone Composite PMI, ADP Nonfarm Employment Change, U.S. Continuing Jobless Claims, and S&P Global Services PMI (Wed.); U.S. Average Hourly Earnings, U.S. Unemployment Rate, and Fed Monetary Policy Report (Fri.).

KEY TAKEAWAYS

Domestic large-cap stocks advanced, but the ever-increasing concentration of technology growth companies left the average stock behind.

INDEX RETURNS

Index Returns are as of 06/28/2024	Level	QTD	YTD	6 Months	1 Year	3 Year
S&P 500	5,460	4.28%	15.29%	15.29%	24.56%	10.01%
Dow Jones Industrial Average	39,119	-1.27%	4.79%	4.79%	16.02%	6.42%
NASDAQ Composite	17,733	8.47%	18.57%	18.57%	29.61%	7.78%
Russell 2000	5,089	-3.28%	1.73%	1.73%	10.06%	-2.58%
MSCI EAFE	2,315	-0.42%	5.34%	5.34%	11.54%	2.89%
MSCI Emerging Markets	1,086	5.00%	7.49%	7.49%	12.55%	-5.07%
Bloomberg US Agg Bond Index	2,147	0.07%	-0.71%	-0.71%	2.63%	-3.02%
Bloomberg US Corporate High Yield Index	2,544	1.09%	2.58%	2.58%	10.44%	1.64%

Source: Morningstar DirectSM

Past Performance is No Guarantee of Future Results

Indexes are unmanaged, do not incur fees or expenses, do not reflect any deduction for taxes, and cannot be purchased directly by investors.

The **S&P 500® Index** is a widely recognized, unmanaged index representative of common stocks of larger capitalized U.S. companies.

Dow Jones Industrial Average is a price-weighted average of 30 actively traded Blue Chip stocks, primarily industrials, but also including other service-oriented firms; may be used as a benchmark for large cap stocks

NASDAQ Composite is a broad-based index of over 3,000 companies, which measures all domestic, and non-U.S.-based common stocks listed on the NASDAQ Stock Market, Inc.

The **Russell 2000® Index** is a widely recognized, unmanaged index representative of common stocks of smaller capitalized U.S. companies.

The **MSCI EAFE Index** is a widely recognized, unmanaged index representative of equity securities in developed markets, excluding the U.S. and Canada.

The **MSCI Emerging Markets (EM) Index** is an unmanaged market capitalization-weighted index of equity securities of companies domiciled in various countries. The Index is designed to represent the performance of emerging stock markets throughout the world and excludes certain market segments unavailable to U.S.-based investors.

The **Bloomberg U.S. Aggregate Bond Index** is an unmanaged index of fixed-rate investment-grade securities with at least one year to maturity, combining the Bloomberg U.S. Treasury Bond Index, the Bloomberg U.S. Government-Related Bond Index, the Bloomberg U.S. Corporate Bond Index, and the Bloomberg U.S. Securitized Bond Index.

The **Bloomberg U.S. Corporate High-Yield Bond Index** covers the universe of fixed rate, non-investment-grade debt from corporate sectors.

The information provided represents the opinion of MassMutual Investments as of the date of publication and is subject to change without notice. It is not to be construed as tax, legal or investment advice. Past performance does not guarantee future results. Three-year returns are annualized.

©2024 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

MassMutual Investments is the marketing name for certain products and/or services of Massachusetts Mutual Life Insurance Company (MassMutual®) and its affiliates, including MML Investment Advisers, LLC (MML Advisers). Investment advisory services of MassMutual Investments are provided exclusively by MML Advisers.

For more information, visit www.MassMutual.com, www.MassMutualfunds.com, or “follow” us on [LinkedIn](https://www.linkedin.com/company/massmutual).



©2024 Massachusetts Mutual Life Insurance Company (MassMutual®) and affiliates, Springfield, MA 01111-0001. All rights reserved. www.MassMutual.com