

# Market Update – December 16, 2024

## The Weekly Briefing

The S&P 500 ended the week lower for the first time in four weeks as the index's post-election rally took a breather. Notably, market breadth, the broadness of an index's performance, has deteriorated recently despite strong index-level performance. The S&P 500 advance-decline line, which measures the number of stocks in the index that rose less than those that fell, has been negative every day for the past two weeks. Market breadth is generally viewed as a measure of the health of an index's performance, and negative breadth may be an indication that the recent rally is losing steam. However, markets can change quickly, and as seen in 2023 and the early part of 2024, an index can continue to rise even when only a handful of stocks are going up.

Economic data this week included the Consumer Price Index and the Producer Price Index. The two measures of the price level signaled mixed progress in the journey to return inflation back to the Fed's 2% target. Headline and core CPI came in as expected, but the year-over-year change in the headline index increased sequentially for the second straight month. The year-over-year increase in core CPI, a more meaningful measure of inflation, was the same as last month. However, the year-over-year rate of change in this measure of the price level has stubbornly remained in the low 3% range for 6 months now. Additionally, the core index has increased at a 0.3% month-over-month rate for the past 3 months, well above the approximately 0.15% month-over-month increase that is consistent with 2% annual inflation.

The Producer Price Index, which includes some of important categories included in the Fed's preferred inflation measure, core PCE, came in much higher than expected. PPI increased 0.4% month-over-month, ahead of the 0.2% increase expected. The Index increased 3.0% year-over-year, a sharp uptick from the 2.4% increase last month. Although PPI was hot on the surface, the increase was primarily due to inflation in goods. The services category, which includes most of the subcategories that flow directly into core PCE increased at a 0.2% month-over-month rate. Additionally, the most relevant measure for core PCE - services excluding trade, transportation, and warehousing – rose just 0.1% month-over-month.

The FOMC meets this week and a 25-basis point cut is widely expected. The timing and amount of future cuts is much more uncertain. Markets currently expect this next reduction to be the last for some time. Based on futures pricing, another 25-basis point cut is not expected until May, as the Fed adopts a wait-and-see approach while the new presidential administration implements its agenda.

## The Week Ahead

Monday	Tuesday	Wednesday	Thursday	Friday
	Retail Sales Industrial Production	FOMC Decision Housing Starts Building Permits	Initial Jobless Claims Continuing Claims	PCE Price Index Personal Income Personal Spending
	GIS LEN MU	GIS LEN MU	ACN CTAS FDX NKE	

## Market Snapshot

	Last Week	YTD	1yr
S&P 500	-0.6%	28.6%	30.0%
DJIA	-1.8%	18.4%	19.6%
Nasdaq 100	0.8%	30.5%	32.1%
Russell 2000	-2.5%	17.3%	19.8%
S&P 500 E/W	-1.7%	17.1%	18.6%
2yr Yield	4.24%	-0.01%	-0.20%
10yr Yield	4.40%	0.52%	0.49%
VIX	13.8	1.4	1.5
WTI Crude	\$ 71.3	-0.5%	-0.2%
Gold	\$ 2,648	28.4%	30.6%
Bitcoin	\$ 99,420	137.1%	135.2%

## Economic Summary

	Actual	Expected	Prior (r)
CPI - m/m	0.3%	0.3%	0.2%
CPI - y/y	2.7%	2.7%	2.6%
Core CPI - m/m	0.3%	0.3%	0.3%
Core CPI - y/y	3.3%	3.3%	3.3%
PPI - m/m	0.4%	0.2%	0.2%
PPI - y/y	3.0%	2.6%	2.4%
Initial Jobless Claims	242k	220k	224k
Continuing Claims	1,886k	1,877k	1,871k

John Sawyer, CFA  
Chief Investment Officer  
[John.Sawyer@sunflowerbank.com](mailto:John.Sawyer@sunflowerbank.com) | 303.962.0140

Matt Henderson, CFA  
Director of Portfolio Management  
[MHenderson@logiapm.com](mailto:MHenderson@logiapm.com) | 480.676.6382

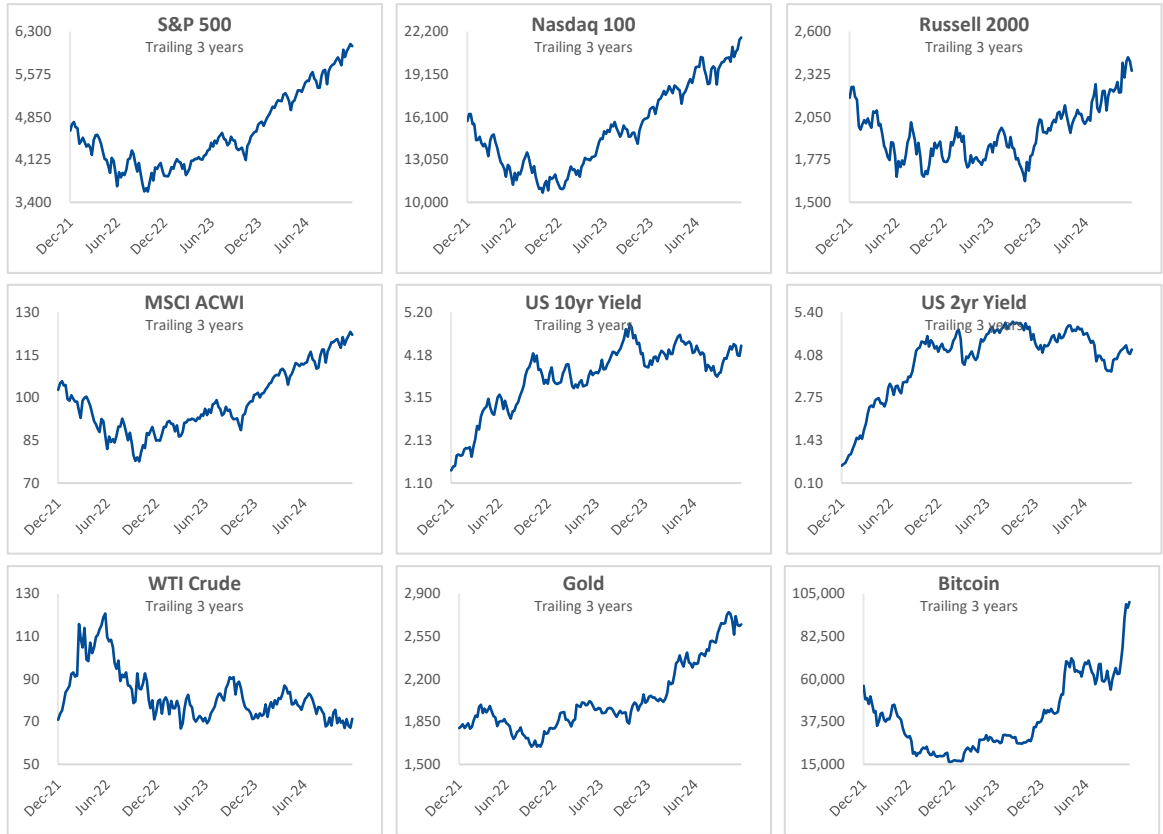
Michael Berens, CFA  
Portfolio Manager  
[MBerens@logiapm.com](mailto:MBerens@logiapm.com) | 303.962.0146

Eric Micheli, CFA  
Portfolio Manager  
[EMicheli@logiapm.com](mailto:EMicheli@logiapm.com) | 303.615.2705



WEALTH MANAGEMENT

# Markets Monitor



## S&P 500 Sector Heatmap Total Return YTD

S&P 500	Comm. Services	Cons. Discretionary	Cons. Staples
28.6%	40.1%	32.5%	16.2%
Energy	Financials	Healthcare	Industrials
9.0%	33.2%	4.5%	21.7%
Materials	Real Estate	Technology	Utilities
5.6%	9.5%	24.8%	25.4%

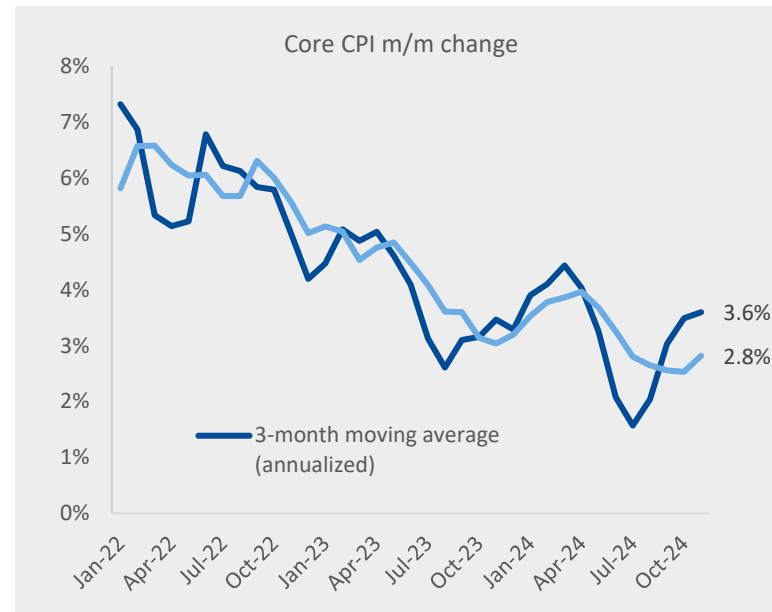
## Last Week in Earnings

Date	Ticker	EPS	Revenue	Price chg
9-Dec	AI	Beat	Beat	0.1%
	MDB	Beat	Beat	-16.9%
	ORCL	Miss	Miss	-6.7%
11-Dec	ADBE	Beat	Beat	-13.7%
	COST	Beat	Miss	0.1%
	M	Beat	Miss	-0.8%
	RH	Miss	Beat	17.0%

## World Watch

	Last Week	YTD	1yr
MSCI ACWI	-0.8%	20.9%	22.7%
MSCI Europe	-1.5%	4.9%	6.7%
MSCI APAC	-0.7%	11.9%	14.5%
DXY Index	106.8	5.4%	4.2%
EUR / USD	\$1.06	-5.8%	-5.1%
GBP / USD	\$1.26	-0.8%	-0.1%
USD / JPY	154.0	9.2%	7.8%
USD / CNY	7.28	2.5%	2.1%

## The Annualized Month-Over-Month Change in Core CPI Has Increased In Recent Months



Sources: BLS, FRED, Bloomberg, Logia Portfolio Management, Sunflower Bank.



WEALTH MANAGEMENT

## Disclosures

Investment and insurance products are not FDIC-insured, are not a deposit or other obligation of, or guaranteed by the bank or an affiliate of the bank, are not insured by any federal government agency and are subject to investment risks, including possible loss of the principal amount invested.

Sunflower Bank, N.A. (“Sunflower Bank”) offers various banking, fiduciary and custody products and services, including discretionary portfolio management. In such cases, Sunflower Bank is responsible for the day-to-day management of these accounts. Logia Portfolio Management LLC (“Logia”) is an SEC-registered investment adviser and its only investment advisory activity is the provision of sub-advisory services to its sole client (and affiliate) Sunflower Bank. The content provided is not an advertisement of investment advisory services offered through Logia. Both Logia and Sunflower Bank are wholly owned by FirstSun Capital Bancorp. For more information about our Wealth Management services, speak to your relationship manager or visit the Wealth Management pages of [SunflowerBank.com](http://SunflowerBank.com).

This material is intended for informational purposes only, and does not constitute investment advice, a recommendation or an offer or solicitation to purchase or sell any securities to any person in any jurisdiction in which an offer, solicitation, purchase or sale would be unlawful under the securities laws of such jurisdiction. Any mention of a particular security and related performance data is not a recommendation to transact in that security, or any security.

This material may contain estimates and forward-looking statements, which may include forecasts and do not represent a guarantee of future performance. This information is not intended to be complete or exhaustive and no representations or warranties, either express or implied, are made regarding the accuracy or completeness of the information contained herein. The information and opinions expressed herein are as-of the date of publication and are subject to change without notice. Sunflower Bank deems reliable any statistical data or information obtained from or prepared by third party sources that is included in any commentary, but in no way guarantees its accuracy or completeness. Reliance upon information in this material is at the sole discretion of the reader. Investing involves risks.

