

## The Weekly Briefing

Nvidia's scorching run took a breather, with the stock 12% off its all-time high set seven trading sessions prior. This drawdown follows a historic run where the stock rose 750% since the start of 2023 and 150% year-to-date. Nvidia's size makes its performance even more exceptional. The company was briefly the most valuable in the world; its market cap was \$3.1 trillion as of Friday's close.

The combination of Nvidia's performance and size has resulted in disparate returns between the market cap weighted S&P 500 Index and its equally weighted counterpart. Year-to-date the S&P 500 is up 16% while the equal-weight index is only up 5%. Nvidia alone accounts for 27% of the S&P 500's return so far this year, a remarkable statistic given there are 500 constituents.

Headlines abound flagging the abnormal concentration of returns in the S&P 500 – termed narrow market breadth. As a result of this narrow breadth, the top 10 stocks in the S&P 500 by market cap account for two-thirds of the year-to-date index return and are approaching record levels as a percent of the index.

Extreme concentration significantly reduces the diversification benefits provided by an index and creates a hidden risk. On the surface investors in the S&P 500 own a broad-basket of 500 companies that represent the US economy. However after looking under the hood, investors may find they are overexposed to a select group of mega cap (primarily tech) stocks, creating a concentration of risk. The current situation demonstrates the importance of portfolio diversification across asset classes, styles and geographies.

### Market Snapshot

	Last Week	YTD	1yr
S&P 500	-0.1%	15.3%	24.5%
DJIA	-0.1%	4.8%	16.0%
Nasdaq 100	-0.1%	17.5%	30.8%
Russell 2000	1.3%	1.7%	10.0%
S&P 500 E/W	-0.4%	5.1%	11.8%
2yr Yield	4.75%	+50bp	+4bp
10yr Yield	4.40%	+52bp	+69bp
VIX	12.4	(0.0)	(1.2)
WTI Crude	\$81.5	13.8%	15.4%
Gold	\$2,327	12.8%	21.2%
Bitcoin	\$61,988	45.8%	104.0%

### Economic Summary

	Actual	Expected	Prior (r)
New Home Sales	619k	633k	698k
Initial Jobless Claims	233k	235k	239k
Continuing Claims	1,839k	1,828k	1,821k
Personal Income - m/m	0.5%	0.4%	0.3%
Personal Spending - m/m	0.2%	0.3%	0.1%
PCE Price Index - m/m	0.0%	0.0%	0.3%
Core PCE Price Index - m/m	0.1%	0.1%	0.3%
Core PCE Price Index - y/y	2.6%	2.6%	2.8%

### The Week Ahead

Monday	Tuesday	Wednesday	Thursday	Friday
ISM Manuf.	JOLTS	ADP Payrolls Initial Claims Continuing Claims	Markets Closed for Independence Day	Nonfarm Payrolls Unemployment Rate Avg Hrly Earnings
		STZ (bmo)		

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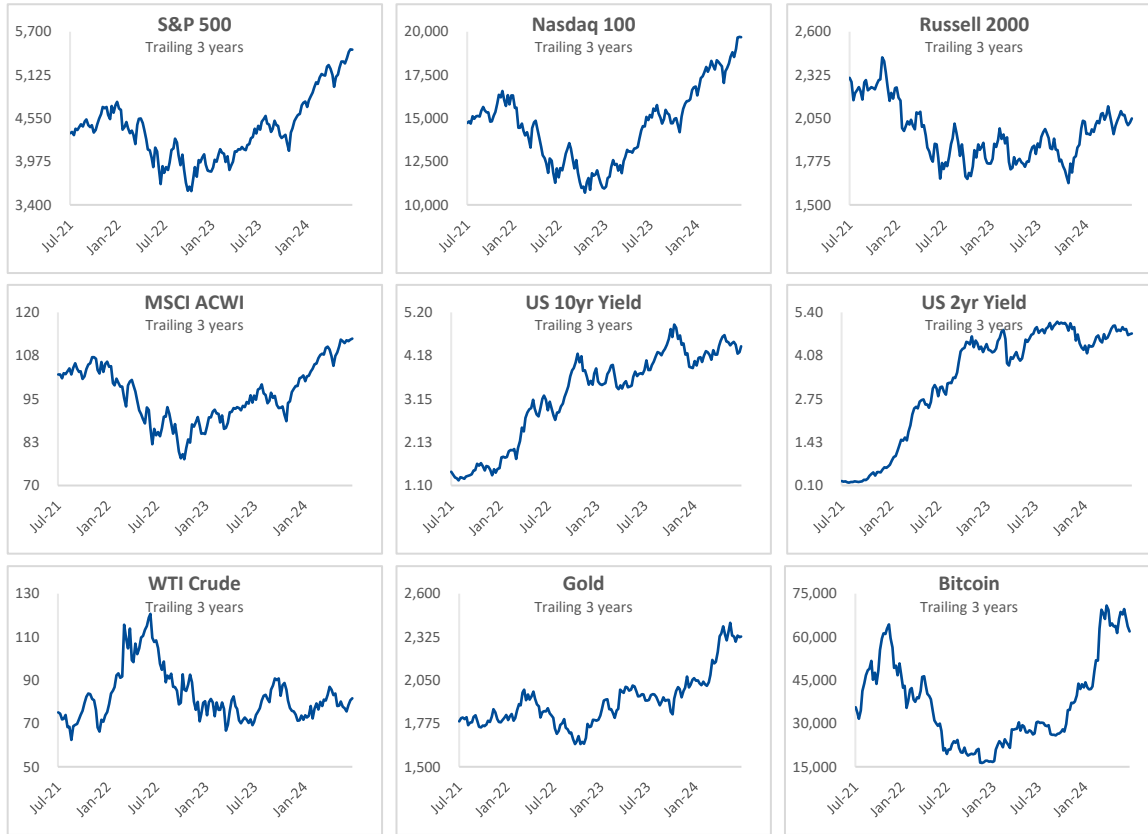
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# Markets Monitor



## S&P 500 Sector Heatmap Total Return YTD

S&P 500	Comm. Services	Cons. Discretionary	Cons. Staples
15.3%	18.5%	2.4%	7.9%
Energy	Financials	Healthcare	Industrials
10.5%	10.2%	7.7%	7.6%
Materials	Real Estate	Technology	Utilities
4.1%	-2.5%	17.9%	9.3%

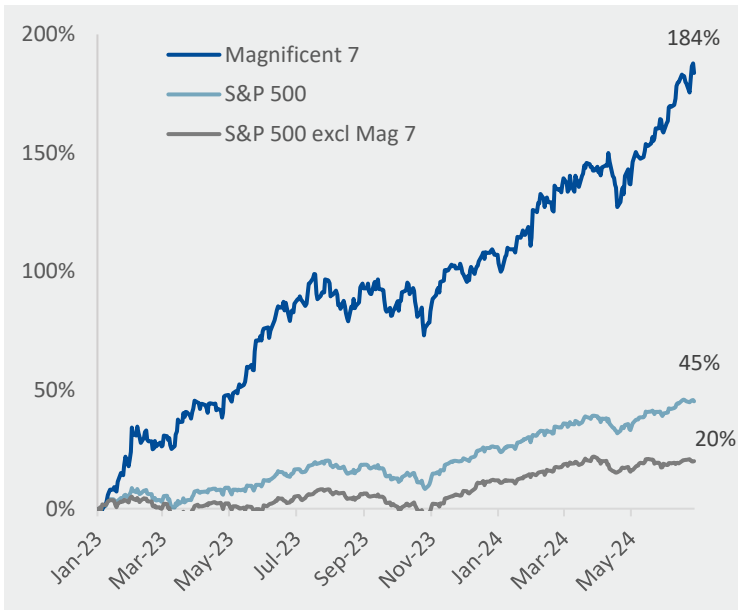
## Last Week in Earnings

Date	Ticker	EPS	Revenue	Price chg
25-Jun	FDX	Beat	Beat	15.5%
26-Jun	GIS	Beat	Miss	-4.6%
	LEVI	Beat	Miss	-15.4%
	MU	Beat	Beat	-7.1%
27-Jun	MKC	Beat	Beat	4.3%
	WBA	Miss	Beat	-22.2%
	NKE	Beat	Miss	-20.0%

## World Watch

	Last Week	YTD	1yr
MSCI ACWI	0.1%	11.3%	19.4%
MSCI Europe	-0.7%	7.8%	13.7%
MSCI APAC	0.8%	9.1%	13.1%
DXY Index	105.7	4.3%	2.7%
EUR / USD	1.07	-3.1%	-2.0%
GBP / USD	1.26	-0.7%	0.1%
USD / JPY	160.9	14.1%	11.4%
USD / CNY	7.27	2.4%	0.4%

## The "Magnificent Seven" stocks in the S&P 500 have significantly outperformed the remaining 493



Sources: Bloomberg, Logia Portfolio Management, Sunflower Bank.  
Magnificent Seven stocks refer to AAPL, AMZN, GOOG, META, MSFT, NVDA, TSLA.



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