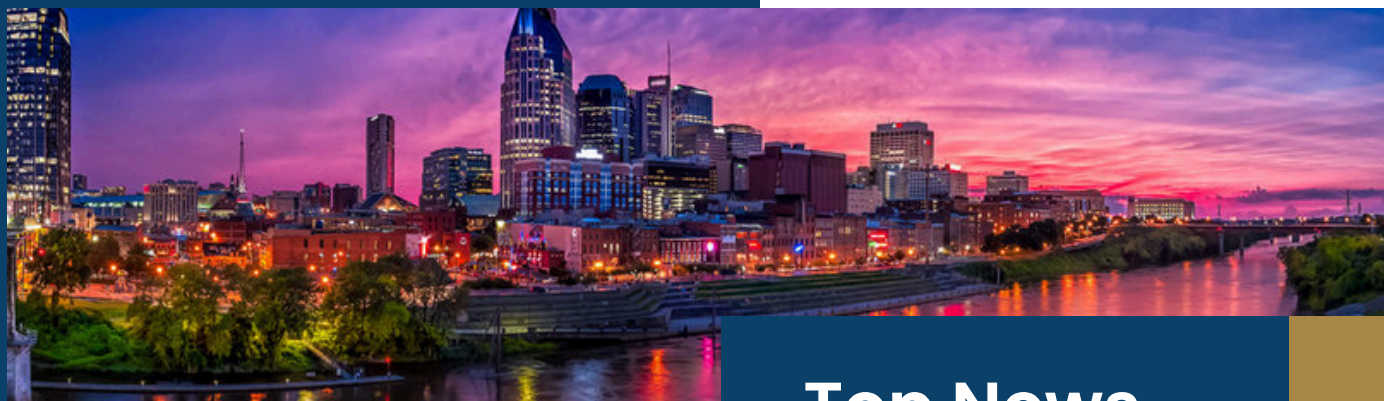


Q2 Market Update

Lighthouse Wealth Group
August 2024



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We hope this message finds you well. As we conclude the second quarter of 2024, we wanted to provide you with a comprehensive update on the stock market performance and key highlights relevant to your financial planning at Lighthouse Wealth Group.

U.S. Equity Markets

The U.S. stock market maintained its positive momentum in Q2 2024, with the S&P 500 rising by 4.3%, bringing its year-to-date gain to 15.3%. However, recent market activity has experienced a slight pullback due to weakened labor market numbers and the Japan carry trade debacle on Monday, August 5th. These developments have added weight to the argument for a Federal Reserve rate cut in September and December, raising concerns that the Fed may have delayed lowering rates for too long.*

This robust growth was primarily driven by strong performances from major technology companies and moderating inflation indicators. Notably, the S&P 500 closed a new all-time high of 5,667 on July 16th.*



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Market Updates

Fixed Income Markets

Yields across most of the Treasury yield curve increased slightly, with the 2-Year Treasury up by 13 basis points and the 10-Year rising by 20 basis points. This rise posed some challenges for the fixed income markets, as bond prices typically move inversely to interest rates ([Winthrop Wealth](#)).

Economic Indicators

The U.S. economy demonstrated resilience with continued low unemployment rates in Q2 and easing inflation. Despite concerns over persistent inflation and strong economic data tempering expectations for Fed rate cuts, the market remained buoyant ([BlackRock](#)) ([Evercore Wealth Management](#)).

Sector Performance

Technology: Leading the quarter with an impressive 8.8% gain, driven by industry giants like Apple, Microsoft, and Nvidia. The sector continues to benefit from advancements and investments in artificial intelligence and related technologies (Investing Daily).

Communication Services: Followed closely with a 5.2% return, supported by strong performances from Alphabet and Facebook (Investing Daily).

Utilities: Achieved a solid 4.6% gain, continuing its strong performance from the previous quarter (Investing Daily).

Consumer Staples: Although it gained 1.0%, it lagged behind the S&P 500, reflecting more modest gains (Investing Daily).

Other Sectors: Sectors such as Energy, Industrials, and Materials faced declines, with Energy dropping by 2.7% and Materials by 4.5% (Investing Daily).

August 2024 Market Update: As we move into the second half of the year, the market continues to navigate various challenges and opportunities as we come into earnings season.



Sources

Sources:

[Evercore Wealth Management Q2 Review](#)

[Investing Daily Sector Performance](#)

[BlackRock Q3 Outlook](#)

As we look forward, we expect the focus to shift towards the potential impact of upcoming elections and anticipated interest rate cuts, which are expected to provide a market boost by year-end. The current market environment presents a compelling opportunity for stock selection and value investing, given the dispersion between the top-performing mega-cap stocks and the broader market ([Investing Daily](#)) ([BlackRock](#)).

At Lighthouse Wealth Group, we are committed to keeping you informed and providing guidance to help you navigate these market conditions. If you have any questions or need further details, please do not hesitate to reach out to us.

Best regards,

Tommy Doerfler CFP®, CEPA, CPA*

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