

U.S. Equities July 2024

Key Highlights

- The [S&P 500[®]](#) was up 1.13% in July, bringing its YTD return to 15.78%.
- The [Dow Jones Industrial Average[®]](#) increased 4.41% for the month and was up 8.37% YTD.
- The [S&P MidCap 400[®]](#) gained 5.73% for the month, bringing its YTD return to 11.38%.
- The [S&P SmallCap 600[®]](#) added 10.71% in July and turned positive YTD, up 8.92% YTD.

Exhibit 1: Index Returns

Index	1-Month (%)	3-Month (%)	YTD (%)	1-Year (%)	3-Year (%)
S&P 500	1.13	9.66	15.78	20.34	25.64
Dow Jones Industrial Average	4.41	8.00	8.37	14.86	16.91
S&P MidCap 400	5.73	8.28	11.38	13.55	14.59
S&P SmallCap 600	10.71	13.24	8.92	11.96	7.05

Source: S&P Dow Jones Indices LLC. Data as of July 31, 2024. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

Market Snapshot

The first half of July continued the 2024 gains and new closing highs (7 in July and 38 YTD); the last closing high (of 5,677.20; intraday high of 5,669.67) was on July 16, when the S&P 500 was up 3.79% month-to-date and up 18.90% YTD. However, starting on July 17, 2024, the perception and economics changed, with reallocation to small caps from large caps, especially in Information Technology (including the Magnificent 7). The index then declined 4.72%, putting it into the red month-to-date (-1.12%), as some buying and bottom-fishing came in to lift the market. The S&P 500 posted a strong 1.58% gain on the last day of the month, helped by expectations of the U.S. Fed decreasing interest rates at its next meeting, resulting in the index posting a gain of 1.13% for July (1.22% with dividends), as it avoided a second

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monthly decline for 2024 (April was -4.16% and -4.08% with dividends); June was up 3.47% (3.59%) and May added 4.80% (4.96%). For the three-month period, the S&P 500 posted a gain of 9.66% (10.05%), with the YTD return up 15.78% (16.70%), which annualizes to a 28.26% (29.99%) rate; breadth improved to 364 issues up and 139 down (June YTD was 301 up and 200 down). July posted gains for 14 of its 22 trading days (12 of 19 last month; 82 of 146 YTD). Of the 11 sectors, 9 were up (5 up last month), as trading decreased 10% (adjusted for days) over June and was down 4% over July 2023.

The S&P 500's market value increased USD 0.536 trillion for the month (up USD 1.546 trillion last month) to USD 46.379 trillion and was up USD 6.340 trillion YTD; it was up USD 7.906 trillion for 2023 and down USD 8.224 trillion in 2022.

The Dow Jones Industrial Average set three new closing highs in July (22 YTD; 41,198.08 closing high and 41,221.98 intraday high), as it closed above 40,000 and 41,000 for the first time. The index's decline from its highs was limited, helped by being a price-weighted index with limited weight in the Magnificent 7. It closed at 40,842.79, up 4.41% (4.51% with dividends) from last month's close of 39,118.86, when it was up 1.12% (1.23%) from the prior month's close of 38,686.32 (2.30%, 2.58%). For the three-month period, The Dow® was up 8.00% (8.53%), as the YTD period was up 8.37% (9.52%). The one-year return was 14.86% (17.22%), 2023 was up 13.70% (16.18%) and 2022 posted an 8.78% decline (-6.86%).

Donald Trump became the official Republican candidate for president at the Republican convention (July 15-18). Polls at the time had shown Donald Trump's lead was increasing, and the Street had started to take positions based on a second Trump administration. On July 13, 2024, Trump survived an assassination attempt with minor injuries. At the start of July, President Joe Biden continued to address his poor presidential debate performance on June 27 (the second debate is scheduled for Sept. 10), ahead of the Democratic convention on Aug. 19-22. He was diagnosed with COVID-19 and was facing calls for him to leave the presidential race, as he recovered and returned to work. On July 21, 2024, President Joe Biden said he would not run for re-election, choosing instead to endorse his vice president, Kamala Harris, to be the Democratic candidate.

The Fed minutes from its June 11-12, 2024, meeting showed the members saw that upward price pressure was diminishing, but the group favored a wait-and-see approach before taking any action. Fed Chair Jerome Powell testified before Congress (a semiannual requirement) and indicated that interest rate cuts were coming, but gave no indication of the timeline, as he remarked that there are other risks to the economy (and responsibilities of the Fed), referring to employment. The Fed Beige Book showed slowing growth and a loosening labor market, as inflation was declining and the Street saw it as supporting evidence for a September interest rate cut by the Fed.

The FOMC met and, as expected, kept its interest rates unchanged, as it appeared to lay the groundwork for a September cut. The Street has placed an 87% probability (based on futures) that it will cut interest rates by 0.25% at the Sept. 17-18 meeting, with a 12% chance that rates will be cut by 0.50%, meaning the Street sees no chance of no change in September. Additionally, a significant part of the Street now sees a second cut in November and a third in December.

The World Bank increased its global economic growth forecast for 2024 to 2.6% from the prior 2.4% rate made in January 2024. The ECB met and, as expected, held rates unchanged at 3.75% (for deposits); it had cut them by 0.25% last month (the first cut in five years). As expected, the Bank of Canada cut its interest rate (for the first time in four years) by 0.25% to 4.75%, announcing that it expects to reach its inflation target in 2025. The Bank of Japan met and increased its interest rates by 0.15%, to 0.25% (it had raised rates in March 2024 from -0.1% to 0%, its first interest rate increase in 17 years), as it indicated there would be more interest rate increases.

In the first of two rounds, French elections favored Marine Le Pen's far-right National Rally (RN) party, receiving 33% of the vote when 29% was expected. The incumbent President Emmanuel Macron's broad alliance of centrists received 21%. In the second round of French elections held July 7, the left-wing alliance associated with the New Popular Front won the most seats (182) in the French parliament, beating Marine Le Pen's far-right National Rally (143) party but falling short of a majority, as French President Emmanuel Macron will attempt to form a government. In U.K. elections, the Labour Party's victory over the Conservative Party (in power for 14 years) was significantly larger than expected (taking 412 of the 650 seats, adding 214 seats). Keir Starmer took over (from Rishi Sunak) as Prime Minister, pledging a growth-first approach. In a larger-than-expected presidential voter turnout (49.8% compared to the prior turnout of 40.0%), Iran elected (53% of the votes) reformist president Masoud Pezeshkian (a 69-year-old surgeon) over his hardline opponent Saeed Jalili (58); the Iranian president is the second-highest-ranking official in Iran after Supreme Leader Ali Khamenei. Chinese Q2 2024 GDP came in up 0.7% (1.0% was expected), which was down 1.6% for Q1 2024). The year-over-year rate for Q2 2024 was 4.7% (5.1% was expected), which was down from 5.3% in Q1 2024.

The owners of high-end retailer Saks Fifth Avenue said the entity would buy rival Neiman Marcus in a USD 2.65 billion acquisition, as they form Saks Global. Both Amazon (AMZN) and Salesforce (CRM) would have a minority position in the new venture. The on-again, off-again deal between Paramount Global (PARA) and Skydance Media appeared to be on again, as an agreement was announced that Skydance will buy National Amusements (which owns 77% of the voting shares of Paramount) for USD 1.75 billion and then merge it with Paramount. Health Care issue Eli Lilly (LLY) said it would purchase biopharmaceutical company Morphic Holding (MORF) for USD 3.2 billion in cash. Honeywell (HON) said it would acquire Air

Products' (APD) liquified natural gas unit for USD 1.8 billion. Private issue Bain Capital said it would buy financial software issue Envestnet (ENV) in a deal valued at USD 4.5 billion. Cleveland-Cliffs (CLF; down 3.8% for the week) said it would buy Canadian steel maker Stelco Holdings (STLC) for USD 2.5 billion. Cybersecurity cloud issue Wiz (started in 2020) rejected a USD 23 billion offer from Alphabet (GOOG), as it said it would continue with its plans to do an IPO. Johnson Controls International (JCI) said it would sell its heating, ventilation and air conditioning (HVAC) unit to German-based issue Robert Bosch for USD 8.1 billion.

Activist investor group Arkhouse Management and Brigade Capital increased its offer for retailer Macy's (M) to USD 24.80 per share from the prior USD 21 offer, but Macy's rejected the offer and terminated discussions. Privately held Carlyle Group was in discussions to acquire Baxter International's (BAX) kidney care unit Vantive. Activist firm Elliott Investment Management has taken a position in coffee retailer Starbucks (SBUX).

Digital finance cloud services issue OneStream (OS; a majority of the voting stock is held by KKR & Company) did its IPO at USD 20 (above its USD 17-19 pricing range), reaching USD 28.71 and closing the month at USD 27.85, valuing the company at USD 6 billion. Temperature-controlled warehouse REIT issue Lineage (LINE) did its IPO at USD 78 (the initial range was USD 70-82), as it opened at USD 82, reached 89.85 and closed at USD 87.88, valuing the company at USD 21 billion.

For Q2 2024, 308 issues have reported, representing 57.6% of the market value, with 242 (78.6%) beating on earnings and 187 of 305 (61.3%) beating on sales. The quarter is expected to increase 3.2% over Q1 2024 and 2.8% over Q2 2023. Sales are expected to increase 2.4% over Q1 2024 and be up 4.6% from Q2 2023. Operating margins for Q2 2024 are expected to increase to 11.67% from 11.58% in Q1 2024, which is down from Q2 2023's 11.87% (the average since 1993 is 8.83%, and the record is 13.54% in Q2 2021). Significant EPS impact due to share count reduction for Q2 2024 was 12.5%, compared with Q1 2023's 13.1% and 16.3% in Q2 2023. For 2024, earnings are expected to increase 10.8%, with an estimated P/E of 23.3. For 2025, earnings are expected to increase 17.2%, with an estimated P/E of 19.9.

Electric vehicle issue Tesla (TSLA) reported a lower decline in deliveries, as the stock gained 24.5% for the month and became positive YTD, up 3.8%; all of the Magnificent 7 issues were positive YTD. Aircraft manufacturer Boeing (BA) agreed to plead guilty in a prior 737 Max criminal case (2019 and 2020), which involved crashes that killed 346 people, agreeing to pay a USD 244 million fine and spend USD 455 million over the next three years to improve its safety and compliance programs. Energy issue Shell plc (SHEL) said it would take up to a USD 2 billion post-tax impairment charge related to its Singapore refinery sale and its biofuels plant in the Netherlands. Amazon's Prime Day (two days) posted an increase in sales of 11%, to a record USD 14.2 billion, over 2023's Prime Day. Banks reacted positively to the Fed's

stress test, as they increased dividends and expanded (in time and size) buyback programs. Major increases included Bank of America (BAC), Citigroup (C), Goldman Sachs Group (GS), JPMorgan Chase (JPM), Morgan Stanley (MS) and Wells Fargo (WFC).

The 10-year U.S. Treasury Bond closed at 4.04%, down from last month's 4.39% (3.88% for 2023, also 3.88% at year-end 2022, 1.51% at year-end 2021, 0.92% at year-end 2020, 1.92% at year-end 2019, 2.69% at year-end 2018 and 2.41% at year-end 2017). The 30-year U.S. Treasury Bond closed at 4.31%, down from last month's 4.55% (4.04%, 3.97%, 1.91%, 1.65%, 2.30%, 3.02%, 3.05%).

The pound closed at 1.2859, up from 1.2643 last month (1.2742, 1.2099, 1.3525, 1.3673, 1.3253, 1.2754, 1.3498); the euro closed at 1.0824, up from last month's 1.0713 (1.0838, 1.0703, 1.1379, 1.2182, 1.1172, 1.1461, 1.2000); the yen closed at 150.00, compared with last month's 160.94 (141.02, 132.21, 115.08, 103.24, 108.76, 109.58, 112.68); and the yuan closed at 7.2193, compared with last month's 7.2673 (7.1132, 6.9683, 6.3599, 6.6994, 6.9633, 6.8785, 6.5030).

Oil closed down 3.7% for the month, at USD 78.49 versus last month's USD 81.51 close (USD 71.31 at year-end 2023 and USD 80.45 at year-end 2022), while EIA all-grade gasoline was up 1.2% for the month (USD 3.598 currently, USD 3.557 last month, USD 3.238 at year-end 2023, USD 3.203 at year-end 2022 and USD 3.375 at year-end 2021). Since year-end 2020, oil was up 62.1% (USD 48.42 a barrel at year-end 2020), while gasoline was up 54.4% (USD 2.330 per gallon). As of June 2024, the EIA reported that the makeup of regular gasoline costs was 55% from crude oil, 18% from distribution and marketing, 15% from refining costs and 12% from taxes.

Gold closed at USD 2,492.20, up from last month's USD 2,335.50 (USD 2,073.60 at the end of 2023, USD 1,829.80 at the end of 2022, USD 1,901.60 at the end of 2021, USD 1,520.00 at the end of 2020, USD 1,284.70 at the end of 2019 and USD 1,305.00 at the end of 2018). VIX[®] closed at 16.36, trading as high as 19.36 and as low as 10.62, up from 12.44 last month (21.67, 17.22, 22.75, 13.78 and 16.12). In 2023, it traded as high as 30.81 and as low as 11.81. In 2022, it traded as high as 38.89 and as low as 16.34. In 2021, it traded as high as 37.51 and as low as 14.10. In 2020, it traded as high as 85.47 and as low as 11.75.

Index Review

S&P 500

The S&P 500 opened the month setting new intraday and closing highs, as it broke through the 5,500 and 5,600 levels, but then it turned down as economic data pointed to slower inflation along with still strong consumer spending, and expectations of a September interest rate cut of 0.25% approached 100%. Money flowed out of large caps and into small caps, as smaller issues were seen as benefiting more from the rate cuts and continuing spending patterns, with the risk/reward tradeoff for the large-cap top performers then seen as high (pushing those stocks down). The S&P 500 then gave up its month-to-date gains (as small caps rose) and fell into the red, as bottom-fishing (eventually) started to come in for the “other 493,” thus pushing stocks back up. The last day of the month saw a Fed-inspired gain (1.58%). The bottom line for July was a 1.13% gain, along with lots of swings and profit and loss statements posted for short-term (and day) traders.

Monthly intraday volatility (daily high/low) increased to 0.95% from 0.77% in June; YTD was 0.84%, 2023 was 1.04%, 2022 was 1.83%, 2021 was 0.97% and 2020 was 1.51% (the long-term average is 1.42%). S&P 500 trading decreased 9% (adjusted for trading days) for July, after being up 1% in June, as the year-over-year July trades were 3% lower relative to July 2023; the 12-month July 2024 volume was 7% lower than the prior 12-month period. The 2023 trading volume was down 1% over 2022; 2022 posted a 6% increase over 2021.

In July, 6 of the 22 trading days moved at least 1% (4 up and 2 down), as the index posted its first 2% decline (-2.32% on July 24) since December 2022, and June recorded 1 (1 up and 0 down) of the 19 trading days; 27 days have moved at least 1% YTD (18 up and 9 down), as 2 (1 up of 2.11% on Feb. 22 and 1 down) have moved at least 2%. For 2023, 63 of the 250 days moved at least 1% (37 up and 26 down) and 2 moved at least 2% (1 up and 1 down). Of the 22 trading days in July, 9 days had a high/low intraday spread of at least 1% and none had at least a 2% spread, compared with the 19 trading days in June, when 4 days had a high/low intraday spread of at least 1% and none had at least a 2% spread; 42 have had at least a 1% spread and 2 have had at least a 2% spread YTD. For 2023, there were 113 intraday moves of at least 1%, 13 of at least 2% and none of at least 3% (the last 3% move was on Nov. 30, 2022), while 219 had at least a 1% spread in 2022, with 89 having at least a 2% spread and 20 a 3% spread (4 at 4% and 1 at 5%).

Breadth improved in July and turned positive, as 364 issues gained (an average of 8.19%), up from June's 201 (5.20%). For the month, there were 116 gainers of 10% or more (14.89%), compared with 29 (15.67%) last month; six issues gained at least 25%, compared with none last month. On the downside, 139 issues fell (an average loss of 5.63%), compared with last month's 301 issues (-4.28%). For July, 22 issues declined at least 10% (-16.58%), compared

to 21 in June (-15.76%); 4 issues fell at least 25%, and 1 did last month. Year-to-date, 363 issues were up (17.32%), with 238 up at least 10% (23.75%) and 56 up at least 25%, as 137 issues declined (-11.69%), with 64 down at least 10% (-19.54%) and 12 down at least 25%. For 2023, 322 issues gained, while 179 issues declined; 248 gained at least 10%, while 85 declined at least 10%, with 143 issues up at least 25% and 20 down at least 25%.

The Dow

The Dow did well for the month, as it posted three new closing highs, breaking through the 41,000 mark for the first time and reaching 41,376.00; it posted a record closing high of 41,198.08 on July 17. The reallocation to small caps, which started a few days before that and hurt the S&P 500, did not appear to significantly impact The Dow, as earnings and guidance played more of a role. The Dow's price-weighting methodology also played a major part, as UnitedHealth (UNH) and Goldman Sachs, the two largest-weighted issues in The Dow, combined to account for 47% of its gain, adding 810 points (of the 1,724 gain), with Microsoft's and Amazon's declines reducing the index by 228 points.

The result was a reversal of the prior months of The Dow's underperformance of the S&P 500, as it added 4.41% for July, compared to the S&P 500's 1.13%. July's performance, however, did not make up for prior months, as The Dow still underperformed the S&P 500 YTD, at 8.37% compared to 15.78%, respectively. Over time, The Dow historically has had similar returns to the S&P 500, but in the shorter term it can vary considerably.

The Dow closed at 40,842.79, up 4.41% (up 4.51% with dividends) from June's 39,150.33 close, when it was up 1.12% (1.23%), and up from May's close of 38,686.32, (2.30%, 2.58%), as the three-month return was up 8.00% (8.53%). The YTD return was 8.37% (9.53%) and the one-year return was 14.86% (17.22%; 2023 was up 13.70% and up 16.18% with dividends). Longer term, the 3-year return was 16.91% (24.31% with dividends, 7.52% annualized), the 5-year return was 52.03% (68.94%, 11.06%) and the 10-year return was 146.59% (209.43%, 11.96%)—with all three periods being lower than the S&P 500.

Volatility increased, as intraday swings (high/low) of at least 1% were posted for 10 of the 22 trading days, with none having at least a 2% spread, compared to 7 of the 19 days in June, with no day having a 2% spread. For July, 5 of the days moved at least 1% (3 up and 2 down), compared to none last month; 20 days moved at least 1% YTD (9 up and 11 down), and none moved at least 2% (the last 2% gain was on June 2, 2023, up 2.12%, and the last 2% decline was on Feb. 21, 2023, down 2.06%). The average intraday high/low increased to 1.00% in July, compared to 0.89% in June, with the YTD rate at 0.86%, as the 2023 rate was 0.96% (down from 2022's 1.63%).

For the month, breadth improved, as 21 of the 30 issues gained (with an average gain of 6.55%), compared with last month's 17 gainers (3.83%). For July, 4 issues gained at least

10% (15.40%), compared to none doing so last month. On the downside, 9 issues declined (an average loss of 3.75%), compared with last month's 13 (-4.28%). No issue declined at least 10%, as one (-20.70%) did so last month. Year-to-date, 22 issues were up (14.39%), with 13 up at least 10% (20.46%), and 8 were down (-14.500%) with 4 down at least 10% (-26.81%). For 2023, 19 issues gained (18 YTD last month), while 11 issues declined (12); 13 (9) gained at least 10%, while 3 (4) declined at least 10%, with 8 (4) issues up at least 25% and 1 (1) down at least 25%. Health Care issue UnitedHealth Group (UNH), which has the largest index weight (9.27%), increased 13.14%, also turning positive YTD, up 9.44%, as the second-highest-weighted issue, money manager Goldman Sachs (8.19% of the index's weight), was up 12.54%, boasting a 31.95% YTD gain. International Business Machines (IBM) was the fourth issue with a double-digit gain, up 11.10%, as it was up 17.48% YTD. On the downside, Health Care issue Merck was the worst-performing issue for July, down 8.62% and up 3.77% YTD, as software issue Microsoft (MSFT) declined 6.40% and was up 11.25% YTD. Apple's (AAPL) 5.44% gain was notable and left it up 15.35% YTD, after being in the red for a good part of the year. Amazon declined 3.24% (up 23.06% YTD) and entertainment issue Walt Disney (DIS) fell 5.64% (up 3.77% YTD).

S&P MidCap 400

The mid-cap index, similar to The Dow, did not appear to be as strongly affected by the reallocation's downsizing, as inflows were positive, resulting in strong issue breadth. For July, the S&P 400® posted a broad 5.73% gain, in line with The Dow's 4.41%, as it beat the S&P 500's 1.13% and paled next to the S&P SmallCap 600's 10.71% gain. The mid-cap gain comes after last month's 1.77% decline and May's strong rebound of 4.26% from April's broad pullback of -6.08%. Year-to-date, the mid-cap index posted an 11.38% gain, second only to the S&P 500's 15.78%, as the one-year return was 13.55%, which still trailed the S&P 500's 20.34% gain and The Dow's 14.86%, as it was ahead of the S&P SmallCap 600's 11.96%. For the 3-, 5- and 10-year periods, the index posted gains of 14.59%, 57.53% and 126.03%, respectively (annualized with dividends, they were 6.33%, 11.26% and 10.24%, respectively). For the long-term 25-year period, the S&P MidCap 400 was up an annualized 10.01% with dividends, the best of the headline indices.

For July, 9 of the 11 sectors gained, compared to 3 in June and all 11 gaining in May, as the difference between the best (Financials, 11.92%) and worst (Information Technology, -0.58%) sectors increased to 12.49% from last month's spread of 9.19%, while the YTD spread increased to 28.24% from 27.39%; the 2023 spread was 46.54% and 2022 was 63.08%. For the month, Financials did the best, up 11.92% as lower interest rates were seen as helping regional banks more; the sector was up 14.19% YTD and up 14.55% for the one-year period. Materials was next, as it moved up 8.42% for the month (up 2.46% YTD and up 6.56% for the one-year period), then Real Estate, which gained 8.28% in July (3.17%, 3.38%), and then Utilities, which was up 8.16% for the month (25.71%, 15.97%). Consumer Discretionary was

up 3.65% for the month (up 7.38% YTD and up 13.25% for the one-year period), while Consumer Staples fell 0.08% (12.63% YTD and 16.56% for the one-year period). Information Technology did the worst for July, falling 0.58%, as it was up 20.76% YTD and up 21.41% for the one-year period.

Breadth improved and turned positive, as 320 issues gained, with an average increase of 9.47%, up from last month's 141 issues (5.72%). There were 117 issues that gained at least 10% (16.26%), compared with last month's 28 (15.67%). Nine issues gained at least 25%, as 1 did so last month. On the downside, 81 issues declined an average of 7.44%, down from last month's 258 issues (-5.73%). Declines of at least 10% were posted by 22 issues (-15.86%), compared with 41 issues (-14.01%) last month; 2 issues fell at least 25%, compared to 1 last month. Year-to-date, breadth improved, as 263 issues were up (20.41%), with 181 up at least 10% (27.43%) and 77 up at least 25%, while 137 issues were down (-13.32%) YTD, 70 were down at least 10% (-22.04%) and 17 were down at least 25%. For 2023, 275 issues gained, while 124 issues declined; 214 (151) gained at least 10%, as 78 declined at least 10%, with 116 issues up at least 25% and 22 down at least 25%.

S&P SmallCap 600

The S&P SmallCap 600 did the best of any of the indices reported on here in July, as strong inflows pushed stocks up. On July 11, with the S&P 600[®] in the red for the month and YTD, the CPI came in softer than expected, as economic data showed consumers still spending, with the market expecting the Fed to start to reduce interest rates in September. The combination was the sign that money managers were waiting for to execute a reallocation into small caps, which had been significantly underperforming large caps. While the exit from large caps depressed those stocks (which, on the whole, managed to get most of the losses back and end the month up), the dollar amount invested into the small-cap segment moved that market, where money chased stocks (the S&P 500 market value is USD 46.4 trillion, with the S&P 600 at USD 1.3 trillion). From the July 10 close, the S&P SmallCap 600 gained 10.83%, as it moved what was a red YTD return into the black (previously -1.73%, and ending up 8.92% YTD).

For July, the index posted a broad 10.71% gain, easily beating the other indices reported on here, as all 11 sectors gained, with the worst sector (Information Technology) posting a 4.55% gain (compared to the sector's losses in the S&P 500 and S&P MidCap 400). Year-to-date, the small-cap index turned positive, with an 8.92% gain, as the one-year gain was 11.96%, which remained the worst of the indices reported on here. Longer term, the 3-year period was up 7.05%, the 5-year period was up 49.04% and the 10-year period was up 122.63% (annualized with dividends, the 3-, 5- and 10-year returns were 4.04%, 10.05% and 9.97%, respectively, with the returns for all three time periods the lowest of the reported indices). Over the longer-term 25-year period, the small-cap index's total return was 9.90% annualized,

second only to the S&P MidCap 400's 10.01% (The Dow was 7.99% and the S&P 500 was 7.86%).

Sector variance (the spread between the best and worst sector) increased to 12.22% from June's 6.74%, as the YTD 2024 spread increased to 16.36% from last month's 12.12%; the 2023 spread was 40.88% and the 2022 spread was 80.77%. For July, all 11 sectors gained, compared to last month, when only 1 gained. Financials did the best, as it added 16.77% for the month, was up 13.35% YTD and was up 19.83% over the one-year period.

Communication Services was second, as it gained 14.08% for the month, was up 3.85% YTD and was up 6.23% for the one-year period, while Utilities gained 12.73% in July, was up 5.07% YTD and was down 0.65% for the one-year period. Consumer Discretionary added 10.36% in July (up 7.34% YTD and up 15.93% for the one-year period), while Consumer Staples was up 7.34% in July (down 1.09% YTD and up 1.15% for the one-year period). Information Technology did the worst for the month, as it gained 4.55%, was up 1.53% YTD and was down 1.51% for the one-year period.

For the month, breadth significantly improved and turned strongly positive, as 517 issues gained an average of 14.58%, up from last month's 213 gainers (4.89%). On the downside, 84 issues declined an average of 7.14%, down from 387 (-6.84%) last month. There were 335 issues that gained at least 10% (19.39%), up from last month's 25 issues (16.40%), while 19 issues declined at least 10% (-18.62%), down from 85 (-16.05%) last month. Significant gains of at least 25% were posted by 65 issues, compared with 5 last month, while 5 issues lost at least 25%, compared with 6 last month. Year-to-date, breadth improved and turned positive, with 357 issues up (23.24%), 261 up at least 10% (29.85%) and 128 up at least 25%, while 245 were down (-15.46%), 135 were down at least 10% (-24.13%) and 47 were down at least 25%. For 2023, 339 issues gained, while 257 issues declined; 279 gained at least 10%, as 174 declined at least 10%, with 198 issues up at least 25% and 63 down at least 25%.

Performance Recap

Exhibit 2: Monthly Returns

S&P 500	Price	1-Month (%)	3-Month (%)	YTD (%)	1-Year (%)	5-Year (%)	10-Year (%)
Energy	712.42	2.03	-0.35	11.31	6.49	54.05	1.36
Materials	580.51	4.31	4.00	7.58	7.61	58.81	88.97
Industrials	1081.94	4.84	5.24	12.15	15.84	65.04	142.37
Consumer Discretionary	1516.58	1.64	6.74	6.95	11.31	58.96	190.43
Consumer Staples	834.36	1.77	3.58	9.45	5.04	36.51	88.13
Health Care	1742.67	2.49	6.62	9.58	11.58	65.33	147.41
Financials	727.47	6.31	8.40	16.14	23.82	54.96	141.00
Information Technology	4249.09	-2.12	17.62	25.08	34.16	199.79	562.56
Communication Services	297.29	-4.16	6.95	20.85	28.90	75.72	83.17
Utilities	369.64	6.73	9.10	14.82	8.52	22.44	76.54
Real Estate	258.33	7.12	13.92	2.68	7.87	11.46	51.55
S&P 500	5522.30	1.13	9.66	15.78	20.34	85.29	186.03
Dow Jones Industrial Average	Price	1-Month (%)	3-Month (%)	YTD (%)	1-Year (%)	5-Year (%)	10-Year (%)
Dow Jones Industrial Average	40842.79	4.41	8.00	8.37	14.86	52.03	146.59
S&P MidCap 400	Price	1-Month (%)	3-Month (%)	YTD (%)	1-Year (%)	5-Year (%)	10-Year (%)
Energy	376.75	0.02	-3.77	9.51	5.73	41.96	-58.01
Materials	752.69	8.42	5.88	2.46	6.56	64.10	104.70
Industrials	2150.39	6.45	7.92	12.98	17.90	101.98	213.91
Consumer Discretionary	1356.30	3.65	6.19	7.38	13.25	80.09	122.81
Consumer Staples	2923.04	-0.08	4.92	12.63	16.56	74.43	114.69
Health Care	2633.89	5.61	8.28	9.64	4.00	31.77	170.73
Financials	1446.10	11.92	14.19	14.55	20.84	44.32	123.61
Information Technology	5809.77	-0.58	7.83	20.76	21.41	105.27	310.15
Communication Services	119.75	3.63	8.79	-2.52	-10.83	-33.50	-55.13
Utilities	597.27	8.16	9.48	25.71	15.97	-2.05	51.31
Real Estate	202.20	8.28	14.57	3.17	3.38	-10.81	-
S&P MidCap 400	3098.13	5.73	8.28	11.38	13.55	57.53	126.03
S&P SmallCap 600	Price	1-Month (%)	3-Month (%)	YTD (%)	1-Year (%)	5-Year (%)	10-Year (%)
Energy	415.70	7.52	5.15	8.64	2.37	35.25	-76.10
Materials	852.36	11.29	10.29	12.97	15.09	86.49	89.00
Industrials	2210.24	11.10	12.48	15.27	24.69	98.24	219.26
Consumer Discretionary	1027.85	10.36	10.50	7.34	15.93	87.24	150.35
Consumer Staples	2699.63	7.34	7.52	-1.09	1.15	53.33	130.46
Health Care	3348.73	8.89	13.13	8.23	4.15	18.33	162.41
Financials	1171.87	16.77	23.13	13.35	19.83	9.22	69.90
Information Technology	1283.70	4.55	11.18	1.53	-1.51	69.17	229.73
Communication Services	3.24	14.08	12.50	3.85	6.23	6.23	39.25
Utilities	1067.24	12.73	12.70	5.07	-0.65	-1.68	87.07
Real Estate	161.03	10.32	11.69	4.32	5.26	-17.12	-
S&P SmallCap 600	1435.83	10.71	13.24	8.92	11.96	49.04	122.63

Source: S&P Dow Jones Indices LLC. Data as of July 31, 2024. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

Exhibit 3: Total Returns

Index	1-Month (%)	YTD (%)	3-Month (%)	1-Year (%)	5-Year (%)	10-Year (%)
S&P 500	1.22	16.70	10.05	22.15	101.10	244.03
S&P MidCap 400	5.81	12.33	8.70	15.41	70.46	164.99
S&P SmallCap 600	10.80	9.99	13.73	14.10	61.41	158.68
S&P Composite 1500	1.69	16.28	10.08	21.57	98.13	236.23
Dow Jones Industrial Average	4.51	9.52	8.53	17.22	68.94	209.43

Source: S&P Dow Jones Indices LLC. Data as of July 31, 2024. Index performance based on total return in USD. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 4: Price-to-Earnings Ratios

Index	2022	2023	Estimated 2024
S&P 500	19.50	22.34	23.34
S&P 500 Consumer Discretionary	28.03	27.95	26.83
S&P 500 Consumer Staples	23.30	20.19	20.44
S&P 500 Energy	8.10	11.21	13.71
S&P 500 Financials	16.81	14.56	16.48
S&P 500 Health Care	20.30	24.11	22.44
S&P 500 Industrials	20.52	20.66	22.99
S&P 500 Information Technology	24.12	34.03	33.63
S&P 500 Materials	15.22	22.39	23.10
S&P 500 Communication Services	15.95	19.76	19.51
S&P 500 Utilities	23.28	17.22	18.45
S&P 500 Real Estate	31.55	37.33	38.56
Index	2022	2023	Estimated 2024
S&P MidCap 400	14.35	18.66	18.68
S&P 400 Consumer Discretionary	11.67	15.63	16.59
S&P 400 Consumer Staples	17.63	20.08	22.14
S&P 400 Energy	6.40	6.87	15.42
S&P 400 Financials	13.21	14.89	12.89
S&P 400 Health Care	30.92	28.35	21.21
S&P 400 Industrials	15.05	21.05	21.08
S&P 400 Information Technology	23.12	41.19	32.08
S&P 400 Materials	8.27	17.34	17.80
S&P 400 Communication Services	19.16	25.56	17.23
S&P 400 Utilities	18.31	17.83	17.91
S&P 400 Real Estate	21.47	36.68	31.74
Index	2022	2023	Estimated 2024
S&P SmallCap 600	15.24	20.24	18.56
S&P 600 Consumer Discretionary	8.89	14.14	13.76
S&P 600 Consumer Staples	17.52	20.31	16.37
S&P 600 Energy	7.03	7.29	14.63
S&P 600 Financials	12.54	14.00	11.83
S&P 600 Health Care	130.35	1413.09	30.09
S&P 600 Industrials	11.80	19.29	21.38
S&P 600 Information Technology	30.27	39.68	32.41
S&P 600 Materials	12.86	17.10	17.22
S&P 600 Communication Services	56.74	23.30	46.29
S&P 600 Utilities	27.82	19.83	20.26
S&P 600 Real Estate	34.53	-345.66	84.31

Source: S&P Dow Jones Indices LLC. Data as of July 31, 2024. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 5: Operating EPS Changes (%)

Index	Q3 2023 over Q3 2022	Q4 2023 over Q4 2022	Q1 2024 over Q1 2023	Q2 2024E over Q2 2023	Q3 2024E over Q3 2023	2023 over 2022	2024E over 2023
S&P 500	3.77	7.01	3.98	2.81	17.74	8.42	10.82
S&P 500 Consumer Discretionary	42.45	17.35	21.57	6.71	0.84	41.39	11.41
S&P 500 Consumer Staples	31.17	-0.32	26.48	-4.94	5.45	12.95	8.10
S&P 500 Energy	-36.34	-34.18	-25.66	-2.86	-10.65	-31.17	-9.00
S&P 500 Financials	-5.87	-2.56	-5.13	-9.03	36.01	26.97	2.58
S&P 500 Health Care	-19.67	-14.60	-14.08	7.34	39.26	-15.53	17.74
S&P 500 Industrials	4.54	-4.61	-10.58	-2.85	9.98	15.28	0.79
S&P 500 Information Technology	19.18	31.48	29.10	18.41	27.75	10.84	26.57
S&P 500 Materials	-16.43	-38.31	-27.71	-5.13	11.45	-25.09	4.27
S&P 500 Communication Services	36.73	53.49	33.96	19.61	14.63	24.52	22.51
S&P 500 Utilities	11.00	47.41	18.79	-12.59	11.17	21.36	7.17
S&P 500 Real Estate	-22.07	29.75	9.87	-12.50	-6.94	-8.55	-0.59
Index	Q3 2023 over Q3 2022	Q4 2023 over Q4 2022	Q1 2024 over Q1 2023	Q2 2024E over Q2 2023	Q3 2024E over Q3 2023	2023 over 2022	2024E over 2023
S&P MidCap 400	-6.53	-17.96	-4.08	0.79	11.35	-12.00	11.27
S&P 400 Consumer Discretionary	-16.46	7.40	-1.19	-6.39	-2.45	-8.41	1.19
S&P 400 Consumer Staples	14.71	0.94	-8.65	-7.18	10.03	0.98	2.18
S&P 400 Energy	-25.14	-64.81	-90.78	-42.57	-13.64	-2.36	-51.21
S&P 400 Financials	12.00	-29.66	15.38	-0.46	32.76	-7.12	32.35
S&P 400 Health Care	3.24	68.87	100.16	27.59	43.28	9.41	46.54
S&P 400 Industrials	-6.11	-12.99	11.92	3.17	9.21	-7.01	12.82
S&P 400 Information Technology	-5.10	-35.27	19.61	40.70	45.91	-28.04	55.06
S&P 400 Materials	-28.21	1.64	-9.06	-16.20	-4.67	-45.29	-0.17
S&P 400 Communication Services	-46.95	-45.04	6.67	13.56	86.21	-31.53	44.79
S&P 400 Utilities	4.10	193.99	7.08	45.72	-7.51	-14.23	25.19
S&P 400 Real Estate	-5.26	-16.88	19.33	79.78	-19.70	-39.59	19.29
Index	Q3 2023 over Q3 2022	Q4 2023 over Q4 2022	Q1 2024 over Q1 2023	Q2 2024E over Q2 2023	Q3 2024E over Q3 2023	2023 over 2022	2024E over 2023
S&P SmallCap 600	-12.44	-26.83	-9.33	8.56	11.17	-14.24	18.74
S&P 600 Consumer Discretionary	-15.41	7.47	2.37	-2.86	29.55	-17.83	10.32
S&P 600 Consumer Staples	-15.01	-25.22	-1.69	11.62	44.72	-2.60	22.76
S&P 600 Energy	-67.54	25.82	-77.99	-32.43	-7.20	-1.61	-45.85
S&P 600 Financials	56.49	-117.69	47.06	-0.65	-32.71	-9.12	34.04
S&P 600 Health Care	72.70	81.35	264.17	500.00	476.19	-91.06	5004.59
S&P 600 Industrials	-23.00	-16.48	-17.87	-1.90	17.07	-20.21	3.96
S&P 600 Information Technology	-12.88	8.29	-103.19	61.25	47.78	-7.97	24.33
S&P 600 Materials	-1.57	30.14	-4.03	-7.04	17.33	-10.82	12.24
S&P 600 Communication Services	-	0.00	-100.00	-77.78	300.00	140.00	-41.67
S&P 600 Utilities	312.69	3.67	13.27	-0.39	4.29	26.06	2.85
S&P 600 Real Estate	-152.83	-69.81	-5000.00	988.24	250.00	-110.02	534.09

Source: S&P Dow Jones Indices LLC. Data as of July 31, 2024. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 6: Breadth of Change (Issues with Monthly Price Changes as Described by Type)

S&P 500										
Type	July 2024	% Change	June 2024	% Change	May 2024	% Change	3-Month	% Change	YTD	% Change
Up	364	8.19	201	5.20	327	6.66	367	11.76	363	17.32
Down	139	-5.63	301	-4.28	176	-4.84	136	-7.74	137	-11.69
Up >= 10	116	14.89	29	15.67	62	16.77	190	18.05	238	23.75
Down <= -10	22	-16.58	21	-15.76	21	-14.90	36	-17.47	64	-19.54
Up >= 25	6	30.12	0	0.00	8	32.55	26	31.14	79	37.39
Down <= -25	4	-35.00	1	-25.40	0	0.00	6	-32.28	12	-36.44
Up >= 50	0	0.00	0	0.00	1	54.15	0	0.00	7	91.34
Down <= -50	0	0.00	0	0.00	0	0.00	0	0.00	1	-54.54
S&P MidCap 400										
Type	July 2024	% Change	June 2024	% Change	May 2024	% Change	3-Month	% Change	YTD	% Change
Up	320	9.47	141	5.72	291	7.62	293	15.07	263	20.41
Down	81	-7.44	258	-5.73	110	-6.25	108	-8.77	137	-13.32
Up >= 10	117	16.26	28	15.67	70	18.41	182	21.02	181	27.43
Down <= -10	22	-15.86	41	-14.01	16	-21.98	37	-17.92	70	-22.04
Up >= 25	9	28.61	1	26.99	10	38.58	40	37.26	77	40.78
Down <= -25	2	-34.75	1	-28.62	2	-67.91	6	-34.53	17	-37.99
Up >= 50	0	0.00	0	0.00	1	108.66	3	71.08	13	71.18
Down <= -50	0	0.00	0	0.00	0	0.00	1	-50.29	4	-59.84
S&P SmallCap 600										
Type	July 2024	% Change	June 2024	% Change	May 2024	% Change	3-Month	% Change	YTD	% Change
Up	517	14.58	213	4.89	416	10.39	470	20.68	357	23.24
Down	84	-7.14	387	-6.84	186	-8.38	132	-12.36	245	-15.46
Up >= 10	335	19.39	25	16.40	154	20.27	338	26.61	261	29.85
Down <= -10	19	-18.62	85	-16.05	54	-19.30	64	-20.38	135	-24.13
Up >= 25	65	33.55	5	27.49	35	35.38	152	38.12	128	43.47
Down <= -25	5	-36.82	6	-34.26	10	-35.46	14	-34.72	47	-38.21
Up >= 50	3	100.92	0	0.00	3	60.77	23	67.31	37	63.89
Down <= -50	1	-71.28	0	0.00	1	-62.24	2	-54.77	5	-65.85
Dow Jones Industrial Average										
Type	July 2024	% Change	June 2024	% Change	May 2024	% Change	3-Month	% Change	YTD	% Change
Up	21	6.55	17	3.83	25	3.77	21	11.73	22	14.39
Down	9	-3.75	13	-4.28	5	-5.67	9	-6.77	8	-14.50
Up >= 10	4	15.40	0	0.00	3	11.77	10	18.83	13	20.46
Down <= -10	0	0.00	1	-20.70	1	-12.83	3	-15.66	4	-26.81
Up >= 25	0	0.00	0	0.00	0	0.00	2	31.27	4	30.69
Down <= -25	0	0.00	0	0.00	0	0.00	0	0.00	3	-32.25
Up >= 50	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Down <= -50	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00

Source: S&P Dow Jones Indices LLC. Data as of July 31, 2024. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

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