

U.S. Equities August 2024

Key Highlights

- The [S&P 500](#)[®] was up 2.28% in August, bringing its YTD return to 18.42%.
- The [Dow Jones Industrial Average](#)[®] increased 1.76% for the month and was up 10.28% YTD.
- The [S&P MidCap 400](#)[®] fell 0.21% for the month, bringing its YTD return to 11.14%.
- The [S&P SmallCap 600](#)[®] lost 1.62% in August but was up 7.15% YTD.

Exhibit 1: Index Returns

Index	1-Month (%)	3-Month (%)	YTD (%)	1-Year (%)	3-Year (%)
S&P 500	2.28	7.03	18.42	25.31	24.89
Dow Jones Industrial Average	1.76	7.44	10.28	19.70	17.54
S&P MidCap 400	-0.21	3.64	11.14	16.86	12.29
S&P SmallCap 600	-1.62	6.24	7.15	15.13	3.35

Source: S&P Dow Jones Indices LLC. Data as of Aug. 30, 2024. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

Market Snapshot

August continued July's volatility and uncertainty, but in the end, the S&P 500 delivered gains (2.28%, 2.43% with dividends), just as July had done (1.13%, 1.22%), as the index closed the month (5,648.40) just shy (-0.33%) of its July 16, 2024, closing high (5,667.20) and was up 18.42% YTD (19.53% with dividends). The Magnificent 7 still counted, but its dominance of overall returns was diminished (at least for August), as the group as a whole reduced the S&P 500's total return by 0.75% for August. On a sector basis, consumer groups stood out, as spending and inflation concerns pushed Consumer Discretionary down 1.08% for the month (up 5.78% YTD), while Consumer Staples was up 5.78% (up 15.78% YTD), the best sector in

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the index for the month. Energy took the lead on the way down, as pump prices continued to decline (which is unusual during the summer driving months), with the sector falling 2.32% for the month (8.72% YTD). For the three-month period, the S&P 500 posted a gain of 7.03% (7.39% with dividends), with the YTD return up 18.42% (19.53%), which annualizes to a rate of 28.66% (30.46%), and the one-year return was 25.31% (27.14%). Breadth for August declined but stayed strongly positive, as 355 issues were up and 148 down (July YTD was 364 up and 139 down). August posted gains for 13 of its 22 trading days (14 of 22 last month; 82 of 146 YTD), as 8 days moved at least 1% (5 up and 3 down). Of the 11 sectors, 9 were up (9 were up last month as well), as trading increased 1% (adjusted for days) over July and was up 2% over August 2023.

The S&P 500's market value increased USD 1.059 trillion for the month (up USD 0.536 trillion last month) to USD 47.448 trillion and was up USD 7.400 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 four new closing highs for August (26 YTD; 41,563.08 closing high and 41,585.21 intraday high), after setting three in July. The Dow[®] ended the month at a new closing high of 41,563.08, up 1.76% (up 2.03% with dividends) from last month's close of 40,842.79, when it was up 4.41% (4.51%) from the prior month's close of 39,118.86 (1.12%, 1.23%). For the three-month period, The Dow was up 7.44% (7.95%), as the YTD period was up 10.28% (11.75%). The one-year return was 19.70% (22.06%); 2023 was up 13.70% (16.18%), while 2022 posted a decline of 8.78% (-6.86% with dividends).

Target prices continued up, as the S&P 500's one-year Street consensus target price increased for the ninth consecutive month, after declining for 2 consecutive months, which followed 11 consecutive months of gains (which was after 9 consecutive months of declines), to 6,238, a 10.4% gain (10.8% last month) from the current price and up from last month's 6,119 (5,972 the month before that). The Dow target price also increased for the ninth consecutive month, after two consecutive months of declines, which was after three consecutive months of gains, to USD 44,282, a 6.5% gain (8.0% last month) from now (44,097, 43,158).

In U.S. election news, the Democratic National Convention (held Aug. 19-22) nominated Vice President Kamala Harris as its candidate for president and Governor Tim Walz of Minnesota for vice president. They will oppose the Republican ticket of former president Donald Trump for president and Senator JD Vance from Ohio for vice president for the Nov. 5, 2024, election.

Campaigning for the presidential election increased, as polls showed a close race, with most within the statistical margin of error for the White House and conflicting predictions for the control of Congress (Senate and House of Representatives).

The minutes from the U.S. Federal Reserve's July meeting showed that it had been discussing lowering interest rates, which was before the poor jobs report, and that a September interest rate cut was discussed. At the annual Jackson Hole Economic Symposium, Fed Chair Powell said that "the time has come" for rate cuts, leaving the Street to speculate when they would be, and by how much. Common consensus says that there will be a rate cut at the next meeting on Sept. 18-19, 2024, but whether that cut will be 0.25% or 0.50% remains to be seen.

The Bank of England met, and with a 5-4 vote, decided to reduce its interest rate by 0.25% to 5.00%, its first decrease since March 2020. The bank implied that reductions were dependent on the economy, and a start-and-stop cutting scenario was therefore possible.

The Nikkei posted its second-worst day since 1965, down 12.40%, with the worst being the 14.90% decline on Oct. 20, 1987, with the Japanese yen (quoted in JPY to USD) at 142, down from its 162 high in July. The following day, the Nikkei rebounded 10.23% (its third-best day since 1965), bringing the two-day net change to -3.44%. The market turmoil came after Japan increased its interest rate, which caused an unwinding of the yen carry-trade positions. The Bank of Japan then came out and said that it did not intend to change interest rates again any time soon. VIX[®] spiked to 63.73, as U.S. markets reacted to the Nikkei's decline and unwinding of the yen carry trade.

Financial and insurance services issue CBIZ (CBZ) said it would acquire private accounting firm Marcum for USD 2.3 billion. L'Oreal said it would buy a minority interest (10%) in Swiss skincare company Galderma for USD 1.35 billion. Woodside Energy (WDS) said it would buy an ammonia plant being built for OCI Global (in Texas) for USD 2.35 billion. Privately held candy maker Mars said it would buy snack maker Kellanova (K; Kellanova was spun off from Kellogg's in 2023) for USD 30 billion in cash. South African issue Gold Fields was reported to be close to buying Canadian company Osisko Mining for USD 1.57 billion in cash. Bank of Nova Scotia (BNS) said it would invest USD 2.8 billion in U.S. bank KeyCorp (KEY).

Climate control issue Carrier Global (CARR) said it would sell its commercial and residential fire business to private equity firm Lone Star Funds for USD 3 billion; the company said it plans to use the net proceeds (USD 2.2 billion) for buybacks. Semiconductor issue Advanced Micro Devices (AMD) said it would buy server manufacturer ZT Systems for USD 4.9 billion. Seven & i Holdings, which owns 7-Eleven convenience stores, said it had received an offer from Canadian convenience store Alimentation Couche-Tard.

Only a few issues remain open for Q2 2024 earnings, as 494 S&P 500 issues have reported to date, representing 98.1% of the market value, with 389 (78.7%) beating on earnings and 303 of 492 (61.6%) beating on sales. The quarter is expected to set a new earnings record, as earnings are expected to increase 7.0% over Q1 2024 and 6.6% over Q2 2023. Sales are expected to increase 3.6% over Q1 2024 and be up 5.8% from Q2 2023, just 0.3% away from their record Q4 2023 level.

Operating margins for Q2 2024 are expected to increase to 11.99% from 11.58% in Q1 2024 and be up 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 12.9%, compared with Q1 2023's 13.1% and 16.3% in Q2 2023.

Looking ahead to Q3 2024 (with off-fiscal issues expected to start reporting at the end of September), the quarter is expected to set another earnings record, with a 4.4% increase over Q2 2024 and 16.8% over Q3 2024. For 2024, earnings are expected to increase 11.4%, with an estimated P/E of 23.8. For 2025, earnings are expected to increase 16.6%, with an estimated P/E of 20.4.

Semiconductor issue Intel (INTC) missed on earnings and gave lower guidance, as it said it would reduce its workforce by 15% (it currently employs 110,000 workers) and suspend its dividend as part of its USD 10 billion cost reduction program. Information Technology issue Cisco (CSCO) said it would reduce its workforce by 7% (approximately 6,000 workers; its second round of cuts) in a cost-cutting operation. Coffee retailer Starbucks (SBUX) said it would replace its CEO (Laxman Narasimhan) with fast food restaurant Chipotle Mexican Grill's (CMG) CEO Brian Niccol, effective Sept. 9, 2024. Lingerie retailer Victoria's Secret (VSCO) said it would replace its CEO with Hillary Super (current CEO of Savage X Fenty), also effective Sept. 9, 2024. JetBlue (JBLU) said it would borrow USD 3 billion (USD 1.5 billion via a private offering, USD 1.25 billion via a loan and USD 0.4 billion via convertible notes) for refinancing, as S&P Global Ratings downgraded the issue to "B-" from "B." Warner Bros. Discovery (WBD) took a USD 9.1 billion impairment charge related to its cable networks, and Paramount Global (PARA) said it would take a USD 6 billion write-off for its cable TV business, as it cuts 2,000 jobs.

August 2024 cash dividend payments decreased 5.9% over August 2023, after increasing 9.0% year-over-year in July and 15.1% in June, as the YTD increase was 3.4%. For August, the cash dividend payment was USD 7.65 per share, down from USD 8.13 in August 2023; the aggregate payment was USD 64.27 billion, down from USD 67.90 billion in August 2023. For August 2024, there were 21 dividend increases, 0 initiations, 1 decrease and 2 suspensions, compared with August 2023's 19 increases, 0 initiations, 4 decreases and 0 suspensions. Year-to-date, there have been 235 increases, 6 initiations, 10 decreases and 2 suspensions, compared with 240 increases, 7 initiations, 19 decreases and 4 suspensions YTD in August 2023. For 2023, there were 348 dividend increases, 11 initiations, 26 decreases and 4 suspensions, compared with 2022's 377 increases, 7 initiations, 5 decreases and 0 suspensions.

The size of the median dividend increased in August to 6.76% from 5.66% in July and 2.62% in June; the median YTD is 6.76% (6.67% last month and 6.78% in June). The average for the month decreased to 7.15%, compared with last month's 9.24% (8.46%); the average YTD was

8.35% (8.48%; all values exclude issues that have at least doubled). For 2023, the median dividend increase was 7.01% (8.33% in both 2022 and 2021), while the average increase was 8.68% (11.80%, 11.76%).

The 10-year U.S. Treasury Bond closed at 3.91%, down from last month's 4.04% (3.88% at year-end 2023 and 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 4.20%, down from last month's 4.31% (4.04%, 3.97%, 1.91%, 1.65%, 2.30%, 3.02%, 3.05%).

The pound closed at 1.3131, up from 1.2859 last month (1.2742, 1.2099, 1.3525, 1.3673, 1.3253, 1.2754, 1.3498); the euro closed at 1.1050, up from last month's 1.0824 (1.0838, 1.0703, 1.1379, 1.2182, 1.1172, 1.1461, 1.2000); the yen (quoted in yen to USD) closed at 146.14, compared with last month's 150.00 (141.02, 132.21, 115.08, 103.24, 108.76, 109.58, 112.68); and the yuan closed at 7.0930, compared with last month's 7.2193 (7.1132, 6.9683, 6.3599, 6.6994, 6.9633, 6.8785, 6.5030).

Oil closed down 6.3% for the month at USD 73.58 versus last month's USD 78.49 close (USD 71.31 at year-end 2023 and USD 80.45 at year-end 2022), while EIA all-grade gasoline was down 4.6% for the month, at USD 3.433 (USD 3.598 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 52.0% (USD 48.42 a barrel at year-end 2020), while gasoline was up 47.3% (USD 2.330 per gallon). As of July 2024, the EIA reported that the makeup of regular gasoline costs was 56% from crude oil, 16% from distribution and marketing, 13% from refining costs and 15% from taxes.

Gold closed at USD 2,535.40, up from last month's USD 2,492.20 (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 15.00, trading as high as 65.73 and as low as 14.46, down from 16.36 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 had a difficult opening this month, falling 6.08% in the first three days, as the carry trade unwound, the yen declined to 142, the Nikkei fell 12.40% and the U.S. VIX climbed to 65.73 (with all three recovering to some degree by month's end). Concern over a recession returned, with U.S. stocks broadly falling. As the carry trade settled down (over several days), concerns over the economy declined, with the market recovering, as investors focused on the expected Sept. 17-18, 2024, FOMC meeting (with the debate being whether to expect a 0.25% or 0.50% interest rate cut). Adding to the turnaround were continued positive Q2 2024 earnings (98% reported), which appeared to be setting a new record quarter (with estimates for Q3 and Q4 2024 also predicting new records), along with a continuing decline in the rate of inflation. The result was a broad reversal of prices, as the index turned that 6.08% decline into a 2.28% gain for the month, just 0.33% below the all-time closing high.

Monthly intraday volatility (daily high/low) increased to 1.32% from 0.95% in July, a level not seen since March 2023 (1.51%); volatility YTD was 0.91%, 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 increased 1% (adjusted for trading days) for August, after being down 9% in July, as the year-over-year August trades were 2% lower relative to August 2023; the 12-month August 2024 volume was 8% lower than the prior 12-month period. The 2023 trading volume was down 1% over 2022; 2022 posted a 6% increase over 2021.

In August, 9 of 22 trading days moved at least 1% (6 up and 3 down), as the S&P 500 posted 2 days of movements of at least 2% (1 up and 1 down), compared to July's 6 of the 22 trading days moving at least 1% (4 up and 2 down) and 1 day of at least 2% (down); 36 days have moved at least 1% YTD (24 up and 12 down), as 4 (2 up and 2 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 August, 14 days had a high/low intraday spread of at least 1% and 4 had at least a 2% spread, compared with the 22 trading days in July, when 9 days had a high/low intraday spread of at least 1% and none had at least a 2% spread; 56 had at least a 1% spread YTD and 6 had at least a 2% spread. 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 having a 3% spread (4 had at least a 4% spread, and 1 had at least 5%).

Breadth slightly declined in August but stayed strongly positive, as 355 issues gained (an average of 5.51%), down from July's 364 (8.19%). For the month, there were 52 gainers of 10% or more (14.21%), compared with 116 (14.89%) last month; two issues gained at least

25%, compared with six last month. On the downside, 148 issues fell (an average loss of 17.81%), compared with last month's 139 issues (-5.63%). For August, 19 issues declined at least 10% (-17.81%), compared to 22 in June (-16.58%); 2 issues fell at least 25%, and 4 did last month. Year-to-date, 372 issues were up (20.65%), with 272 up at least 10% (26.31%) and 110 up at least 25%, as 129 issues declined (-13.06%), with 68 down at least 10% (-21.32%) and 18 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 Jones Industrial Average continued its winning ways in August (up 1.76%), as it set four new closing highs (26 YTD; 41,563.08 closing high and 41,585.21 intraday high), after setting three in July, as large caps again dominated the trades, easily outperforming mid caps (down 0.21% for the month) and small caps (-1.62%). While the S&P 500 failed to match The Dow's new closing highs in August, it did outperform (2.28%). The Dow's price-weighting methodology also played a major part, as Intel declined 28.30% for the month (-56.14% YTD), but that had a limited impact due to its low weighting—0.35%, the smallest in The Dow.

The Dow closed at its 26th new YTD closing high in August, at 41,563.08, up 1.76% (up 2.03% with dividends) from July's close of 40,842.79, when it was up 4.41% (4.51%) from the prior month's (June's) 39,150.33 (up 1.12%, 1.23%), as the three-month return was up 7.44% (7.95%). The YTD return was 10.28% (11.75%) and the one-year return was 19.70% (22.06%; 2023 was up 13.70% and up 16.18% with dividends). Longer term, the 3-year return was 17.54% (24.96% with dividends, 7.71% annualized), the 5-year return was 57.42% (74.69%, 11.80%) and the 10-year return was 143.06% (204.76%, 11.79%)—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 12 of the 22 trading days, with two having at least a 2% spread, compared to 10 of the 22 days in July, with no day having a 2% spread. For August, 7 of the days moved at least 1% (4 up and 3 down), compared to 5 (3 up and 2 down) last month; 27 days moved at least 1% YTD (13 up and 14 down), and none moved at least 2%. The average intraday high/low increased to 1.11% in August, compared to 1.00% in July, with the YTD rate at 0.89%, as the 2023 rate was 0.96% (down from 2022's 1.63%).

For the month, breadth improved, as 22 of the 30 issues gained (with an average gain of 4.72%), compared with last month's 21 gainers (6.55%). For August, 2 issues gained at least 10% (11.91%), compared to 4 (15.40%) doing so last month. On the downside, 8 issues declined (an average loss of 7.15%), compared with last month's 9 (-3.75%). One issue declined at least 10% (-28.30), as none did so last month. Year-to-date, 22 issues were up (17.72%), with 16 up at least 10% (22.67%), and 8 were down (-15.41%), with 3 down at least

10% (-37.58%). 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%.

For the month, Walmart (WMT) did the best, adding 12.51%; it was up 46.96% YTD, the best issue in The Dow. Athletic issue NIKE (NKE) rebounded 11.30% but remained down 23.26% YTD, as McDonald's (MCD) also rebounded, gaining 8.76% for the month but remaining down 2.65% YTD. UnitedHealth Group (UNH) gained 2.44% for the month, but due to its weighting in The Dow (9.33%, the highest), its contribution was higher (second only to McDonald's 8.76% gain), as it was up 18.94% YTD. On the downside, as noted, Intel fell 28.30% (-56.14% YTD), but that had limited impact on the index, while Boeing (BA) fell 8.85% for August (causing twice as much damage as Intel due to its weight), and it was down 33.35% YTD. Of note, Apple (AAPL) was up 3.12% for August, but it was up 18.94% YTD, with JPMorgan Chase (JPM) adding 5.64% for the month and up 32.16% YTD.

S&P MidCap 400

It was a return to "bigger is better" for August, as mid caps did not fare as well, but easily beat small caps. For August, the S&P 400[®] declined 0.21%, beating the S&P SmallCap 600's 1.62% decline, but lagging the S&P 500's 2.26% and The Dow's 1.76%. For the three-month period, the mid caps trailed the other three headline indices, posting a 3.64% gain, compared to The Dow's 7.44%, the S&P 500's 7.03% and the S&P SmallCap 600's 6.24%. Year-to-date, the S&P MidCap 400 was up 11.14%, which only outperformed the small-cap index's 7.15%. The comparison was similar for the one-year period, where the mid-cap index posted a 16.86% return, beating the small caps' 15.13%, but well shy of the S&P 500's 25.31% and The Dow's 19.70%. For the 3-, 5- and 10-year periods, the index posted gains of 12.29%, 64.34% and 114.96%, respectively (annualized with dividends, they were 5.62%, 12.20% and 9.68%, respectively). For the long-term 25-year period, the S&P MidCap 400 was up an annualized 10.16% with dividends, the best of the headline indices (the S&P SmallCap 600 was 10.03%, The Dow was 8.00% and the S&P 500 was 7.98%).

For August, 7 of the 11 sectors gained, compared to 9 in July and 3 in June, as the difference between the best (Real Estate, 4.67%) and worst (Energy, -6.38%) sectors increased to 11.06% from last month's spread of 9.19%, while the YTD spread decreased to 25.25% from 27.39%; the 2023 spread was 46.54% and 2022 was 63.08%. For the month, Real Estate did the best, up 4.67% as interest rates were seen as declining more quickly than expected; the sector was up 7.99% YTD and up 12.78% for the one-year period, but remained down 14.43% for the three-year period. Health Care was next, as it moved up 2.96% for the month (up 12.89% YTD and up 11.08% for the one-year period), then Financials, which gained 0.54% (15.16%, 27.09%), and then Consumer Staples, which was up 0.19% (12.85%, 16.60%), as Consumer Discretionary declined 0.34% for the month (up 7.01% YTD and up 18.11% for the

one-year period). Energy did the worst for August, falling 6.38%, as it was up 2.52% YTD and down 3.86% for the one-year period. Information Technology fell 1.03% in August; it was up 19.51% YTD and up 34.50% for the one-year period.

Breadth declined and stayed positive by a tick, as 201 issues gained, with an average increase of 5.66%, down from last month's 320 issues (9.47%). There were 29 issues that gained at least 10% (14.95%), compared with last month's 117 (16.26%). Two issues gained at least 25%, as 9 did so last month. On the downside, 200 issues declined an average of 6.80%, up from last month's 81 issues (-7.44%). Declines of at least 10% were posted by 51 issues (-15.35%), compared with 22 issues (-15.86%) last month; 1 issue fell at least 25%, compared to 2 last month. Year-to-date, breadth declined but stayed positive, as 259 issues were up (21.68%), with 177 up at least 10% (29.38%) and 83 up at least 25%, while 141 issues were down (-15.52%) YTD, 81 were down at least 10% (-23.65%) and 25 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, which did the best of the headlines indices in July (as strong inflows pushed stocks up), did the worst in August, as those flows dried up (and some left), and it posted a decline. In review, however, the decline (-1.61%) was mild compared to the July run-up (10.71%), with investors noting how quickly money managers were ready to go into small caps. The limited decline gave some investors confidence that money managers would return, but the timing of the return was uncertain, as economic conditions remained unclear.

For August, the index posted a 1.62% decline, the worst of any of the indices reported on here, as 3 of the 11 sectors gained, with breadth turning negative, a strong reversal of last month's broad 10.71% gain, when all 11 sectors were up and breadth was strongly positive. Last month's strong gains helped place the S&P SmallCap 600's three-month return of 6.24% near the S&P 500 (7.03%) and The Dow (7.44%), and ahead of the S&P MidCap 400 (3.64%). However, the month was not enough to make up for the prior underperformance, as its 7.15% YTD gain placed it in last place; the index's one-year return of 15.13% also trailed the others.

The 3-year period was up 3.35%, the 5-year period was up 53.75% and the 10-year period was up 110.24% (annualized with dividends, the 3-, 5- and 10-year returns were 2.85%, 10.75% and 9.34%, 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 annualized total return of 10.03% was second only to the S&P MidCap 400's 10.16% (The Dow was 8.00% and the S&P 500 was 7.98%).

Sector variance (the spread between the best and worst sector) decreased to 11.15% from July's 12.22%, as the YTD 2024 spread decreased to 14.71% from last month's 16.36%; the

2023 spread was 40.88% and the 2022 spread was 80.77%. For August, 3 of the 11 sectors gained, compared to last month, when all 11 gained. Communication Services did the best, as it added 3.70% for the month, was up 7.69% YTD and was up 13.13% over the one-year period. Real Estate was second, as it gained 2.11% for the month, was up 6.52% YTD and was up 13.25% for the one-year period, while Health Care gained 1.60% in August, was up 9.96% YTD and was up 13.76% for the one-year period. Energy did the worst, as it fell 7.45% in August (up 0.55% YTD and down 6.37% for the one-year period), while Materials was down 5.47% in August (up 6.79% YTD and up 15.21% for the one-year period). Information Technology declined 2.00%, was down 0.50% YTD and was down 0.10% for the one-year period.

For the month, breadth declined and became negative, as 240 issues gained an average of 6.76%, down from last month's 517 gainers (14.58%). On the downside, 361 issues declined an average of 8.53%, up from 84 (-7.14%) last month. There were 47 issues that gained at least 10% (18.84%), down from last month's 335 issues (19.39%), while 121 issues declined at least 10% (-17.56%), up from 19 (-18.62%) last month. Significant gains of at least 25% were posted by 8 issues, compared with 65 last month, while 15 issues lost at least 25%, compared with 5 last month. Year-to-date, breadth declined but stayed positive, with 344 issues up (24.57%), 237 up at least 10% (33.21%) and 130 up at least 25%, while 258 were down (-19.71%), 173 were down at least 10% (-26.76%) and 75 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	695.86	-2.32	-1.72	8.72	2.71	64.86	-2.77
Materials	593.39	2.22	3.15	9.96	13.93	67.49	86.55
Industrials	1110.78	2.67	6.51	15.14	21.68	74.59	139.39
Consumer Discretionary	1500.16	-1.08	5.38	5.79	11.55	59.51	175.36
Consumer Staples	882.60	5.78	7.08	15.78	15.53	42.06	90.30
Health Care	1829.71	4.99	9.51	15.05	18.10	74.80	148.06
Financials	759.21	4.36	9.83	21.21	33.04	70.36	141.79
Information Technology	4298.51	1.16	8.21	26.53	37.72	208.52	546.48
Communication Services	300.95	1.23	1.59	22.34	31.01	80.66	87.43
Utilities	385.51	4.29	4.91	19.75	21.33	22.01	76.28
Real Estate	272.90	5.64	14.66	8.47	17.65	12.56	55.07
S&P 500	5648.40	2.28	7.03	18.42	25.31	93.01	181.95
Dow Jones Industrial Average	Price	1-Month (%)	3-Month (%)	YTD (%)	1-Year (%)	5-Year (%)	10-Year (%)
Dow Jones Industrial Average	41563.08	1.76	7.44	10.28	19.70	57.42	143.08
S&P MidCap 400	Price	1-Month (%)	3-Month (%)	YTD (%)	1-Year (%)	5-Year (%)	10-Year (%)
Energy	352.70	-6.38	-11.44	2.52	-3.86	65.50	-62.82
Materials	732.49	-2.68	-2.17	-0.29	6.96	68.99	90.68
Industrials	2129.22	-0.98	2.44	11.86	17.43	111.01	196.66
Consumer Discretionary	1351.65	-0.34	0.94	7.01	18.11	88.60	110.00
Consumer Staples	2928.56	0.19	-0.79	12.85	16.60	77.99	102.08
Health Care	2711.94	2.96	10.53	12.89	11.08	41.18	166.14
Financials	1453.84	0.54	10.97	15.16	27.09	53.88	117.08
Information Technology	5750.02	-1.03	-0.35	19.51	24.50	112.32	282.63
Communication Services	116.79	-2.47	-0.98	-4.93	-3.61	-29.83	-57.15
Utilities	595.05	-0.37	4.24	25.25	28.48	-2.75	43.60
Real Estate	211.65	4.67	15.49	7.99	12.78	-8.53	-
S&P MidCap 400	3091.52	-0.21	3.64	11.14	16.86	64.34	114.96
S&P SmallCap 600	Price	1-Month (%)	3-Month (%)	YTD (%)	1-Year (%)	5-Year (%)	10-Year (%)
Energy	384.75	-7.45	-5.89	0.55	-6.37	51.35	-78.51
Materials	805.71	-5.47	-1.80	6.79	15.21	94.73	67.58
Industrials	2144.79	-2.96	3.67	11.85	25.01	103.15	197.01
Consumer Discretionary	987.14	-3.96	1.01	3.09	16.30	86.86	131.41
Consumer Staples	2690.94	-0.32	3.88	-1.41	1.74	57.91	113.32
Health Care	3402.28	1.60	9.24	9.96	13.76	23.35	156.40
Financials	1171.38	-0.04	16.83	13.30	28.08	15.87	65.81
Information Technology	1257.97	-2.00	2.15	-0.50	-0.10	73.01	206.80
Communication Services	3.36	3.70	16.26	7.69	13.13	13.90	45.14
Utilities	1052.71	-1.36	5.81	3.64	4.17	-6.52	75.44
Real Estate	164.43	2.11	12.35	6.52	13.25	-15.11	-
S&P SmallCap 600	1412.57	-1.62	6.24	7.15	15.13	53.75	110.24

Source: S&P Dow Jones Indices LLC. Data as of Aug. 30, 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 (%)	3-Month (%)	YTD (%)	1-Year (%)	5-Year (%)	10-Year (%)
S&P 500	2.43	7.39	19.53	27.14	109.29	238.82
S&P MidCap 400	-0.08	4.05	12.24	18.75	77.78	151.98
S&P SmallCap 600	-1.44	6.71	8.41	17.31	66.59	144.45
S&P Composite 1500	2.18	7.20	18.82	26.42	106.23	230.05
Dow Jones Industrial Average	2.03	7.95	11.75	22.06	74.69	204.76

Source: S&P Dow Jones Indices LLC. Data as of Aug. 30, 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	23.75
S&P 500 Consumer Discretionary	28.03	27.95	26.34
S&P 500 Consumer Staples	23.30	20.19	21.73
S&P 500 Energy	8.10	11.21	13.68
S&P 500 Financials	16.81	14.56	16.36
S&P 500 Health Care	20.30	24.11	23.91
S&P 500 Industrials	20.52	20.66	23.57
S&P 500 Information Technology	24.12	34.03	34.48
S&P 500 Materials	15.22	22.39	24.14
S&P 500 Communication Services	15.95	19.76	19.62
S&P 500 Utilities	23.28	17.22	18.68
S&P 500 Real Estate	31.55	37.33	41.10
Index	2022	2023	Estimated 2024
S&P MidCap 400	14.35	18.66	19.34
S&P 400 Consumer Discretionary	11.67	15.63	16.63
S&P 400 Consumer Staples	17.63	20.08	22.32
S&P 400 Energy	6.40	6.87	15.35
S&P 400 Financials	13.21	14.89	13.25
S&P 400 Health Care	30.92	28.35	25.92
S&P 400 Industrials	15.05	21.05	21.33
S&P 400 Information Technology	23.12	41.19	36.01
S&P 400 Materials	8.27	17.34	17.56
S&P 400 Communication Services	19.16	25.56	17.56
S&P 400 Utilities	18.31	17.83	17.85
S&P 400 Real Estate	21.47	36.68	34.19
Index	2022	2023	Estimated 2024
S&P SmallCap 600	15.24	20.24	19.32
S&P 600 Consumer Discretionary	8.89	14.14	13.70
S&P 600 Consumer Staples	17.52	20.31	16.76
S&P 600 Energy	7.03	7.29	13.82
S&P 600 Financials	12.54	14.00	11.88
S&P 600 Health Care	130.35	1413.09	34.18
S&P 600 Industrials	11.80	19.29	21.15
S&P 600 Information Technology	30.27	39.68	41.68
S&P 600 Materials	12.86	17.10	17.38
S&P 600 Communication Services	56.74	23.30	84.00
S&P 600 Utilities	27.82	19.83	19.16
S&P 600 Real Estate	34.53	-345.66	138.18

Source: S&P Dow Jones Indices LLC. Data as of Aug. 30, 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	6.64	16.82	8.42	11.37
S&P 500 Consumer Discretionary	42.45	17.35	21.57	13.41	-1.16	41.39	12.28
S&P 500 Consumer Staples	31.17	-0.32	26.48	-4.74	4.12	12.95	7.55
S&P 500 Energy	-36.34	-34.18	-25.66	-0.87	-16.49	-31.17	-10.96
S&P 500 Financials	-5.87	-2.56	-5.13	7.71	37.79	26.97	7.85
S&P 500 Health Care	-19.67	-14.60	-14.08	3.07	37.92	-15.53	16.01
S&P 500 Industrials	4.54	-4.61	-10.58	0.00	8.13	15.28	0.90
S&P 500 Information Technology	19.18	31.48	29.10	13.43	27.44	10.84	24.90
S&P 500 Materials	-16.43	-38.31	-27.71	-10.66	8.89	-25.09	1.99
S&P 500 Communication Services	36.73	53.49	33.96	21.86	15.22	24.52	23.31
S&P 500 Utilities	11.00	47.41	18.79	1.14	11.17	21.36	10.43
S&P 500 Real Estate	-22.07	29.75	9.87	-10.94	-9.83	-8.55	-1.48
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	-8.02	7.54	-12.00	7.24
S&P 400 Consumer Discretionary	-16.46	7.40	-1.19	-2.88	-5.35	-8.41	0.59
S&P 400 Consumer Staples	14.71	0.94	-8.65	-5.47	6.44	0.98	1.55
S&P 400 Energy	-25.14	-64.81	-90.78	-50.73	-18.78	-2.36	-54.10
S&P 400 Financials	12.00	-29.66	15.38	-6.96	30.93	-7.12	29.47
S&P 400 Health Care	3.24	68.87	100.16	-54.22	33.48	9.41	23.49
S&P 400 Industrials	-6.11	-12.99	11.92	1.66	5.27	-7.01	10.42
S&P 400 Information Technology	-5.10	-35.27	19.61	-12.15	37.79	-28.04	36.72
S&P 400 Materials	-28.21	1.64	-9.06	-14.70	-9.17	-45.29	-1.49
S&P 400 Communication Services	-46.95	-45.04	6.67	0.00	79.31	-31.53	38.54
S&P 400 Utilities	4.10	193.99	7.08	49.56	-10.47	-14.23	25.11
S&P 400 Real Estate	-5.26	-16.88	19.33	64.04	-20.71	-39.59	15.92
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	-1.39	3.66	-14.24	12.22
S&P 600 Consumer Discretionary	-15.41	7.47	2.37	-2.54	16.70	-17.83	6.42
S&P 600 Consumer Staples	-15.01	-25.22	-1.69	17.17	24.34	-2.60	19.51
S&P 600 Energy	-67.54	25.82	-77.99	-25.38	-16.00	-1.61	-46.93
S&P 600 Financials	56.49	-117.69	47.06	-1.39	-32.99	-9.12	33.51
S&P 600 Health Care	72.70	81.35	264.17	363.95	444.00	-91.06	4466.06
S&P 600 Industrials	-23.00	-16.48	-17.87	2.68	10.30	-20.21	2.01
S&P 600 Information Technology	-12.88	8.29	-103.19	-52.50	36.78	-7.97	-5.27
S&P 600 Materials	-1.57	30.14	-4.03	-7.12	0.27	-10.82	5.08
S&P 600 Communication Services	-	0.00	-100.00	-111.11	300.00	140.00	-66.67
S&P 600 Utilities	312.69	3.67	13.27	17.35	5.50	26.06	7.24
S&P 600 Real Estate	-152.83	-69.81	-5000.00	682.35	235.71	-110.02	370.45

Source: S&P Dow Jones Indices LLC. Data as of Aug. 30, 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	August 2024	% Change	July 2024	% Change	June 2024	% Change	3-Month	% Change	YTD	% Change
Up	355	5.51	364	8.19	201	5.20	372	11.85	372	20.65
Down	148	-5.39	139	-5.63	301	-4.28	131	-9.86	129	-13.06
Up >= 10	52	14.21	116	14.89	29	15.67	205	17.12	272	26.31
Down <= -10	19	-17.81	22	-16.58	21	-15.76	50	-18.97	68	-21.32
Up >= 25	2	35.39	6	30.12	0	0.00	18	29.98	110	39.49
Down <= -25	4	-33.02	4	-35.00	1	-25.40	11	-35.78	18	-38.09
Up >= 50	0	0.00	0	0.00	0	0.00	0	0.00	14	71.30
Down <= -50	0	0.00	0	0.00	0	0.00	0	0.00	2	-60.35
S&P MidCap 400										
Type	August 2024	% Change	July 2024	% Change	June 2024	% Change	3-Month	% Change	YTD	% Change
Up	201	5.66	320	9.47	141	5.72	264	12.15	259	21.68
Down	200	-6.80	81	-7.44	258	-5.73	137	-12.09	141	-15.52
Up >= 10	29	14.95	117	16.26	28	15.67	134	19.12	177	29.38
Down <= -10	51	-15.35	22	-15.86	41	-14.01	64	-20.10	81	-23.65
Up >= 25	2	28.85	9	28.61	1	26.99	29	31.79	83	43.64
Down <= -25	1	-48.28	2	-34.75	1	-28.62	12	-37.32	25	-39.90
Up >= 50	0	0.00	0	0.00	0	0.00	0	0.00	21	70.44
Down <= -50	0	0.00	0	0.00	0	0.00	3	-54.86	5	-63.29
S&P SmallCap 600										
Type	August 2024	% Change	July 2024	% Change	June 2024	% Change	3-Month	% Change	YTD	% Change
Up	240	6.76	517	14.58	213	4.89	393	16.70	344	24.57
Down	361	-8.53	84	-7.14	387	-6.84	207	-13.51	258	-19.71
Up >= 10	47	18.84	335	19.39	25	16.40	254	23.07	237	33.21
Down <= -10	121	-17.56	19	-18.62	85	-16.05	110	-21.09	173	-26.76
Up >= 25	8	38.67	65	33.55	5	27.49	73	38.71	130	46.53
Down <= -25	15	-33.27	5	-36.82	6	-34.26	25	-37.47	75	-39.36
Up >= 50	2	59.48	3	100.92	0	0.00	7	95.94	44	69.96
Down <= -50	1	-74.38	1	-71.28	0	0.00	2	-64.91	12	-60.69
Dow Jones Industrial Average										
Type	August 2024	% Change	July 2024	% Change	June 2024	% Change	3-Month	% Change	YTD	% Change
Up	22	4.72	21	6.55	17	3.83	23	10.43	22	17.72
Down	8	-7.15	9	-3.75	13	-4.28	7	-11.09	8	-15.41
Up >= 10	2	11.91	4	15.40	0	0.00	11	16.71	16	22.67
Down <= -10	1	-28.30	0	0.00	1	-20.70	3	-17.97	3	-37.58
Up >= 25	0	0.00	0	0.00	0	0.00	1	34.50	4	37.36
Down <= -25	1	-28.30	0	0.00	0	0.00	1	-28.56	2	-44.75
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	1	-56.14

Source: S&P Dow Jones Indices LLC. Data as of Aug. 30, 2024. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

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