



4-1-2024

## WEEKLY UPDATE

### *Market Performance*

MARKET INDEX	CLOSE 03/28/2024	WEEK GAIN/LOSS	Y-T-D GAIN/LOSS
<b>DJIA</b>	39,807.37	+0.8%	+5.6%
<b>S&amp;P 500</b>	5,254.35	+0.4%	+10.2%
<b>NASDAQ</b>	16,379.46	-0.3%	+9.1%

The stock market ended the first quarter with mixed results during last week's holiday-shortened week with the Dow Jones rising 0.8%, the S&P 500 gaining 0.4% and the NASDAQ slipping 0.3%. For the quarter, the Dow gained 5.6%, the S&P 500 shot up 10.2% and the NASDAQ rallied 9.1%

### *Economic Releases*

First-time claims for state unemployment benefits—a proxy for layoffs—declined 2,000 to 210,000 for the week ended March 23 while continuing claims—a proxy for the number of people with ongoing unemployment benefits—increased by 24,000 to 1.819 million from the previous week. The low and steady level of initial jobless claims points to employment conditions that remain favorable for continued economic growth.

The third estimate for Q4 GDP was better than either the first estimate or the second estimate. The third estimate came in at 3.4%, up from 3.2% in the second estimate and 3.3% in the advance estimate, helped by an upward revision to consumer spending. The GDP Price Deflator, an inflation measure, held steady at 1.6%. The economy fared much better than expected in the final quarter of 2023 despite the Fed's prior rate hikes.

New home sales decreased 0.3% month-over-month in February to a seasonally adjusted annual rate of 662,000 units. On a year-over-year basis, new home sales were up 5.9% as the median selling price decreased for the sixth consecutive month.

Durable goods orders rose 1.4% in February after falling a revised 6.9% in January. Excluding transportation, durable goods orders increased 0.5%. Business spending rebounded after a poor January as nondefense capital goods orders increased 4.4%.

The Conference Board's Consumer Confidence Index dipped to 104.7 in March from a downwardly revised 104.8 in February, demonstrating little overall change in sentiment.

The final reading for the University of Michigan Consumer Sentiment Index for March increased to 79.4 compared to the final February reading of 76.9. In the same period a year ago, the index stood at 62.0. Overall sentiment was improved in March thanks to lessening inflation worries and rising stock prices. Year-ahead inflation expectations slipped to 2.9% from 3.0%. Five-year inflation expectations fell to 2.8% from 2.9%.

### *HI-Quality Company News*

A summary of important earnings and/or capital allocation news announced during the past week from the high-quality companies held in most client portfolios. For new clients, these companies may become investment candidates as valuations appear attractive and cash is available:



**Visa-V** and **Mastercard-MA** reached a settlement to limit credit and debit card fees for merchants while capping those rates into 2030. **The antitrust settlement is one of the largest in U.S. history, and upon court approval would resolve claims in litigation that began in 2005.** This settlement is estimated to save merchants \$30 billion.



At an investor conference, **UPS-UPS** stated that after coming off a difficult market in 2023, **the small package industry is poised to return to growth in 2024 and beyond.** Carol Tomé, UPS chief executive officer said, “The growth and productivity initiatives we are executing will result in higher revenue, **expanded operating margins** and increased free cash flow to deliver long-term value to our shareowners.” **The company outlined its 2026 non-GAAP targets as follows: consolidated revenue is expected to range from approximately \$108 billion to approximately \$114 billion with a consolidated adjusted operating margin above 13%. Free cash flow is expected to be in the range of between \$17 billion and \$18 billion.** Capital spending from 2024–2026 is expected to approximate 5.5% of total revenue.

Corpay<sup>^</sup>

**FLEETCOR Technologies, Inc.-FLT**, a leading global payments company, announced it has rebranded the company as **Corpay, Inc.** The name change better reflects the company’s current portfolio of corporate payment solutions. The company is trading on the New York Stock Exchange under the new ticker symbol **CPAY**.

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Warren Buffett has said, “Only buy something that you’d be perfectly happy to hold if the stock market shuts down for 10 years.” We embrace that long-term investment philosophy, so we have decided to change our reporting to you from a quarterly basis to once per decade.

April Fools! We are busy working on your first quarter reports which you will receive soon.

If you have any questions, please let us know.

Sincerely,

*Ingrid R. Hendershot, CFA*  
President