

Market Watch

Name	ROC 5	1M TR	YTD TR	1Y TR
Dow Jones Industrial Average	-0.65%	3.80%	-0.56%	16.25%
MSCI EAFE	-1.27%	4.19%	-1.26%	16.29%
Nasdaq Composite	-3.78%	2.13%	-3.23%	42.12%
S&P 500	-1.80%	2.97%	-1.50%	25.39%

Today's Topics

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JWM Adventure Series: Family Fun In The Sun...and Stingrays!

Good To Know: The YOLO Economy

Take The Client Experience Survey

Market Outlook

Recap – The S&P 500 index fell -1.5% last week as investors used the new calendar to book highly appreciated technology stocks from 2023, marking a somewhat rocky start to the new year and snapping the market's nine-week winning streak. The move came in just four sessions as the US stock market was closed Monday for New Year's Day.

The S&P 500's decline last week came as investors adjusted their portfolios following a 24% jump in 2023. The index was flirting with record highs last week amid easing inflation data that helped curb fears of another rate increase by the Fed's policy-setting committee.

While the S&P 500 was down in the first three sessions of 2024, it did edge up 0.2% on Friday amid the release of data showing employers added more jobs than expected in December. The unemployment rate stayed at 3.7%. Still, Friday's increase was too small to outweigh the prior three days' declines.

Week Ahead + Earnings Season and Outlook (Chart Below) – Economic data will be on the lighter side early this week, although Wall Street will be paying close attention to the December CPI inflation index scheduled for Thursday morning and the December producer price index to be released on Friday, both of which are key inflation readings.

Then the big banks will kick off earnings season this Friday with results coming from Bank of America (BAC), Citigroup (C), JPMorgan Chase (JPM), and Wells Fargo (WFC), as well as Blackrock (BLK).

S&P 500 earnings for the fourth quarter are expected to increase 1% year over year. Meanwhile, index earnings for 2024 as a whole are expected to rise 11% (source: FactSet). Small-cap stocks in particular are expected to see a huge earnings bump of +30% for 2024 (See chart below).

Small caps' "swing factor"

Index	Estimates as of 1/12/2023	Estimates as of 1/12/2024
S&P 500	33.4%	11.4%
Russell 2000	30.7%	30.7%

Source: Charles Schwab, LSEG 1/8/24

Forecasts contained herein are for illustrative purposes only, may be based upon proprietary research and are developed through analysis of historical public data. Past performance is no guarantee of future results. Small-cap stocks are subject to greater volatility than those in other asset categories.

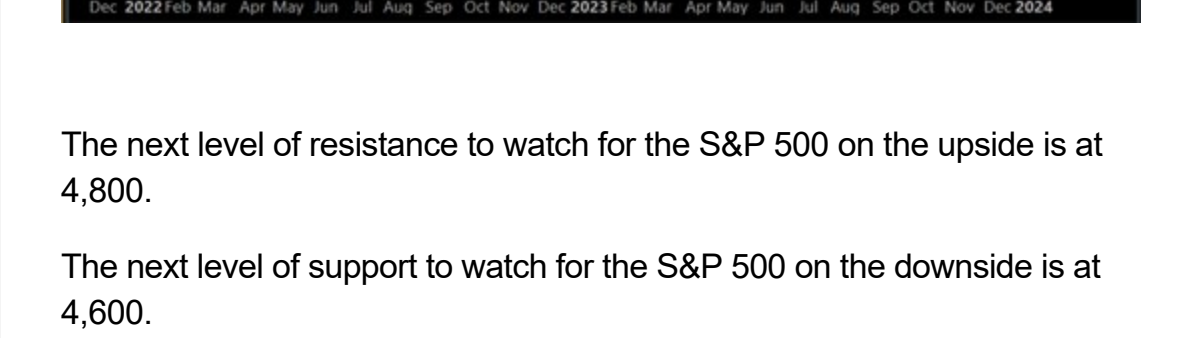
The Laggards of 2022 Became the Leaders of 2023 (Chart Below)

LPL compiled some interesting stock data from last year versus 2022:

- With the narrative changing last year from a bear to a bull market, the leadership script was flipped. The bottom-performing quintile of S&P 500 stocks in 2022 delivered the best returns in 2023, while the top 20% of stocks in 2022 posted a gain of only 2.3% last year. Sector performance explains the worst-to-first theme of last year as utilities lagged, losing 10.2%, while technology stood out with a 56.4% gain.
- Historically, the performance between the top and bottom sectors converges over the following year. However, the convergence is often driven by a recovery in the prior year's underperforming sector and not necessarily by relative weakness from the prior year's sector winner.



Market Support



The next level of resistance to watch for the S&P 500 on the upside is at 4,800.

The next level of support to watch for the S&P 500 on the downside is at 4,600.

These are key technical levels we look for the market to either hold or push through when look at the potential for future moves. Common support levels can be the 50- and 200-day moving averages as well as other technical levels such as previous market highs or lows.

What We Are Watching

The following economic data is slated to be released this week:

Monday: Consumer Credit (Nov.)

Tuesday: --

Wednesday: --

Thursday: Weekly Initial Jobless, CPI Inflation data (Dec.)

Friday: PPI Inflation data (Dec.)

JWM Adventure Series

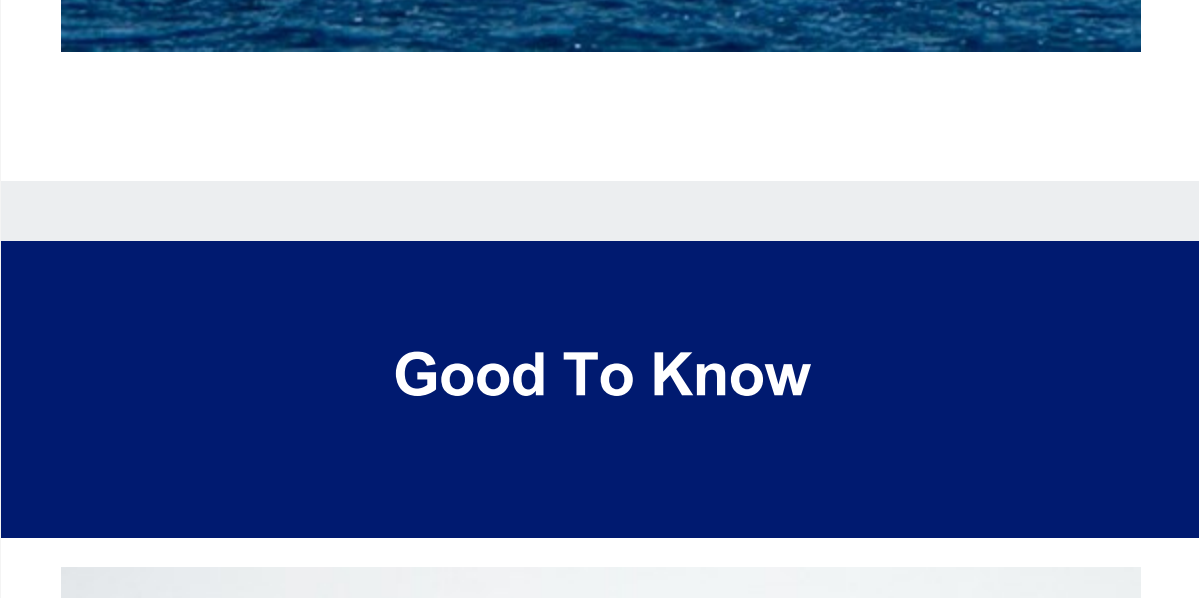
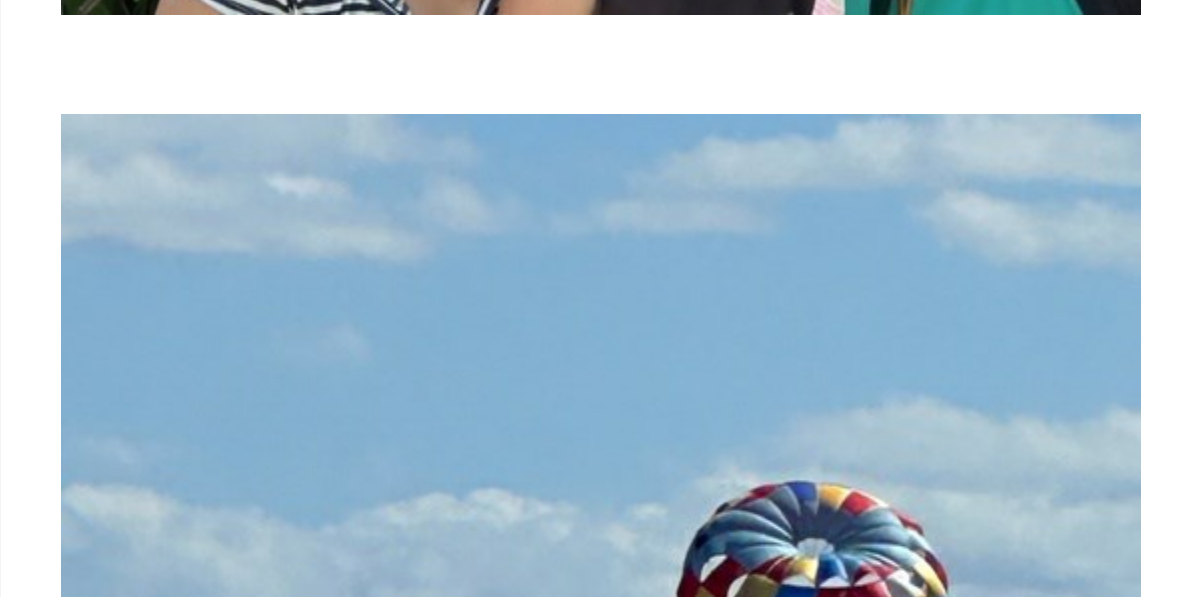
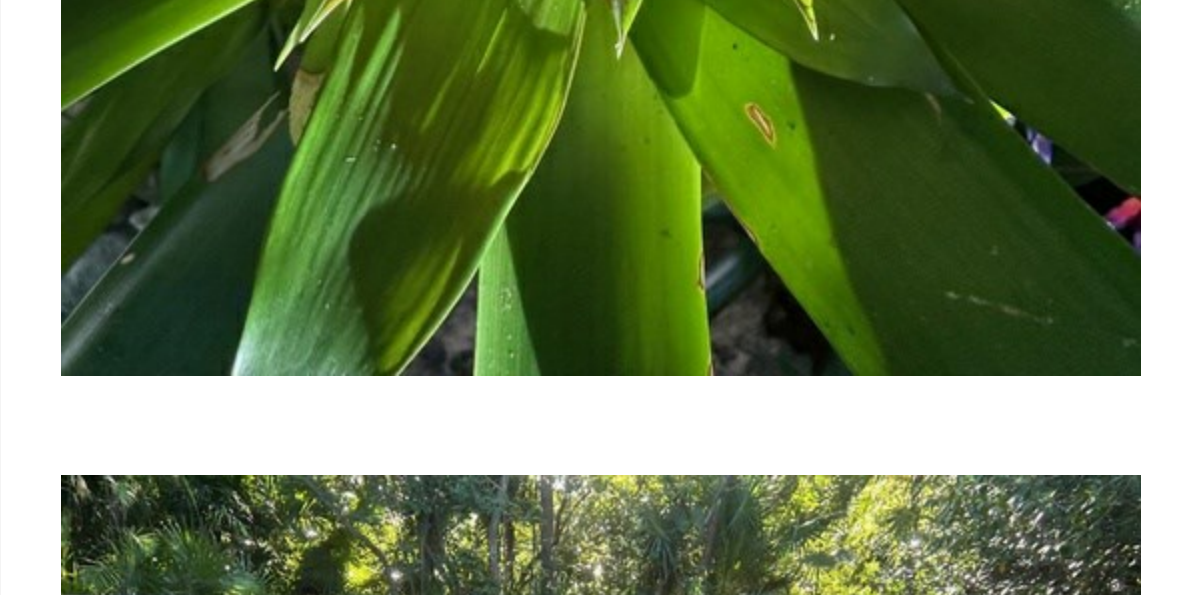
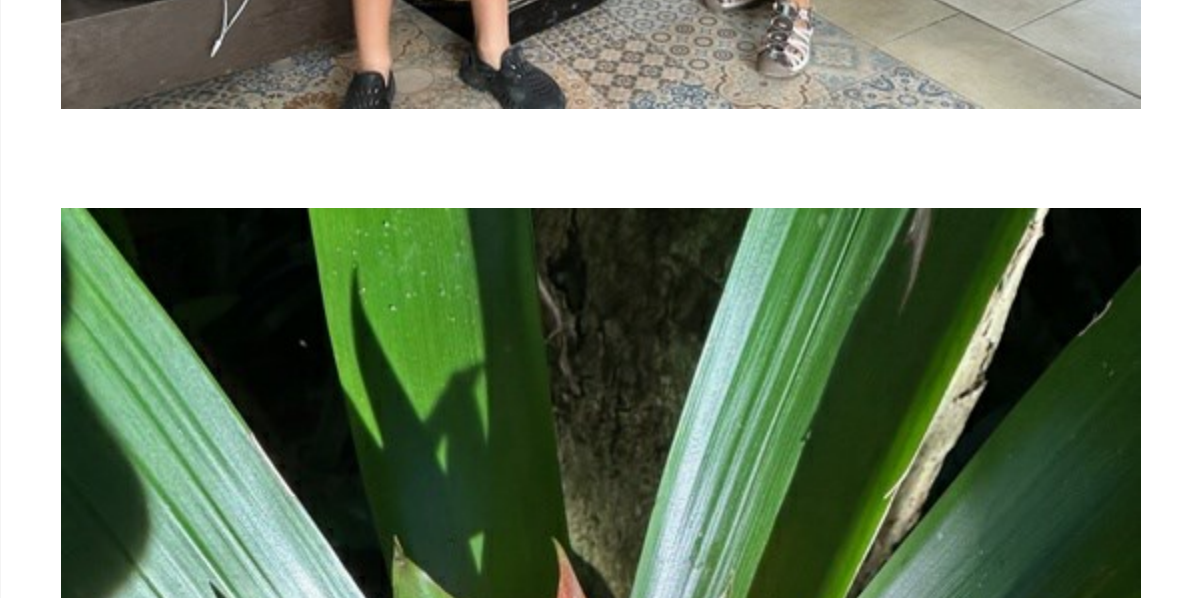
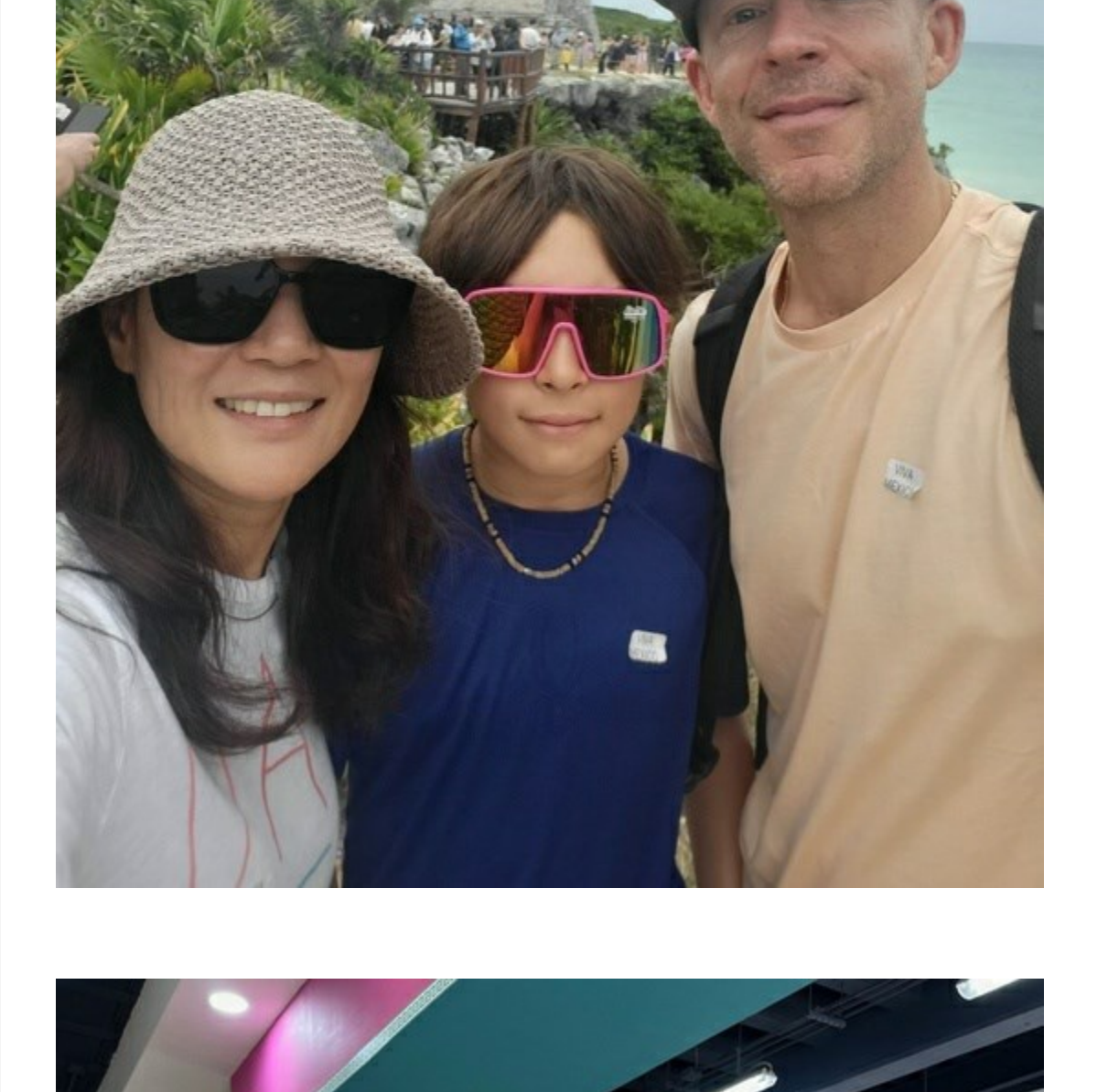
The family and I took a little trip to Tulum, Mexico over the holiday break.

We were able to visit the Tulum Ruins, Xcaret, Gran Cenote, and the beautiful Tulum Beach.

Quick story: In August of 2023, I was able to do a bucket-list activity and learned to surf. On my last wave, I jumped off onto my feet right on top of a stingray. I got stung by a stingray in the left foot. I sat on the boardwalk with my foot in a bucket of water for an hour, rocking back and forth in pain. Well, in Mexico, we were able to go snorkeling with a small group. While swimming around, one of the guides waved me over. I swam up only to see these huge stingrays! Flashbacks ensued. A little panicked, I thought 'Ok, I can turn back or face my fears.' So I decided to face the fear and went up and 'petted' them with the guide. Some swam underneath us and I was thinking about Steve Irwin... and my foot. Sheesh. It was all good and they truly are some magnificent creatures. Just wear water shoes when you're on the beach in San Diego.

Happy New Year!

- Craig



Good To Know

It is important to remember that wealth can serve us in two ways: providing security and allowing us to enjoy life.

The 'YOLO Economy' is a focus on *experiences* over material possessions, prompting Boomers to consider a similar mindset. Click below to read about how boomers and millennials differ...

Click Here

Client Experience Survey

We value your input!

Please take a moment to complete this anonymous questionnaire. The results will help us to better understand your needs so we can add or improve upon services, products, and events. Thank you!

Click Here For Survey

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