

Market Watch

Name	ROC 5	1M TR	YTD TR	1Y TR
Dow Jones Industrial Average	0.41%	0.90%	0.55%	17.08%
MSCI EAFE	-2.14%	-0.81%	-2.52%	8.76%
Nasdaq Composite	2.28%	2.09%	2.01%	42.27%
S&P 500	1.25%	1.60%	1.54%	26.18%

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Key Market Levels: New Record

What We Are Watching

JWM Adventure Series: Summer Hikes

Good To Know Series: 1099 Mailing Dates

Client Referral Rewards Program

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Market Outlook

**Recap** – Last Friday (1/19), the S&P 500 closed at a new all-time record closing high of 4,840, surpassing its previous all-time record closing high of 4,797 reached on 1/3/2022. Also last week bond traders re-priced in the expected timing of the Fed's first rate cut to May from March previously. The re-pricing came after news of stronger than expected holiday spending in December as well as comments from a Fed Governor who said the central bank may not cut rates as much as markets expect this year.

Tech stocks drove the Thursday rally, with the S&P and Nasdaq recouping their 2024 losses. Stocks continued their tech-led climb on Friday, with the S&P 500 rising to an all-time high, its first record close in over two years. The Nasdaq gained 1.70% on Friday, marking a solid week for the tech-tilted index (say that 10 times fast).

**Very Strong Holiday Spending (Chart Below)** - December retail sales (online + store) came in strong, +0.6% for the month, beating economists' expectations of +0.4%. When you look at both November and December, holiday spending was robust across the board. December online sales jumped an eye-popping +9.7% from a year ago as consumers focused their attention on non-store shopping. Total retail sales increased 0.6% from last month and up 5.6% from last year. Restaurant spending grew by over 11% from last year.

(Source: WSJ.com, 1/17/24)

December retail spending for select categories, change from a year earlier

Category	Change from a year earlier
Restaurants and bars	10.73%
Electronics and appliances	7.73%
Health and personal care	7.4%
Auto and parts dealers	7.4%
Nonstore retailers	7.4%
Clothing and accessories	7.4%
General merchandise	7.4%
Food and beverages	7.4%
Sports and hobby goods	7.4%
Furniture and home furnishings	7.4%
Gas stations	7.4%

Note: Seasonally adjusted  
Source: Census Bureau

**Check-In on Market Sentiment** - According to the most recent American Association of Individual Investors (AAII) survey, investor sentiment remains bullish; however, the percent of bulls declined sharply last week. Neutral and bearish investor sentiment increased from over 27% to under 33% and just over 24% to just under 27%, respectively (Source: LPL Financial, 1/19/24).

In addition, the latest Bank of America global fund manager survey reported an increasingly bullish stance on small cap equities, which has not been seen in almost three years. Some are citing the fourth quarter outperformance by small caps, particularly small cap value, as the reason for the increased interest, as fund managers may have a fear of missing out (FOMO) and chased these recent gains. In addition, 2024 earnings for small-caps (Russell 2000) are expected to rise +30% year-over-year, which compares to projected large-cap (S&P 500) earnings sitting at 11% for 2024.

**Week Ahead**

Key economic data expected this week will include a preliminary reading on Q4 gross domestic product on Thursday as well as the December PCE inflation index (personal consumption expenditures), a closely watched inflation reading. Earnings season picks up steam as well.

**What Tends to Happen After Hitting New Market Highs?** – With the S&P 500 finally hitting a new high last week, here's a good look at what generally happens next based on historical periods of the same dynamic. Carson Group compiled this data which shows further gains are likely:

Long Times Without a New All-Time High Could Have Bulls Smiling

S&P 500 Returns After A New All-Time High And More Than A Year Without Making One

Date of New ATH	Months Without a New ATH	1 Month	S&P 500 Index Future Returns	6 Months	12 Months
9/24/1958	25	2.4%	8.1%	11.4%	14.1%
12/19/61	17	3.4%	6.0%	9.4%	11.3%
9/3/1963	20	-0.5%	1.0%	7.4%	13.3%
5/4/1967	147	-6.2%	1.0%	9.7%	11.6%
3/9/1972	38	0.2%	0.0%	2.5%	0.0%
1/4/1980	80	2.5%	0.0%	16.7%	17.7%
11/5/1982	23	-2.9%	0.3%	14.3%	14.5%
12/1/1982	15	3.4%	3.1%	16.8%	17.4%
7/26/1989	23	4.0%	1.7%	-2.3%	0.7%
2/14/1995	12	2.1%	0.0%	16.8%	30.9%
5/20/2007	85	-1.6%	-4.4%	-8.7%	-8.6%
12/29/2013	65	1.6%	2.9%	8.3%	14.4%
7/11/2016	13	2.1%	0.0%	6.2%	13.6%
1/19/2024	2	-	-	-	-
Average		0.9%	1.7%	8.5%	11.5%
Median		2.1%	1.7%	6.7%	13.7%
% Higher		69.2%	92.3%	78.9%	92.3%
All Years (1950 - Current)		0.7%	2.2%	4.4%	9.0%
Average		0.0%	2.5%	8.0%	10.2%
Median		69.4%	45.7%	69.8%	73.9%
% Higher					

Source: Carson Wealth Research, Fidelity (12/20/2024) (1987 - Current)  
Note: S&P 500 moved to 500 index in 1987, so we used that study year.  
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Market Support

**On Friday (1/19) the market surpassed its previous all-time record closing high of 4,797 reached on 1/3/2022.**

The next level of support to watch for the S&P 500 on the downside is at 4,800 followed by 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:** US Leading Economic Indicators (Dec.)

**Tuesday:** --

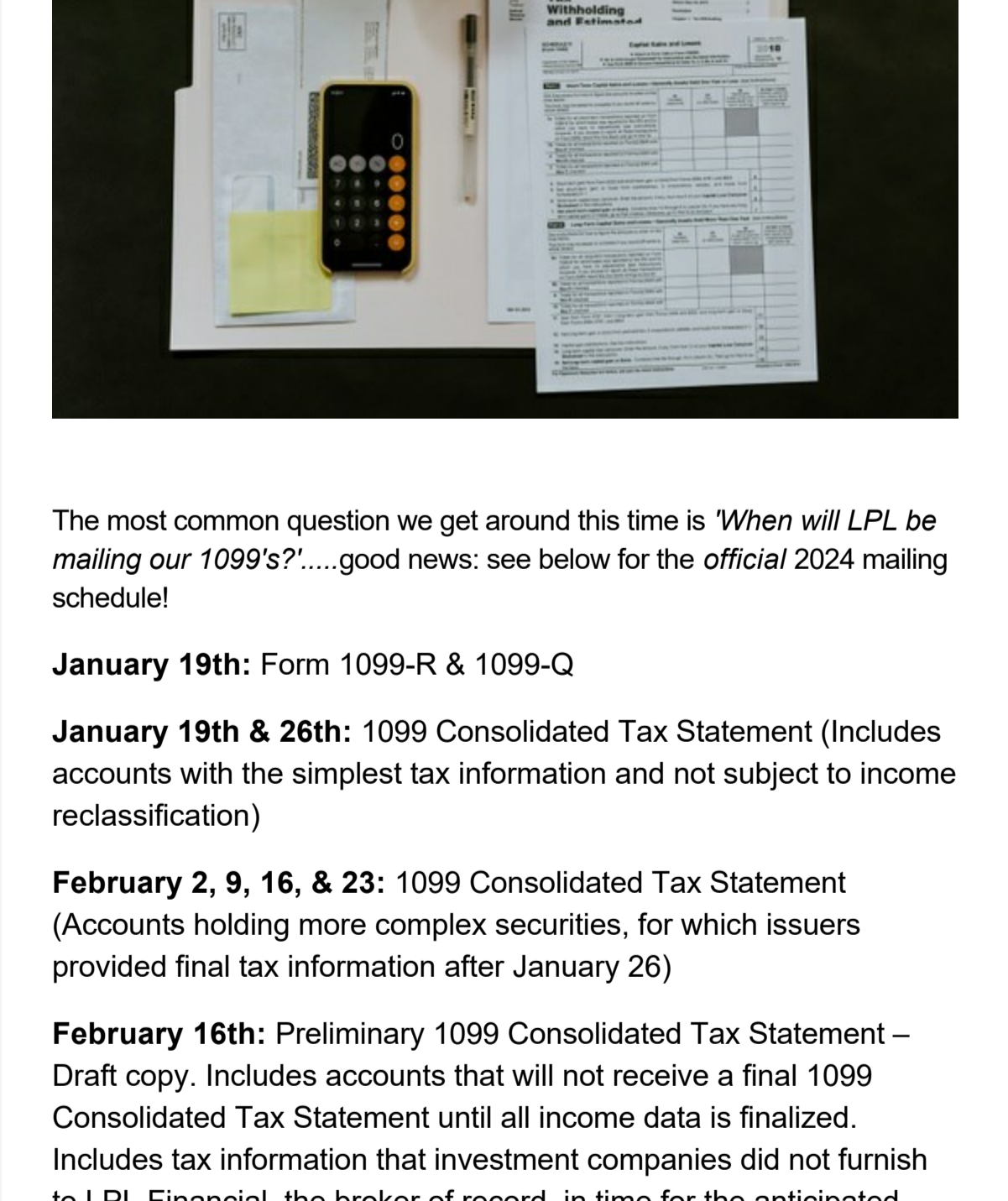
**Wednesday:** --

**Thursday:** Weekly Initial Jobless, Q4 GDP (Prelim.), Durable-goods Orders (Dec.)

**Friday:** PCE Inflation Report (Dec.), Consumer Spending and Personal Income (Dec.)



(Shown above: Rocky Mountain National Park)



The most common question we get around this time is *"When will LPL be mailing our 1099's?"*....good news: see below for the *official* 2024 mailing schedule!

- January 19th:** Form 1099-R & 1099-Q
- January 19th & 26th:** 1099 Consolidated Tax Statement (Includes accounts with the simplest tax information and not subject to income reclassification)
- February 2, 9, 16, & 23:** 1099 Consolidated Tax Statement (Accounts holding more complex securities, for which issuers provided final tax information after January 26)
- February 16th:** Preliminary 1099 Consolidated Tax Statement – Draft copy. Includes accounts that will not receive a final 1099 Consolidated Tax Statement until all income data is finalized. Includes tax information that investment companies did not furnish to LPL Financial, the broker of record, in time for the anticipated February mailing deadline
- March 1st, 8th, & 15th:** Preliminary 1099 Consolidated Tax Statement for Accounts holding securities that may be subject to income reclassification Accounts holding securities that provide mortgage-backed income reporting information (AMBIR)

Client Referral Rewards Program

We are pleased to announce that for each referral that becomes a client of JWM, we will present you with a gift card for \$100.00.

**How it works:**

We will begin with an introductory conversation, learn more about their goals, explain our services and determine if we have a basis of working together. We will always show respect and there is never any pressure or nonsense.

**Next steps:**

Please contact our office at 303.626.2446 or have your referral scan the QR code below to schedule a complimentary initial consultation with one of our team members.

Your Tax Questions Answered

Visit The Tax Resources Page

Craig Johlf, CFP®, MBA

johlfswm@lpl.com

303-626-2446

Johlf's Wealth Management

http://www.johlfswm.com/