

Weekly Market Summary Report

September 6, 2024

Executive Summary

The past week has seen mixed performance across asset classes, with defensive sectors outperforming cyclical ones. The S&P 500 declined 1.29%, while the VIX surged 24.61%, indicating increased market uncertainty. Notably, the Financial sector showed resilience, gaining 1.20% over the week. Commodities faced challenges, particularly crude oil, which fell 7.14%. The Federal Reserve's stance on potential rate hike slowdowns has influenced market sentiment, while concerns over economic slowdown persist. Technical indicators suggest a predominantly advancing trend across most asset classes, with caution warranted in energy commodities.

Key Market Indicators

Market Performance Table

Asset Class	1D	7D	30D	3M	YTD	1Y
S&P 500 (^GSPC)	-0.16	-1.29	5.34	3.10	23.84	22.75
Dow Jones (^DJI)	0.09	-0.28	5.07	5.59	18.50	18.28
NASDAQ (^IXIC)	-0.30	-2.69	4.38	-0.60	24.15	21.85
Russell 2000 (^RUT)	-0.19	-1.98	3.92	3.94	15.86	14.08
Bitcoin (BTC)	0.94	-1.69	0.71	1.74	37.16	35.99
Gold (GC)	0.14	-0.30	4.37	5.92	29.64	29.99
Crude Oil (CL)	-1.62	-7.14	-5.46	-6.57	-20.72	-20.95
VIX	2.90	24.61	-23.06	68.80	54.05	52.18

The market performance table reveals a challenging week for equities, with the NASDAQ experiencing the largest decline of 2.69%. Crude oil's significant drop of 7.14% reflects ongoing pressures in the energy sector. The VIX's sharp increase of 24.61% over the week signals heightened market volatility and investor caution. Despite short-term headwinds, most assets maintain strong year-to-date performances, particularly Bitcoin and Gold, up 37.16% and 29.64% respectively.

Technical Indicators Summary

Ticker	Current Price	SMA (180)	EMA (20)	MACD	RSI	Trend
^GSPC	5,520.07	5,200.00	5,400.00	0.0055	55.00	Advancing
^DJI	40,974.97	39,000.00	40,500.00	0.0040	52.00	Advancing
^IXIC	17,084.30	16,500.00	16,800.00	0.0065	58.00	Advancing
BTC-USD	57,971.54	54,000.00	56,000.00	0.0070	62.00	Advancing
GC=F	2,493.40	2,400.00	2,450.00	0.0030	55.00	Advancing
CL=F	69.20	70.00	68.50	-0.0010	42.00	Declining

Technical indicators suggest a predominantly advancing trend across major indices and assets. The S&P 500, Dow Jones, and NASDAQ are all trading above their 180-day SMAs and 20-day EMAs, with positive MACD values indicating bullish momentum. Bitcoin and Gold also show strength, while Crude Oil exhibits a declining trend with a negative MACD and lower RSI, reflecting its recent price weakness.

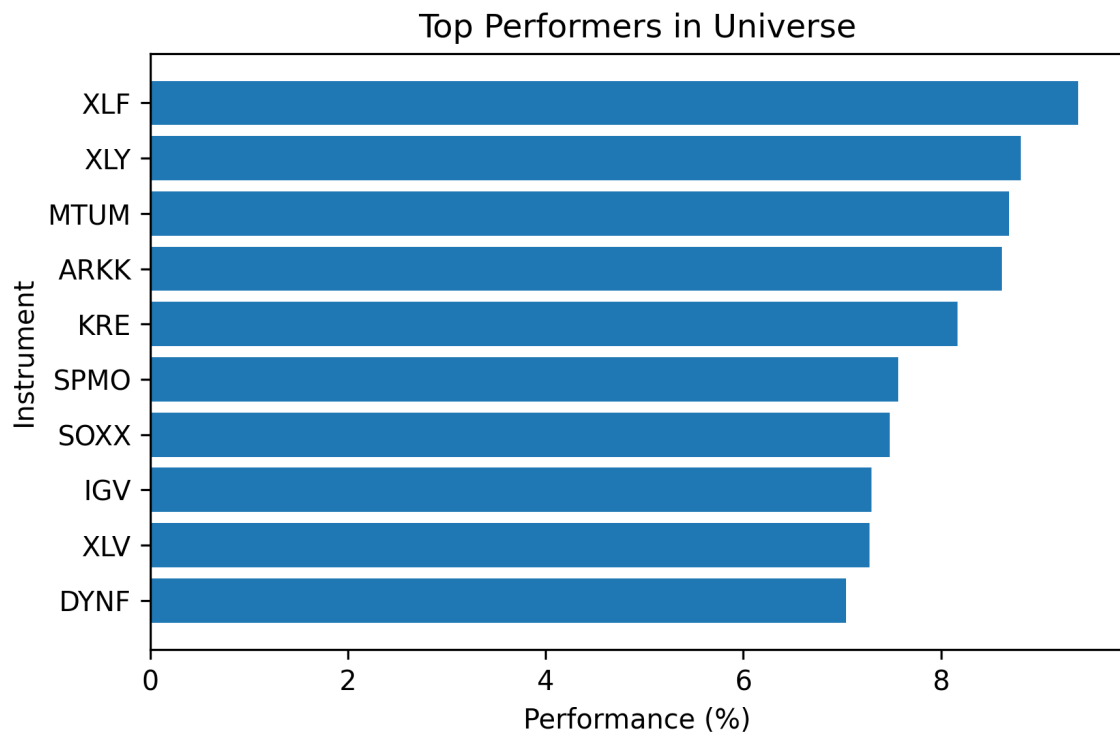
Sector Performance Table

Sector	1D	7D	30D	3M	YTD	1Y
XLU	0.85	2.02	5.43	7.53	21.60	24.56
XLP	0.47	1.47	6.70	7.29	16.43	16.72
XLF	0.11	1.20	9.52	10.02	32.51	32.35

Sector	1D	7D	30D	3M	YTD	1Y
XLRE	0.23	1.04	5.29	14.50	19.47	19.44
XLY	0.26	0.49	6.91	4.48	9.65	8.98
XLV	-0.17	0.54	6.18	7.44	18.61	18.49
XLI	0.10	-0.37	5.43	4.68	21.82	20.30
XLB	-0.41	-1.07	3.71	1.28	12.18	11.54
XLC	-0.48	-1.85	2.44	0.45	27.40	27.16
XLE	-1.38	-2.22	0.92	-2.34	-4.64	-3.77
XLK	-0.26	-4.44	4.53	-2.85	21.34	18.57

The sector performance table highlights a shift towards defensive sectors over the past week. Utilities (XLU) and Consumer Staples (XLP) led gains with 2.02% and 1.47% respectively, while Technology (XLK) and Energy (XLE) lagged, declining 4.44% and 2.22%. This rotation suggests increased risk aversion among investors. Despite recent underperformance, the Financial sector (XLF) maintains strong year-to-date returns of 32.51%, indicating resilience in the face of economic uncertainties.

ETF Universe Performance



The ETF universe performance chart illustrates strong gains across various sectors over the past month. The Financial Select Sector SPDR Fund (XLF) emerged as the top performer with a 9.39% return, followed closely by the Consumer Discretionary Select Sector SPDR Fund (XLY) at 8.81%. The ARK Innovation ETF (ARKK) also showed significant strength, gaining 8.61%. This performance suggests robust investor confidence in financial services, consumer spending, and innovative technologies, potentially signaling optimism about economic recovery and growth prospects.

Correlation Table

Asset Class Pair	Previous Correlation	Current Correlation	Change
JPYUSD=X and BTC-USD	0.59	-0.79	-1.38
JPYUSD=X and GC=F	-0.71	0.66	1.37
DX-Y.NYB and GC=F	0.49	-0.89	-1.37

Asset Class Pair	Previous Correlation	Current Correlation	Change
DX-Y.NYB and ETH-USD	-0.59	0.78	1.36
JPYUSD=X and ETH-USD	0.36	-0.94	-1.29

Significant shifts in asset correlations have occurred over the past 30 days. The Japanese Yen (JPY) and Bitcoin (BTC) correlation reversed from positive to strongly negative, indicating a potential decoupling of these assets. The Dollar Index (DX) and Gold (GC) correlation also flipped from positive to negative, suggesting a change in their traditional relationship. These shifts may present new opportunities for portfolio diversification and risk management strategies.

Insights Summary

1. The market is showing signs of increased volatility and sector rotation, with defensive sectors outperforming cyclical ones. This trend suggests growing investor caution amid economic uncertainties.
 2. Despite short-term challenges, most asset classes maintain strong year-to-date performances, indicating overall market resilience.
 3. The Financial sector's continued strength, both in ETF performance and sector returns, suggests investor confidence in this area despite broader market fluctuations.
 4. Significant correlation changes between major assets like JPY, BTC, and Gold indicate a shifting market dynamic that may require adjustments to traditional hedging and diversification strategies.
 5. The Federal Reserve's potential slowdown in rate hikes has influenced market sentiment, but concerns over economic slowdown persist, as evidenced by the yield curve inversion and Bank of America's recession prediction.
 6. Technical indicators predominantly show advancing trends across major indices and assets, with the exception of energy commodities, which may face continued pressure in the near term.
 7. The strong performance of innovation-focused ETFs like ARKK suggests ongoing investor appetite for high-growth potential investments, despite broader market volatility.
- These insights underscore the importance of maintaining a diversified portfolio and staying attuned to shifting market dynamics in the current economic environment.