WEEKLY MARKET RECAP: April 01 – April 05, 2024

Happy Friday, traders.

Welcome to our weekly market wrap, where we look back at these last five trading days with a focus on the market news, economic data and headlines that had the most impact on the financial market – and may continue to into the future for the US Dollar and other key correlated assets.

In 2023, stocks and bonds both rallied. The first quarter of 2024, however, saw stocks reaching new heights, while bonds experienced a modest downturn, as the market scaled back its rate cut expectations following surprisingly strong economic data.

As shown in the chart of the week, U.S. large cap stocks continued their dominance, outshining other asset classes with a 10.6% return. However, unlike last year, the rally was relatively broad-based as all sectors, save one, contributed to the gains. Meanwhile, small caps, which lean more toward value stocks, posted a relatively modest 5.2% gain. Internationally, developed markets (DM), with a 5.8% return, outpaced their emerging market (EM) counterparts. Within DM, Japan's export-driven stock market and European equities both reached record highs, driven by the Yen's multi-decade lows and excitement around innovations in the healthcare sector, respectively. On the other hand, EM equities were up by a slight 2.2%, as a surge in the dollar took a bite out of impressive gains in Taiwan, Korea and India, while China's continued economic challenges manifested in lackluster market performance.

Within fixed income, less rate-sensitive high yield bonds gained 2.1% on the back of further spreads compression, while the broader market declined 0.8%, as a rise in yields weighed on bond prices. In the alternatives space, commodities rebounded, buoyed by a broad uptick in prices, whereas rate-sensitive REITs came under pressure and ended the quarter down 1.3%. Lastly, cash, with a 1.3% return, lagged many asset classes while still carrying a reinvestment risk amid potential rate cuts.

Thanks for reading! Have a great weekend.

Important Note: The information found on Ausprime platform is intended only to be informative, is not advice nor a recommendation, nor research, or a record of our trading prices, or an offer of, or solicitation for a transaction in any financial instrument and thus should not be treated as such. The information provided does not include any specific investment objectives, financial situation and needs of any specific person who may receive it. The past performance is not a reliable indicator of future performance and/or results. Past Performance or Forward-looking scenarios are not a guarantee of future performance. Actual results may differ materially from those anticipated in forward-looking or past performance statement.

+357 25 752 420 +357 25 752 450 info@ausprime.eu
Spyrou Kyprianou 41 Avenue, Steratzias Court 2, 1st floor, Flat 103, 4003, Mesa Geitonia, Limassol