



CONCENTURE

WEALTH MANAGEMENT

Concenture Week Ahead

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Week of July 22, 2024

From The Trump Bump To The Trump Dump... And Now No Biden Stump

After the first debate between President Joe Biden and former President Donald Trump, the equity market began to price in a win for Trump. This trade got a bump after the assassination attempt on Trump as the betting odds on his win rose sharply.






But at the Republican National Convention (RNC) last week, Trump made remarks about Taiwan that cascaded into a sharp sell-off of semiconductor stocks. The move hit the large cap Technology stocks, particularly the Magnificent 7. The market averages also fell, with the Nasdaq 100 down sharply. As we wrote last week, a correction was expected with sentiment very bullish and markets very overbought.

What an unprecedented Presidential election! Not since 1968, when Lyndon B. Johnson announced he would not run for reelection, has as sitting President stepped aside. With President Biden announcing yesterday that he will no longer seek reelection (and is endorsing VP Kamala Harris instead), news will stay focused on who will become the Democratic nominee. So far, markets are pricing in a Trump win even against Harris. So, we don't expect this announcement to have a material impact on markets. We will say it again: it's a long time until November.

Here Comes The Bucking Bull Again

In our Year Ahead Outlook 2024 report, we said this would be the year of the Bucking Bull for bonds and stocks. Bonds have indeed bucked, but we think rates are falling, so the Bull should run for fixed income into the fall months. Equities had minor bucks in January, April and May/ June and now we have another one. Markets tend to peak in the summer and correct in the fall. But corrections can be a process. The sharp sell-off last week has the Nasdaq 100 almost oversold. We believe markets will bottom out over the coming weeks and attempt another rally into August. If a new high is not made, it would signal a market peak with a correction to follow in the fall. *We are not sellers at this time – but if your portfolio has not been rebalanced, it may be time to do so, especially as the market rallies.*

Who will win the 2024 US presidential election?

Contract	Latest Yes Price	Best Offer	Best Offer
 Donald Trump	61¢ 1¢+	61¢	<input type="button" value="Buy Yes"/> <input type="button" value="Buy No"/> 40¢
 Kamala Harris	39¢ 1¢+	39¢	<input type="button" value="Buy Yes"/> <input type="button" value="Buy No"/> 62¢
 Robert Kennedy Jr.	3¢ 1¢+	3¢	<input type="button" value="Buy Yes"/> <input type="button" value="Buy No"/> 98¢
 Gavin Newsom	2¢ NC	2¢	<input type="button" value="Buy Yes"/> <input type="button" value="Buy No"/> 99¢
 Joe Biden	1¢ 1¢+	2¢	<input type="button" value="Buy Yes"/> <input type="button" value="Buy No"/> 99¢

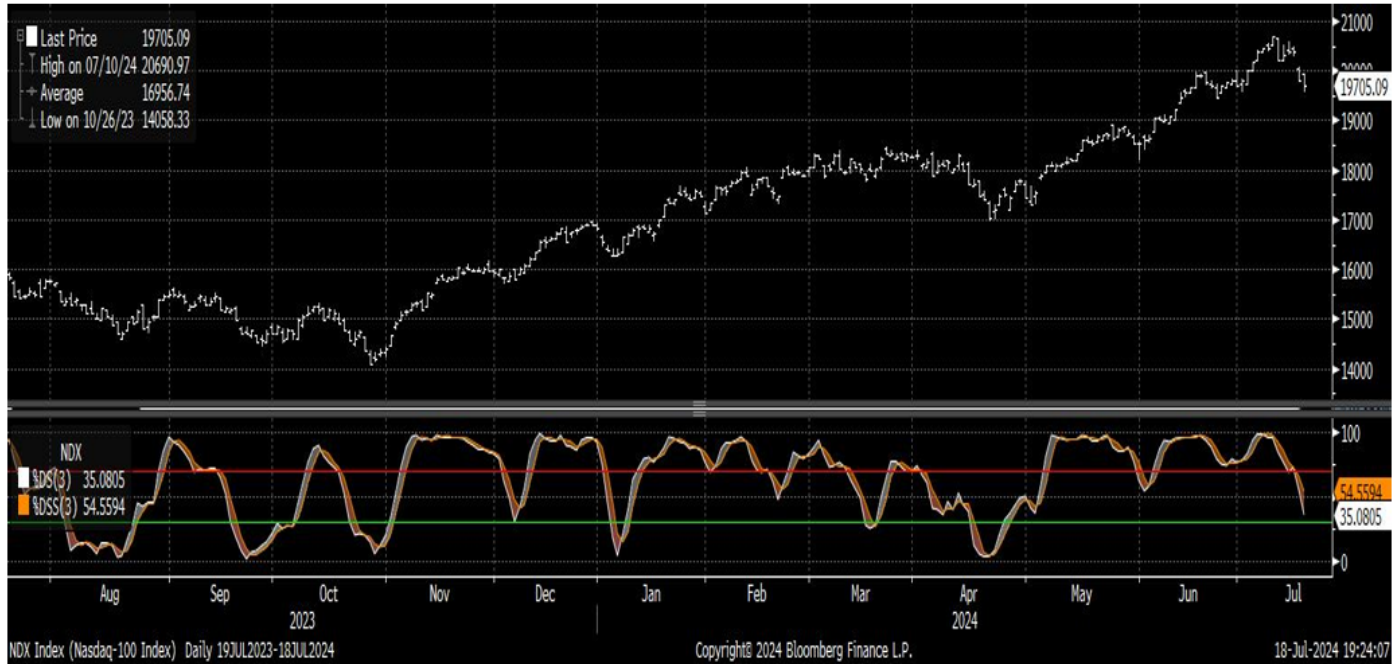
5 More Contracts ▼

Source: PredictIt at 8:15am,
July 22, 2024

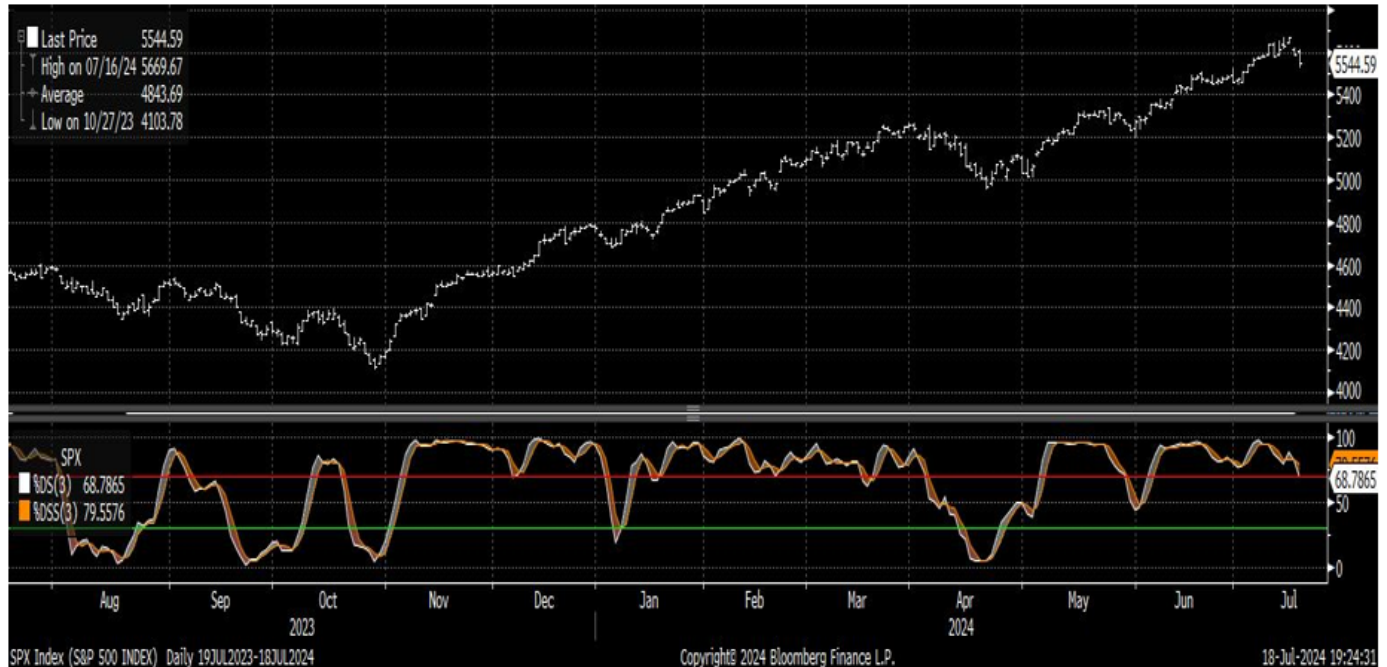


Week of July 22, 2024

Daily Nasdaq 100 With 14-Day Stochastic: Approaching Oversold Quickly



S&P 500 With 14-Day Stochastic: May Correct Similar To May-June



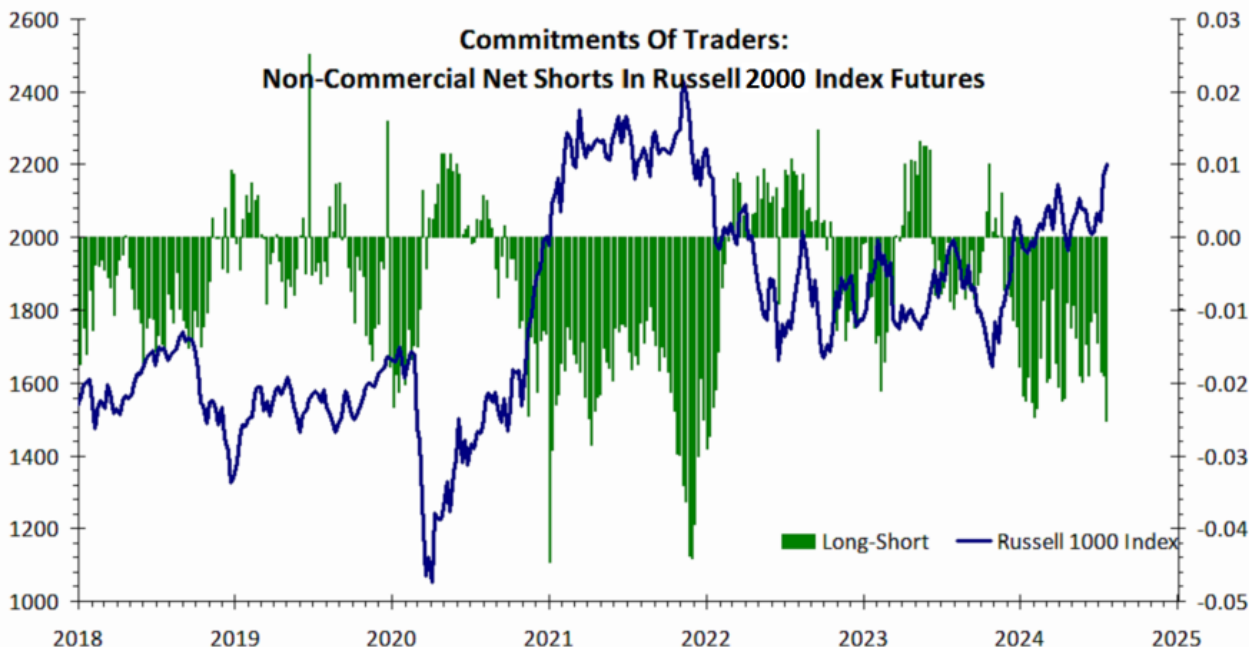


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Small Caps Not Ready To Take Leadership

The Russell 2000 small cap stocks had a sharp rally over the past week as fast money traders [hedge funds, Commodity Trading Advisors (CTAs), etc.] were forced to unwind a long Nasdaq 100 (QQQ) trade with a short (hedge) of Russell 2000. *So, is this just short-covering or something more?* Looking at the weekly chart of the Russell 2000, we see an attempt at a breakout, but there is a lot of resistance to fight through. Also, price momentum from the 14-week stochastic is weakening, not strengthening. More importantly, the percentage of non-earning companies in the Russell 2000 stands at nearly 44%, according to Strategas. Remember: the true driver of stock prices is earnings growth. In our view, what we saw with small caps is just a temporary move; large caps, particularly Mega Caps, will resume leadership.

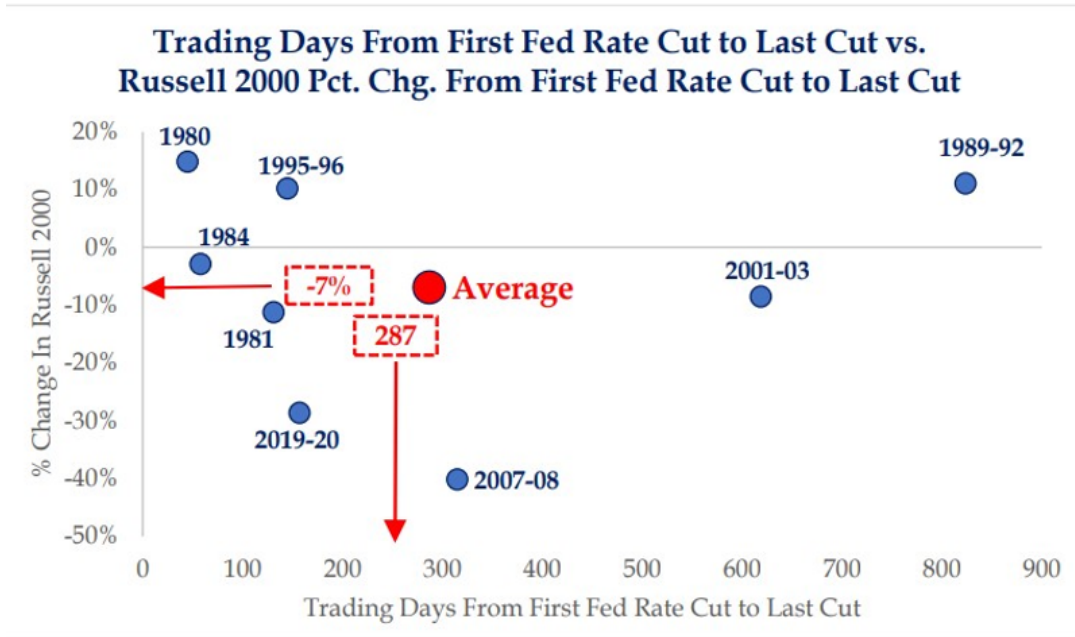
Russell 2000 With 14-Week Stochastic: Momentum Weak & Broad Resistance





Week of July 22, 2024

EASING CYCLES HAVE HISTORICALLY BEEN UNKIND TO SMALL CAPS



Source: Strategas, July 19, 2024

Small Caps Have Higher Percentage of Non-Earning Companies

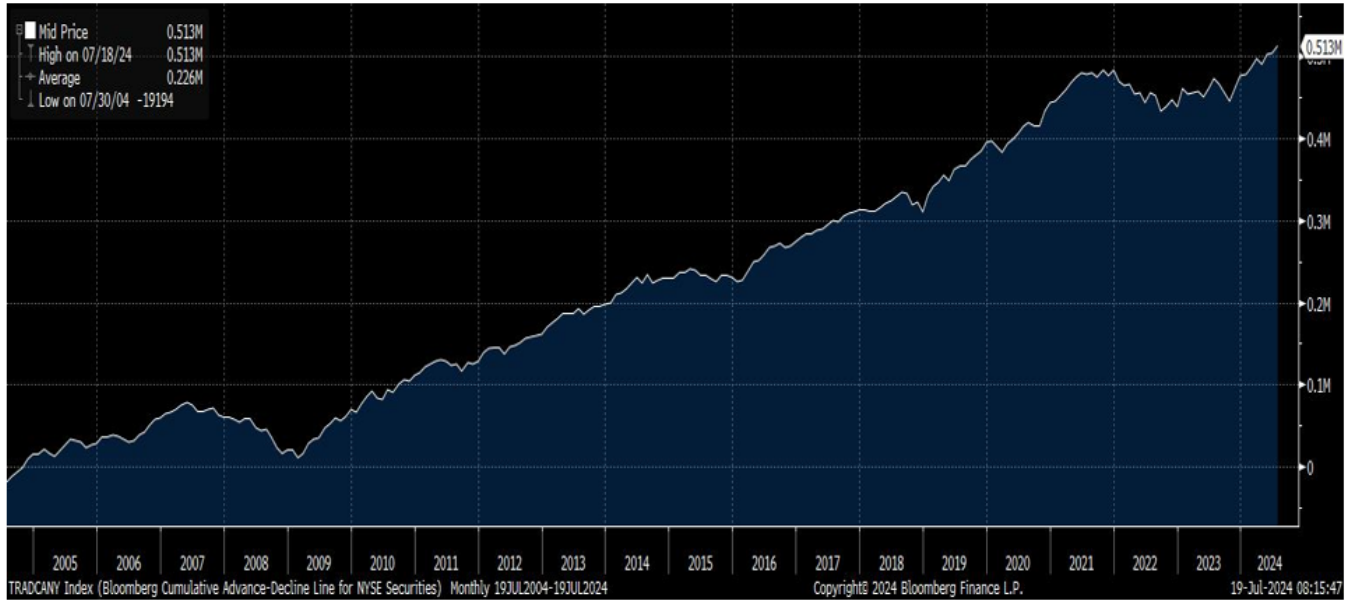
Percent Of Non-Earning Companies			
	Current Reading	Long-Term Average	Highest Reading Since 1990
Russell 1000 Growth	13.0%	11.2%	33.5%
Russell 1000	15.5%	11.9%	28.4%
Russell 1000 Value	15.2%	12.8%	37.0%
Russell 2000 Growth	46.4%	30.3%	54.8%
Russell 2000	43.5%	28.2%	48.6%
Russell 2000 Value	42.2%	25.8%	46.2%

Source: Strategas, July 19, 2024

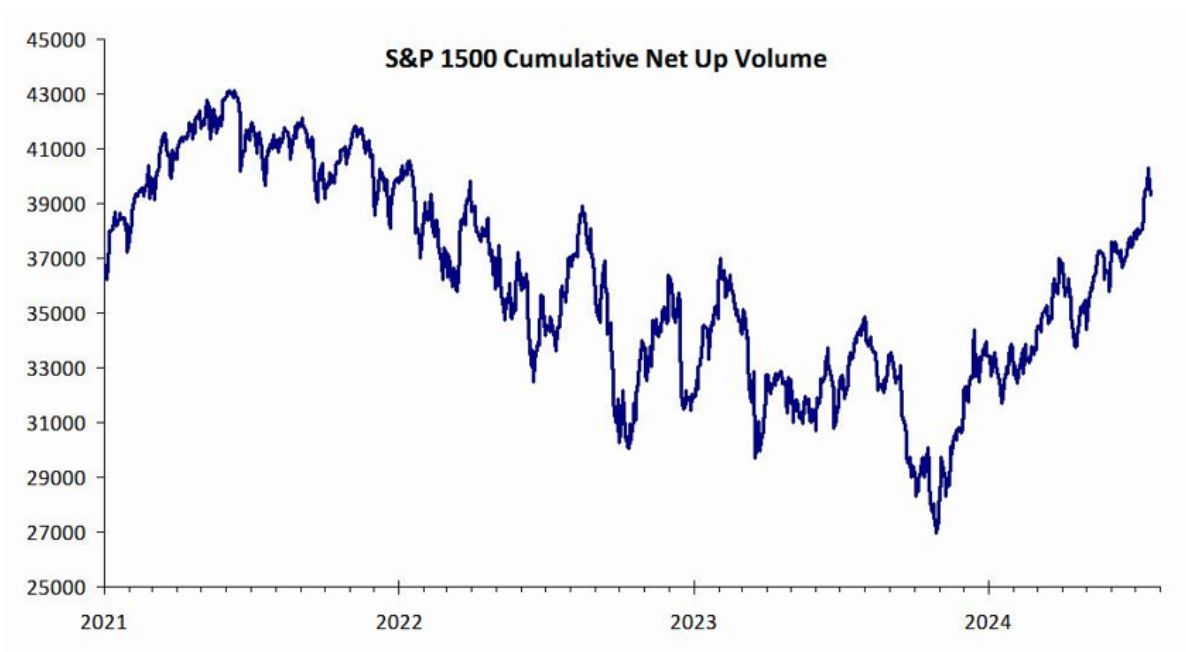
Breadth Of The Market Hits New All-Time High Confirming Bull Trend

The combination of strong market breadth and volume has confirmed that the long-term trend of the market remains up!

NYSE Cumulative Advance-Decline Line: New High Confirms Bull Still Running



Volume Also Confirms Bull Trend With A Breakout



Source: Bloomberg, Sanctuary Wealth, July 19, 2024

 **Week of July 22, 2024**

VIX Volatility Index Spikes Confirming Correction



2-Year Treasury Yields Could Fall To 4.0%-3.5% - A Break Of 3.5% Would Signal A Recession

2-Year Treasury Yields Threatening Major Trendline Break





Week of July 22, 2024

What Is Glittering In The Market? GOLD

Lower yields are pointing to higher prices for Gold. However (!), although gold is going up, the S&P 500 should continue to outpace the returns on Gold.

Monthly Gold Chart: Major Long-Term Multiple Breakouts



Van Eck Gold Mining ETF (GDX): Mining Stocks Attempting A Breakout





Week of July 22, 2024

Market Performance

	Last 7/19/2024	Month End 6/28/2024	Month to Date	Quarter End 6/28/2024	Quarter to Date	Year End 12/29/2023	Year to Date	Year Ago 7/20/2023	Year To Year
S&P 500	5505.00	5460.48	0.8%	5460.48	0.8%	4769.83	15.4%	4534.87	21.4%
NASDAQ Composite	17726.94	17732.60	0.0%	17732.60	0.0%	15011.35	18.1%	14063.31	26.1%
NASDAQ 100	475.24	479.11	-0.8%	479.11	-0.8%	409.52	16.0%	376.76	26.1%
Russell 2000	2184.35	2047.69	6.7%	2047.69	6.7%	2027.07	7.8%	1967.16	11.0%
S&P Consumer Discretionary Sector	1512.32	1492.14	1.4%	1492.14	1.4%	1418.09	6.6%	1338.34	13.0%
S&P Consumer Staples Sector	836.42	819.86	2.0%	819.86	2.0%	762.32	9.7%	789.64	5.9%
S&P Energy Sector	706.51	698.23	1.2%	698.23	1.2%	640.05	10.4%	639.80	10.4%
S&P Financial Sector	712.71	684.26	4.2%	684.26	4.2%	626.35	13.8%	588.34	21.1%
S&P Health Care Sector	1722.79	1700.33	1.3%	1700.33	1.3%	1590.36	8.3%	1571.85	9.6%
S&P Industrials Sector	1056.59	1031.96	2.4%	1031.96	2.4%	964.73	9.5%	930.92	13.5%
S&P Information Technology Sector	4298.44	4341.09	-1.0%	4341.09	-1.0%	3397.16	26.5%	3133.23	37.2%
S&P Materials Sector	567.76	556.50	2.0%	556.50	2.0%	539.62	5.2%	527.18	7.7%
S&P Real Estate Sector	254.19	241.17	5.4%	241.17	5.4%	251.58	1.0%	241.11	5.4%
S&P Communications Sector	301.87	310.19	-2.7%	310.19	-2.7%	246.00	22.7%	217.01	39.1%
S&P Utilities Sector	356.24	346.33	2.9%	346.33	2.9%	321.92	10.7%	342.67	4.0%
S&P 500 Total Return	12011.61	11907.15	0.9%	11907.15	0.9%	10327.83	16.3%	9748.10	23.2%
3 month Treasury Bill Price	98.67	98.66	0.0%	98.66	0.0%	98.66	0.0%	98.65	0.0%
3 month Treasury Bill Total Return	251.30	250.53	0.3%	250.53	0.3%	243.98	3.0%	238.12	5.5%
10 Year Treasury Bond Future	110.83	109.98	0.8%	109.98	0.8%	112.89	-1.8%	112.14	-1.2%
10 Year Treasury Note Total Return	295.18	292.03	1.1%	292.03	1.1%	294.12	0.4%	287.48	2.7%
iShares 20+ Year Treasury Bond ETF	92.92	91.78	1.2%	91.78	1.2%	98.88	-6.0%	101.70	-8.6%
S&P Municipal Bond Total Return	275.47	273.41	0.8%	273.41	0.8%	272.94	0.9%	265.54	3.7%
iShares S&P National Municipal Bond NAV	107.26	106.67	0.6%	106.67	0.6%	108.42	-1.1%	107.02	0.2%
S&P 500 Investment Grade Corporate Bond Total Return	459.24	453.34	1.3%	453.34	1.3%	455.89	0.7%	435.83	5.4%
S&P Investment Grade Corporate Bond	90.71	89.77	1.0%	89.77	1.0%	91.76	-1.1%	89.39	1.5%
S&P Investment Grade Corporate Bond Total Return	488.63	482.45	1.3%	482.45	1.3%	482.66	1.2%	461.32	5.9%
SPDR Bloomberg High Yield Bond ETF	95.21	94.27	1.0%	94.27	1.0%	94.73	0.5%	92.26	3.2%
iShares iBoxx High Yield Corporate Bond ETF	77.98	77.14	1.1%	77.14	1.1%	77.39	0.8%	75.18	3.7%
Gold	2400.83	2326.75	3.2%	2326.75	3.2%	2062.98	16.4%	1969.53	21.9%
Bitcoin	66985.87	60118.16	11.4%	60118.16	11.4%	41935.34	59.7%	29737.02	125.3%

Source: Bloomberg, Sanctuary Wealth, July 19, 2024

Heavy Week Of Economic Data But Core PCE Takes Center Stage

This week the news will stay focused on who will become the Democratic Presidential nominee, but the markets will trade instead on the onslaught of economic data.

With polling sites still pricing in a Trump win, economic data will drive markets this week – and we'll get a boatload of data – from housing to durable goods to consumer spending. We also get 2Q GDP which will determine how the overall economy is doing. But the most important data point will be Core Personal Consumption Expenditure (PCE) released on Friday. The market will be awaiting this data to determine whether the Federal Reserve will indeed begin cutting interest rates. The upcoming FOMC meeting on July 30-31 is not expected to result in any changes. In fact, investors are nearly 100% certain that the Fed will announce a 25 basis point interest rate cut in September.



Calendar

Mon.	Earnings: Agilysys, AGNC Investment, Alexandria RE, Bank of Hawaii, BOK Financial, Brown & Brown, Cadence Bank, Cadence Design, Calix Networks, Cathay Bancorp, Cleveland-Cliffs, Crown Holdings, Equity Lifestyle Properties, HealthStream, IQVIA, Medpace, Nucor, NXP Semiconductors, RLI Corp, Simpson Manufacturing, Truist Financial, Verizon Communications, W.R. Berkley, Zions Bancorp
Tue.	10:00 am Existing home sales 9:45 am S&P flash U.S. services/manufacturing PMI Earnings: A.O. Smith, Albertsons, Alphabet , Artisan Partners Asset Management, Avery Dennison, Banc of California, Brandywine Realty, Cal-Maine Foods, Canadian National Railway, Capital One Financial, Capital One Financial, Chubb, Coca-Cola, Community Financial System, Constellium, CoStar Group, Danaher, East West Bancorp, EastGroup, Enova International, Enphase Energy, EQT Corp., First Bancorp, First Commonwealth, Franklin Electric, Freeport-McMoRan, GATX, GE Aerospace, General Motors, Genuine Parts, HCA, Herc Holding s, Invesco, Kimberly-Clark, Lockheed Martin, Matador Resources, Mattel, Moody's, MSCI, Nabors Industries, Northwest Bancshares, Old National Bancorp, PACCAR, Packaging Corp of America, PennyMac, Pentair, Philip Morris International, Polaris Industries, PulteGroup, Quest Diagnostics, Range Resources, Red Rock Resorts, Renasant, Retail Opportunity Investments, Seagate Technology, Sherwin-Williams, Spotify, Tesla, Texas Instruments, Trustmark, UPS, Veritex Holdings, Vicor, Visa, Webster Financial, West Fraser Timber
Wed.	10:00 am New home sales 4:05 pm Fed Governor Michelle Bowman opening remarks Earnings: Alamos Gold, Align Technology, Alkermes, Allegion, Ameriprise Financial, Amphenol, AT&T, Boston Scientific, Canadian Pacific Kansas City, Carlisle Cos, Celestica, Century Communities, Check Point Software, Chemed, Chipotle Mexican Grill, Churchill Downs, CME Group, Community Health, Core Labs, Edwards Lifesciences, Essential Properties Realty Trust, Evercore, FirstService, First American Financial, Fiserv, Flex, Ford Motor, Fortive, GE Vernova, General Dynamics, Globe Life, Graco, Group 1 Auto, Healthcare Services Group, Helmerich & Payne, IBM, ICON, Impinj, Interpublic, International Paper, Invitation Homes, Kaiser Aluminum, KBR, KLA Corp, Knight-Swift Transportation, Lamb Weston, Lennox International, MaxLinear, Meritage Homes, Methanex, Moelis, Navient, NextEra Energy, NextEra Energy Partners, Newmont, Oceaneering International, Old Dominion Freight Line, O'Reilly Automotive, Pacific Premier, Pathward Financial, Pebblebrook Hotel Trust, Pegasystems, Plexus, Popular, PROG Holdings, QuantumScape, RenaissanceRe, Republic Services, Rogers Communications, Rollins, Roper, Rush Enterprises, Sallie Mae, ServiceNow, Silicon Labs, South State, Taylor Morrison Home, TE Connectivity, Teledyne Technologies, Tenet Healthcare, Teradyne, Thermo Fisher Scientific, Tower Semiconductor, Travel + Leisure, Tyler Technologies, United Community Banks, United Rentals, Universal Health, Valmont Industries, Vertiv, Viking Therapeutics, Wabash National, Waste Connections, Waste Management, Weatherford International, Wyndham Hotels & Resorts
Thu.	8:30 am GDP, Initial jobless claims, Durable-goods orders, Advanced U.S. trade balance in goods, Advanced retail inventories, Advanced wholesale inventories Earnings: AbbVie, Agnico-Eagle Mines, Allison Transmission, Ameris Bancorp, AppFolio, Arch Resources, Arthur J. Gallagher, AstraZeneca, Baker Hughes, BJ Restaurants, Boston Beer, Boyd Gaming, Bread Financial, Brunswick, CBRE Group, Cincinnati Financial, Columbia Banking, Columbia Sportswear, Comcast, Coursera, Cousins Properties, Cullen/Frost, Customers Bancorp, Darling Ingredients, Deckers Outdoor, Dexcom, Digital Realty Trust, Dover, Dow, DTE Energy, Eastman Chemical, Edison, EMCOR Group, Exponent, Expro Group, Federated Hermes, First Financial Bancorp, First Interstate Bancsystem, FTI Consulting, Gaming and Leisure Properties, Harley-Davidson, Hartford Financial, Hasbro, Healthpeak Properties, HNI, Honeywell, IMAX, Integer Holdings, Juniper Networks, Keurig Dr Pepper, Kinsale Capital, L3Harris Technologies, Lazard, Lear, LendingTree, LKQ, LPL Financial, Masco, McGrath RentCorp, Minerals Technologies, Mohawk, NASDAQ, Northrop Grumman, NOV, NovoCure, Olin, Phillips Edison & Company, Pool, Precision Drilling, Principal Financial Group, Provident Financial Services, Reliance, RPM, RTX, Ryder System, Sanofi, Selective Insurance, Skechers USA, SkyWest, Southside Banc, Southwest Air, SPS Commerce, SS&C Technologies, STMicroelectronics, TechnipFMC, Teck Resources, Terex, Texas Roadhouse, TFI International, Tractor Supply, Tradeweb Markets, TransUnion, TRI Pointe Homes, Ultra Clean Holdings, Union Pacific, Valero Energy, Valley National, Veralto, VeriSign, Visteon, WesBanco, West Pharmaceutical Services, WEX, Willis Towers Watson, WSFS Financial
Fri.	8:30 am Personal income (nominal), Personal spending (nominal), PCE index, Core PCE index 10:00 am Consumer sentiment (final) Earnings: 3M, AllianceBernstein, Aon, Avantor, Balchem, Barnes Group, Booz Allen Hamilton, Bristol-Myers Squibb, Centene, Charter Communications, Colgate-Palmolive, First Hawaiian, Franklin Resources, Gentex, GraTech International, Imperial Oil, Newell Brands, Portland General Electric, Saia, Sensient, Stellar Bank, T. Rowe Price, TriNet Group, WisdomTree

Source: MarketWatch/Kiplinger

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