



# Advisor Analysis

Monthly Observations from CIO, Chris Zaccarelli

June 1, 2024

## Markets in Review

Stock markets recovered from their April lows and rose for the fourth time in five months, with the S&P 500 jumping 4.8% in May, which increased its year-to-date gains to 10.6%. The MSCI All Country World index also rose during the month, gaining 3.8%, improving its year-to-date return to 8.1%. The Bloomberg BarCap U.S. Aggregate Bond index also bounced back 1.7% during the month to reduce its year-to-date losses to -1.65%.

The stock and bond markets continued to react to inflation data as the Federal Reserve is waiting for a string of lower datapoints before it will begin its next rate-cutting cycle. Geopolitical risk remains a concern as wars in the Middle East and Eastern Europe continue to impact supply chains, commodities and shipping lanes.

## Monthly Highlights

- Inflation has been easing again, potentially allowing for a rate cut later this year
- The Israel-Hamas war shows no signs of letting up
- Stock market rallied again in May, with the Dow posting a record day

## News in Review

Below are some stories that caught our eye this past month. To learn more, follow the links to the full article.

### [CPI Report Shows Inflation Easing in April](#)

Markets have been especially focused on inflation this year because it is the one factor holding the Federal Reserve back from lowering interest rates. This month's report, which included price changes for April, showed that the month-over-month rate of inflation was coming down, which helped markets stage a rally from last month's pullback.

### [Israel Says a Cease-Fire Plan Backed by Hamas Falls Short](#)

The Israel-Hamas war continues, despite efforts by the US and Qatar to try and mediate a cease-fire. Israel is laser-focused on eliminating the leadership of Hamas, which slaughtered over 1000 innocent people on October 7, 2023, however, there are millions of innocent Palestinian civilians caught in the crossfire and countries from around the region are trying to prevent starvation in the war-torn area.

## [Dow Posts Best Day of 2024](#)

The Dow Jones Industrial Average had its best day of the year on the last day of May, despite inflation data coming in at +0.2% month-over-month, which was inline with the forecast. Clearly investors were worried it would be worse and responded to the data by buying aggressively throughout the day. In the bond market, Treasury yields dropped, as fixed income investors also breathed a sigh of relief.

## [Another Powerful Solar Storm Could be Headed our Way](#)

A sunspot on the Southeastern corner of the sun created solar flares and G5 geomagnetic storms (e.g. the highest on the scale) in May, which interrupted shortwave radios, but didn't appear to do any other damage to electronics. However, we may be facing another event on June 6th, which could cause blackouts or other interruptions, depending on the path of the solar storm.

## DISCLOSURES

Securities offered through LPL Financial, Member FINRA/SIPC. Blackbridge Financial is another business name of Independent Advisor Alliance, LLC. All investment advice is offered through Independent Advisor Alliance, LLC, a registered investment adviser. Independent Advisor Alliance, LLC is a separate entity from LPL Financial. The opinions expressed in this material do not necessarily reflect the views of LPL Financial.

This newsletter was written and produced by the Independent Advisor Alliance, LLC. Content in this material is for general information only and not intended to provide specific advice or recommendations for any individual. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and may not be invested into directly. The views stated in this letter should not be construed directly or indirectly as an offer to buy or sell any securities mentioned herein. Due to volatility within the markets mentioned, opinions are subject to change without notice. Information is based on sources believed to be reliable; however, their accuracy or completeness cannot be guaranteed. Past performance does not guarantee future results.

**S&P 500 INDEX:** The Standard & Poor's 500 Index is an unmanaged, capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

**NASDAQ 100 INDEX:** The Nasdaq 100 Index is an unmanaged, capitalization-weighted index of the largest 100 non-financial stocks traded on the Nasdaq market. Unlike the S&P 500 it does not represent all major industries and may be more volatile than more broadly constructed indices.

**MSCI ACWI INDEX:** The MSCI ACWI captures large- and mid-cap representation across 23 developed markets (DM) and 24 emerging markets (EM) countries. With 2,495 constituents, the index covers approximately 85% of the global investable equity opportunity set.

**Bloomberg U.S. Aggregate Bond Index:** The Bloomberg U.S. Aggregate Bond Index is a broad-based index of the U.S. investment-grade, fixed-rate bond market, including both government-related and corporate securities and mortgage-backed and asset-backed securities.

Please note this newsletter contains hyperlinks to additional content. The information being provided is strictly as a courtesy. We make no representation as to the completeness or accuracy of information provided by these websites.