



The Markets

Markets were gripped by August jitters.

Last week, financial markets were volatile. The CBOE Volatility Index (VIX), which is known as Wall Street's fear gauge, rose to the highest level in four years before cooling down. "While spikes in the VIX often coincide with deep market sell-offs, they can also be short-lived and precede a rebound for stocks," reported Jesse Pound of CNBC.

Investor uncertainty contributed to market fluctuations last week. There were many reasons for the uncertainty. For example, some investors:

Were unsettled by economic data. Markets stuttered after a weaker-than-expected jobs report. Some investors panicked, believing the United States might be headed for a recession rather than a soft landing.

"A slowing economy could create challenges for equities to achieve the kind of earnings growth that analysts were penciling in for the quarters ahead," noted a source cited by Connor Smith of *Barron's*.

On Thursday, investors regained some confidence after data showed the number of people filing for unemployment claims was lower than expected. The information suggested the labor market remained solid. The subsequent rally was unexpected because jobless claims don't normally move the market, reported *Barron's*.

Concerned about geopolitical risks. Recently, the United States, the United Kingdom, Australia, France, Canada, South Korea, Saudi Arabia, Japan, Turkey and Jordan all warned their citizens to leave Lebanon as quickly as possible on fears that hostilities in the Middle East may escalate, reported Tom Bennett and Hugo Bachega of the BBC.

"Iran, Israel and Hezbollah all have the capabilities to continue to attack each other without triggering physical supply cuts in energy or blocking global shipping. Those are the kinds of effects that would trigger a major market reaction. Though a persistent danger is that, in the fog of war, one party or other goes too far or misreads its adversaries' intent. Events can quickly spiral out of control," reported Matt Peterson in *Barron's*.

May have been less experienced. It's summertime and people—including money managers and traders—are vacationing. *The Economist* explained,

"Spare a thought, then, for the 20-somethings left to run the northern hemisphere's trading desks over the next few weeks, while their bosses doze on a beach. Possibly for this reason, markets are often more jittery than usual during the summer months. Last year, for example, it was in August that American share prices began their final protracted fall before a storming bull run that took them to new all-time highs. That may be down to liquidity, which...tends to be slightly thinner during the holiday season than in the rest of the year. It may also be that the lack of veterans on banks' trading floors allows panic to set in more easily. Prices can swing a lot further before someone musters the courage to push back."

Despite sharp swings higher and lower, major U.S. stock indices finished the week close to where they started it. The yield on the benchmark 10-year U.S. Treasury finished the week higher.

Data as of 8/9/24	1-Week	YTD	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 Index	0.0%	12.0%	19.6%	6.4%	12.9%	10.7%
Dow Jones Global ex-U.S. Index	-0.2	2.5	6.6	-2.7	3.8	1.7
10-year Treasury Note (yield only)	3.9	N/A	4.0	1.3	1.7	2.4
Gold (per ounce)	-2.4	16.0	25.4	11.5	10.0	6.3
Bloomberg Commodity Index	0.8	-3.2	-10.4	0.9	4.3	-2.9

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance; MarketWatch; djindexes.com; U.S. Treasury; London Bullion Market Association.

Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

AND THE WORLD'S MOST LIVEABLE CITIES ARE... *The Economist* Intelligence Unit (EIU)'s Global Liveability Index improved marginally in 2024. The EIU's annual survey evaluates the stability, healthcare, culture and environment, education, and infrastructure of 173 cities around the world to determine which are the most—and least—livable.

In 2024, “Declines in stability and infrastructure across a number of cities in advanced economies were offset by structural improvements in healthcare and education in several cities in developing markets...An acute housing crisis has pulled down infrastructure scores of some of the top-ranked cities,” reported the EIU. The war with Hamas caused Tel Aviv, Israel, to slide down the list this year. The cities that were most livable included:

- Vienna, Austria
- Copenhagen, Denmark
- Zurich, Switzerland
- Melbourne, Australia
- Calgary, Canada

Vienna took top marks although it was held back from a perfect score by a lack of major sporting events. “Copenhagen, Zurich and Geneva...are notable for their modest population size, which tends to lead to lower crime rates and less crowded roads and public-transport systems.”

Many of the cities at the bottom of the livability list have seen little improvement year to year. The stability category, overall, saw the biggest decline in 2024. Some lower-ranked countries have seen their economies destroyed by civil war. The cities that were least livable included:

- Damascus, Syria
- Tripoli, Libya
- Algiers, Algeria
- Lagos, Nigeria
- Karachi, Pakistan

Cities in the U.S. were not in the top or bottom five. If we focus only on the U.S., the top cities (as ranked by the EIU) were: 1) Honolulu, Hawaii; 2) Atlanta, Georgia; 3) Pittsburgh, Pennsylvania; 4) Seattle, Washington; 5) Washington D.C.; 6) Chicago, Illinois; 7) Boston, Massachusetts; 8) Miami, Florida; 9) San Francisco, California; and 10) Minneapolis, Minnesota, reported Celia Fernandez of CNBC.

Weekly Focus – Think About It

“It’s not always about being the best; it’s about being my personal best and having fun and trying to always stay in a positive place.”

—*Jamie Anderson, professional snowboarder*

Best regards,

A handwritten signature in cursive script that reads "Ann Marie Etergino".

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- All indexes referenced are unmanaged. The volatility of indexes could be materially different from that of a client's portfolio. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. You cannot invest directly in an index.
- The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.
- The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.
- Gold represents the 3:00 p.m. (London time) gold price as reported by the London Bullion Market Association and is expressed in U.S. Dollars per fine troy ounce. The source for gold data is Federal Reserve Bank of St. Louis (FRED), <https://fred.stlouisfed.org/series/GOLDPMGBD228NLBM>.
- The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.
- The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.
- The Dow Jones Industrial Average (DJIA), commonly known as "The Dow," is an index representing 30 stock of companies maintained and reviewed by the editors of The Wall Street Journal.
- The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system.
- International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.
- Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
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