



*Client First.  
Every Opportunity.  
Every Interaction.*

# Highland ReCAP

*A Review of Capital Markets*

## March 2024

---

### Summary

Returns were positive across the board for major global asset classes in March. For large cap developed markets stocks, the close of the first quarter of 2024 marked the 5th consecutive month of positive returns, while for bonds, March offered some welcomed relief after a slow start to the year. The rally was truly widespread; credit continued to outperform, oil broke \$80 per barrel, while gold and bitcoin joined equities in touching new all-time highs during the month.

### Equities

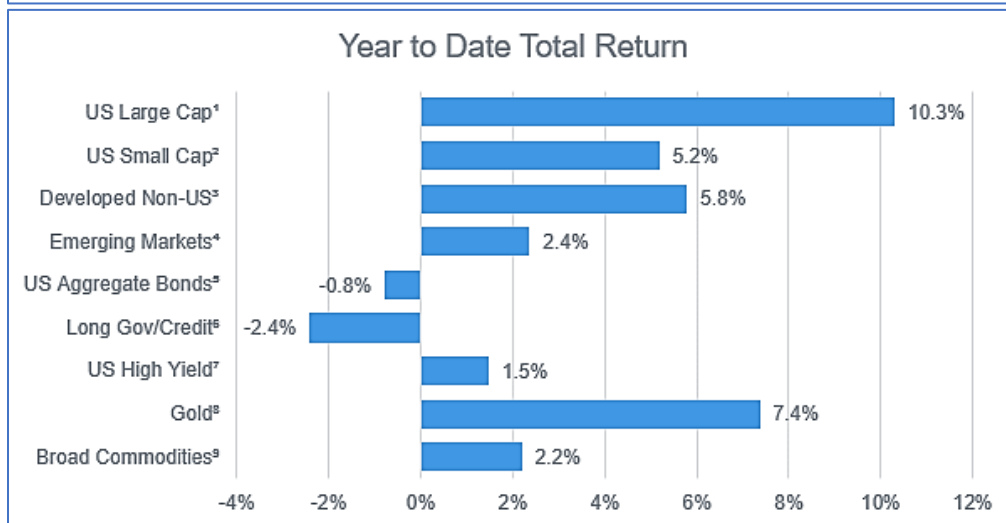
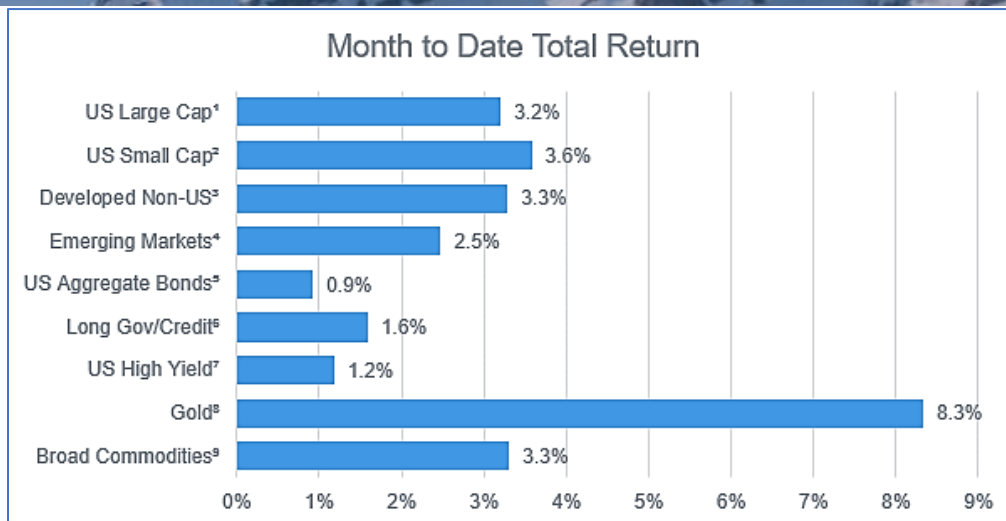
U.S. small cap stocks led the way for the second straight month, as the Russell 2000 returned 3.6%, while large caps in the U.S. and abroad ended up 3.2 and 3.3% respectively. After a cap-heavy rally to start the year, stock returns were more broad-based in March, as the equal weighted index outperformed market cap weighting during the month. Coupled with a resurgence in small caps, equities may be emerging from AI-mania, with a more diversified set of return drivers and as real economic growth continues to be strong.

### Fixed Income

High grade bonds closed the quarter with a positive month, returning just under 1%. The Federal Reserve Board officially announced a pause for their March meeting, a move widely anticipated by the market. All eyes now shift to the Fed's May meeting for clues as to the case for easing. Inflation remains stubborn (3.2% YoY through February) and a roaring labor market (sub-4% unemployment) has pushed back the timeline for rate cuts. High yield bonds outperformed for the month and have led the way for fixed income markets throughout the first quarter of 2024.

# Market Trends

As of March 31, 2024



	1M	3M	YTD	1Y	3Y	5Y	10Y
US Large Cap <sup>1</sup>	3.2%	10.3%	10.3%	29.9%	10.5%	14.8%	12.7%
US Small Cap <sup>2</sup>	3.6%	5.2%	5.2%	19.7%	-0.1%	8.1%	7.6%
Developed Non-US <sup>3</sup>	3.3%	5.8%	5.8%	15.3%	4.8%	7.3%	4.8%
Emerging Markets <sup>4</sup>	2.5%	2.4%	2.4%	8.2%	-5.1%	2.2%	2.9%
US Aggregate Bonds <sup>5</sup>	0.9%	-0.8%	-0.8%	1.7%	-2.5%	0.4%	1.5%
Long Gov/Credit <sup>6</sup>	1.6%	-2.4%	-2.4%	-1.1%	-6.0%	-0.6%	2.3%
US High Yield <sup>7</sup>	1.2%	1.5%	1.5%	11.2%	2.2%	4.2%	4.4%
Gold <sup>8</sup>	8.3%	7.4%	7.4%	12.1%	8.5%	10.2%	4.8%
Broad Commodities <sup>9</sup>	3.3%	2.2%	2.2%	-0.6%	9.1%	6.4%	-1.6%

1 – Russell 1000, 2 – Russell 2000, 3 – MSCI EAFE, 4 – MSCI Emerging Markets, 5 – Bloomberg US Agg, 6 – Bloomberg US Long Gov/Credit  
7 – Bloomberg US Corporate High Yield, 8 – Bloomberg Gold Subindex, 9 – Bloomberg Commodity

Highland Consulting Associates, Inc. is a registered investment adviser. Information presented is for educational purposes only and does not intend to make an offer of solicitation for the sale or purchase of specific securities, investments, or investment strategies. Investments involve risk and unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein. Past performance is not indicative of future performance.



# Disclosure Statements

## **Bloomberg**

Source: Bloomberg Index Services Limited. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Bloomberg does not approve or endorse this material or guarantee the accuracy or completeness of any information herein, nor does Bloomberg make any warranty, express or implied, as to the results to be obtained therefrom, and, to the maximum extent allowed by law, Bloomberg shall not have any liability or responsibility for injury or damages arising in connection therewith.

## **FTSE Russell**

Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group [year]. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®" "Russell®", "FTSE Russell®" are trade mark(s) of the relevant LSE Group companies and are used by any other LSE Group company under license. "TMX®" is a trade mark of TSX, Inc. and used by the LSE Group under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

## **MSCI**

Copyright MSCI 2017. Unpublished. All Rights Reserved. This information may only be used for your Internal use, may not be reproduced or disseminated in any form and may not be used to create any financial instruments or products or any indices. This information is provided on an "as is" basis and the users of this information assumes the entire risk of any use it may make or permit to be made of this information. Neither MSCI, any of its affiliates or any other person involved in or related to compiling, computing or creating this information makes any express or implied warranties or representations with respect to such information, or the results to be obtained by the use thereof, and MSCI, its affiliates and each such other person hereby expressly disclaim all warranties (including, without limitation, all warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any other person involved in or related to compiling, computing or creating this information have any liability for any direct, indirect, special, incidental, punitive, consequential or any other damages. The MSCI information is the exclusive property of Morgan Stanley Capital International ("MSCI") and may not be reproduced or disseminated in any form or used to create any financial products or indices without MSCI's express prior written permission. The information is provided "as is" without any express or implied warranties. In no event shall MSCI or any of its affiliates or information providers have any liability of any kind to any persons or entity arising from or related to this information.