

# Market Overview

# Market Overview

## FED EXPECTATIONS CONTINUE TO ADJUST AMID INFLATION AND JOBS REPORTS

### THE MONTH AT A GLANCE, SO FAR

	MTD
S&P 500	3.89%
MSCI EAFE	-0.38%
MSCI Emerging Markets	3.31%
Bloomberg US Aggregate	-1.43%

All returns are total returns as of the date of the report unless otherwise noted.

Indices are unmanaged and cannot be invested into directly. The returns do not reflect fees, sales charges, or expenses. The results don't reflect any particular investment. Past performance is not indicative of future results.

The jobs market continues to show remarkable resilience. In January, there were 353,000 new jobs added, the largest increase in one year<sup>1</sup>. Wages also grew by 0.6%, giving consumers a boost in their inflation-adjusted spending power. Treasury yields surged immediately following the strong job report, reinforcing the Federal Reserve's stance on maintaining rates a bit longer. The Federal Reserve's recent statement signaled a cautious approach towards rate cuts, emphasizing the need for sustained inflation trends before adjusting rates, challenging previous market expectations of a March rate cut<sup>2</sup>.

In January, the Consumer Price Index (CPI) rose by 3.1% compared to the previous year, slightly lower than December's 3.4% but still above expectations<sup>3</sup>. The report also showed core prices, excluding food and energy costs, increased by 3.9% year-over-year. Services, excluding housing, experienced a notable increase of 0.7% month-over-month, while core goods prices fell for the eighth consecutive month. These inflationary trends are closely watched by investors and economists, influencing consumer sentiment, spending, yields, housing, and equity valuations.

Despite concerns over inflation and monetary policy, stock markets have shown resilience, with the S&P 500 closing above 5,000 for the first time in February and the NASDAQ 100 hitting multiple all-time highs this year so far. Despite a few brief periods of volatility, the overall momentum in US stocks since late October has continued so far this year. While the momentum has pushed up valuations across the S&P 500, the fourth quarter's earnings reports have shown earnings growth of nearly 5% thus far<sup>4</sup>. Nevertheless, the market's focus remains on the Federal Reserve and adjusting expectations of when they may be able to cut rates.

1. Bureau of Labor Statistics, <https://www.bls.gov/news.release/empsit.nr0.htm>
2. CME FedWatch Tool's probabilities of a rate cut in March as of January 30, 2023
3. Bureau of Labor Statistics, <https://www.bls.gov/news.release/cpi.nr0.htm>
4. Bloomberg analysis as of February 15, 2024

Source: Helios Quantitative Research, Bloomberg  
Helios Quantitative Research LLC ("Helios") is associated with, and under the supervision of, Clear Creek Financial Management, LLC ("Clear Creek"), a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Clear Creek, and its representatives are properly licensed or exempt from licensure. This document is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Clear Creek or its representatives unless a client service agreement is in place.

# Market Overview

## Equity Markets

	MTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>S&amp;P 500</b>	3.89%	5.64%	23.22%	10.22%	14.52%	12.66%
Russell Midcap	3.98%	2.50%	8.84%	3.96%	10.08%	9.54%
Russell 2000	5.93%	1.81%	6.76%	-2.16%	7.01%	7.44%
<b>MSCI ACWI</b>	2.76%	3.36%	17.00%	4.82%	10.43%	8.38%
MSCI EAFE	-0.38%	0.19%	10.15%	2.39%	6.71%	4.39%
MSCI Emerging Markets	3.31%	-1.49%	2.89%	-8.91%	2.02%	2.96%

## Fixed Income Markets

<b>Bloomberg US Aggregate</b>	-1.43%	-1.70%	2.48%	-3.47%	0.54%	1.49%
Bloomberg US Treasury	-1.47%	-1.75%	1.54%	-3.83%	0.09%	0.96%
Bloomberg US Corporate	-1.46%	-1.63%	4.80%	-3.22%	1.76%	2.58%
Bloomberg US MBS	-1.42%	-1.88%	1.50%	-3.43%	-0.26%	1.06%
Bloomberg Municipal	-0.11%	-0.62%	3.82%	-0.94%	1.91%	2.74%
Bloomberg US Corporate High Yield	-0.04%	-0.04%	10.29%	1.52%	4.25%	4.43%
Bloomberg Global Aggregate	-1.54%	-2.90%	1.54%	-5.98%	-1.04%	-0.09%

## Alternative Markets

Dow Jones US Real Estate	1.46%	-3.51%	-0.75%	2.49%	3.87%	6.59%
Bloomberg Commodity	-2.98%	-3.06%	-10.97%	4.39%	3.38%	-3.07%
Wilshire Liquid Alternative Index	0.61%	1.29%	5.55%	1.35%	2.68%	1.69%

## MARKET HIGHLIGHTS

- Equity markets largely continued their uptrend that started in October as the S&P 500 crossed 5,000 for the first time in February. Small cap was the leader across the first half of the month, notching gains of nearly 6% compared to the S&P 500's 3.89% gain.
- Changing expectations have pushed yields on most government bonds up over the last two weeks, with the 10-year yield rising over 30 basis points since the end of January. The pressure has pushed bond prices down across most asset styles, with the Bloomberg US Aggregate falling 1.43% in the first half of February.

Source: Helios Quantitative Research, Bloomberg

Total returns as of the report date unless otherwise noted. Returns over 1 year are annualized. Indices are unmanaged and cannot be invested into directly. The returns do not reflect fees, sales charges, or expenses and don't reflect any particular investment. Past performance is not indicative of future results.

Helios Quantitative Research LLC ("Helios") is associated with, and under the supervision of, Clear Creek Financial Management, LLC ("Clear Creek"), a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Clear Creek, and its representatives are properly licensed or exempt from licensure. This document is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Clear Creek or its representatives unless a client service agreement is in place.

# Market Overview

## EQUITY SECTOR PERFORMANCE

Ranked S&P 500 Sector Total Returns

SECTOR	MTD
Communication Services	6.64%
Consumer Discretionary	5.72%
Industrials	5.14%
Information Technology	4.33%
S&P 500	3.89%
Health Care	3.39%
Materials	3.00%
Financials	2.59%
Energy	2.58%
Real Estate	1.57%
Consumer Staples	0.43%
Utilities	-0.24%

Sector total returns are based on the S&P 500 GICS Level 1 indices.

## EQUITY STYLE & SIZE PERFORMANCE

Ranked Style, Size, and Geography Total Returns

ASSET CLASS	MTD
Small Cap Growth	7.93%
Mid Cap Growth	6.02%
Small Cap Blend	5.93%
Large Cap Growth	5.50%
Large Cap Blend	4.02%
Small Cap Value	3.99%
Mid Cap Blend	3.98%
S&P 500	3.89%
Emerging Markets	3.31%
Mid Cap Value	3.12%
Large Cap Value	2.24%
Developed International	-0.38%

Asset class total returns are based on the Russell 1000, Russell 1000 Growth, Russell 1000 Value, Russell Midcap, Russell Midcap Growth, Russell Midcap Value, Russell 2000, Russell 2000 Growth, Russell 2000 Value, MSCI EAFE, and MSCI Emerging Markets indices.

## CREDIT SECTOR PERFORMANCE

Ranked Fixed Income Sectors Total Returns

SECTOR	MTD
Global High Yield	0.04%
US Corporate High Yield	-0.04%
Municipal	-0.11%
EM Bonds (USD)	-0.30%
US Aggregate 1-3 Year	-0.38%
US Agency	-0.79%
US Aggregate	-1.43%
TIPS	-1.44%
US Corporate	-1.46%
US Treasury	-1.47%
Global Aggregate	-1.54%
US Aggregate 10+ Year	-2.80%

Sector total returns are based on the Bloomberg US Aggregate, US Treasury, US Treasury Inflation Notes, US Agency, Municipal, US Corporate, US Corporate High Yield, Global Aggregate, Global High Yield, and EM USD Aggregate indices.

Source: Helios Quantitative Research, Bloomberg

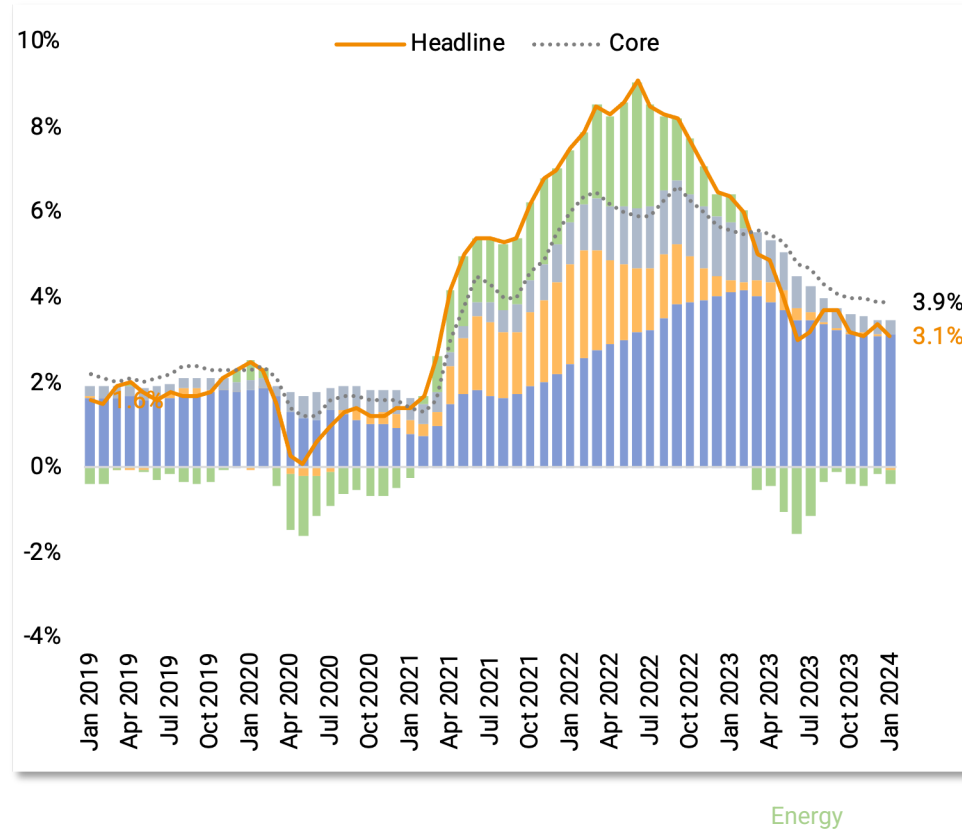
Total returns as of the report date unless otherwise noted. Returns over 1 year are annualized. Indices are unmanaged and cannot be invested into directly. The returns do not reflect fees, sales charges, or expenses and don't reflect any particular investment. Past performance is not indicative of future results.

Helios Quantitative Research LLC ("Helios") is associated with, and under the supervision of, Clear Creek Financial Management, LLC ("Clear Creek"), a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Clear Creek, and its representatives are properly licensed or exempt from licensure. This document is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Clear Creek or its representatives unless a client service agreement is in place.

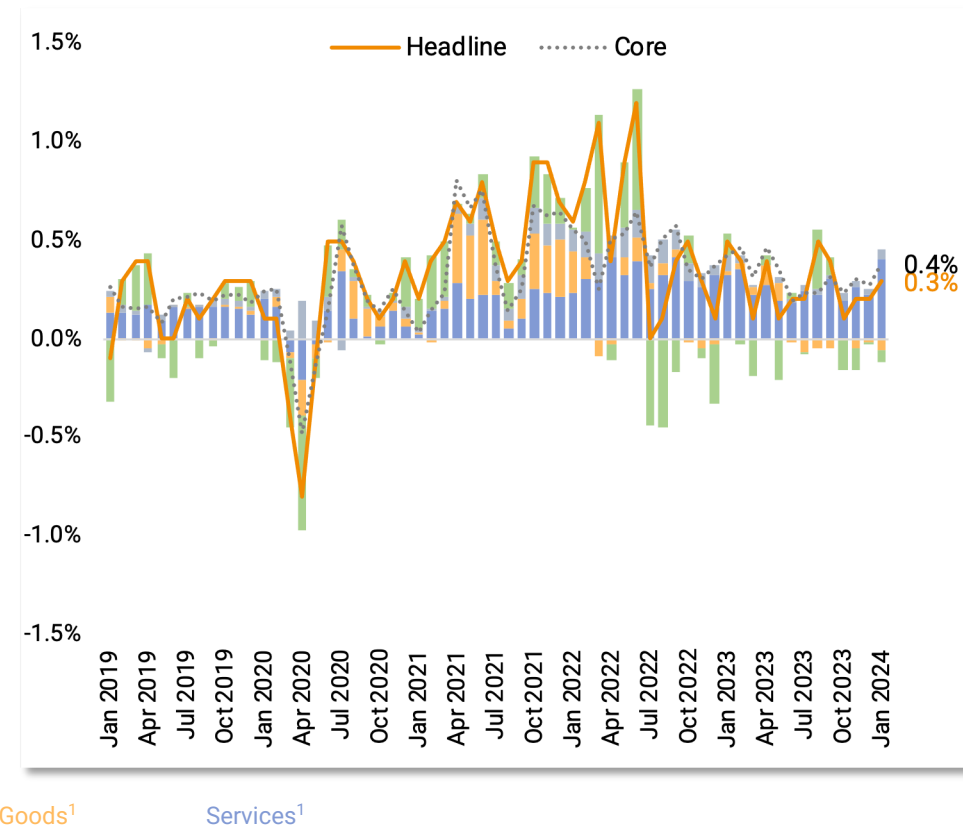
# Inflation Breakdown

## CORE INFLATION CONTINUES TO IMPROVE

Major components of the Consumer Price Index, annual change



Major components of the Consumer Price Index, monthly change



1. Excludes food and energy

Source: Helios Quantitative Research, Bloomberg, Bureau of Labor Statistics

Helios Quantitative Research LLC ("Helios") is associated with, and under the supervision of, Clear Creek Financial Management, LLC ("Clear Creek"), a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Clear Creek, and its representatives are properly licensed or exempt from licensure. This document is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Clear Creek or its representatives unless a client service agreement is in place.

# Fed & Inflation Expectations

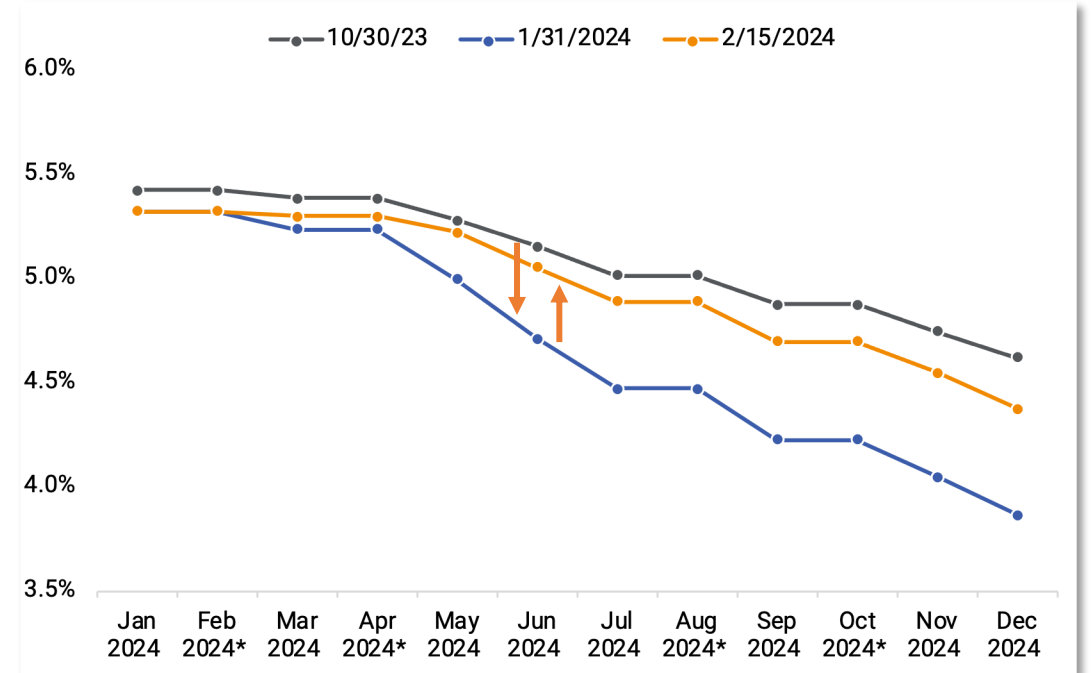
## MARKET PROBABILITIES OF FED POLICY BY MEETING

Derived from Fed futures market as of February 15, 2024

6.00% - 6.25%						
5.75% - 6.00%						
5.50% - 5.75%						
<b>5.25% - 5.50%</b>	<b>90.0%</b>	<b>61.6%</b>	18.4%	5.5%	1.2%	0.5%
5.00% - 5.25%	10.0%	35.2%	<b>53.7%</b>	28.9%	10.6%	5.4%
4.75% - 5.00%		3.2%	25.7%	<b>45.4%</b>	32.5%	20.5%
4.50% - 4.75%			2.2%	18.7%	<b>39.5%</b>	<b>35.7%</b>
4.25% - 4.50%				1.6%	14.9%	28.4%
4.00% - 4.25%					1.2%	8.7%
3.75% - 4.00%						0.7%
3.50% - 3.75%						
3.25% - 3.50%						
	Mar. 20	May 1	Jun. 12	Jul. 31	Sep. 18	Nov. 7
			<i>Meeting Date</i>			

## IMPLIED FED FUNDS RATE

Expectations are getting closer to pre-rally levels



Probabilities may not sum to 100% due to rounding.

\* No scheduled FOMC meeting during the month

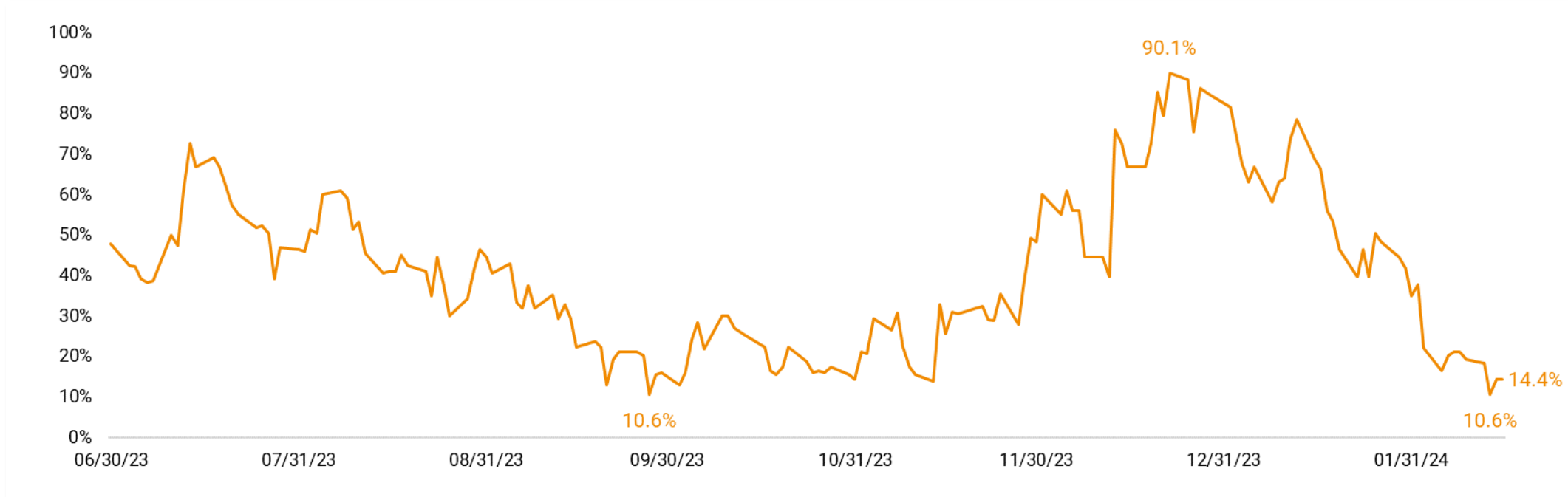
Source: Helios Quantitative Research, Bloomberg, CME FedWatch Tool

Helios Quantitative Research LLC ("Helios") is associated with, and under the supervision of, Clear Creek Financial Management, LLC ("Clear Creek"), a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Clear Creek, and its representatives are properly licensed or exempt from licensure. This document is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Clear Creek or its representatives unless a client service agreement is in place.

# Fed Expectations & Stock Movements

## PROBABILITY OF A RATE CUT IN MARCH 2023

Based on Fed futures prices, through February 15, 2024



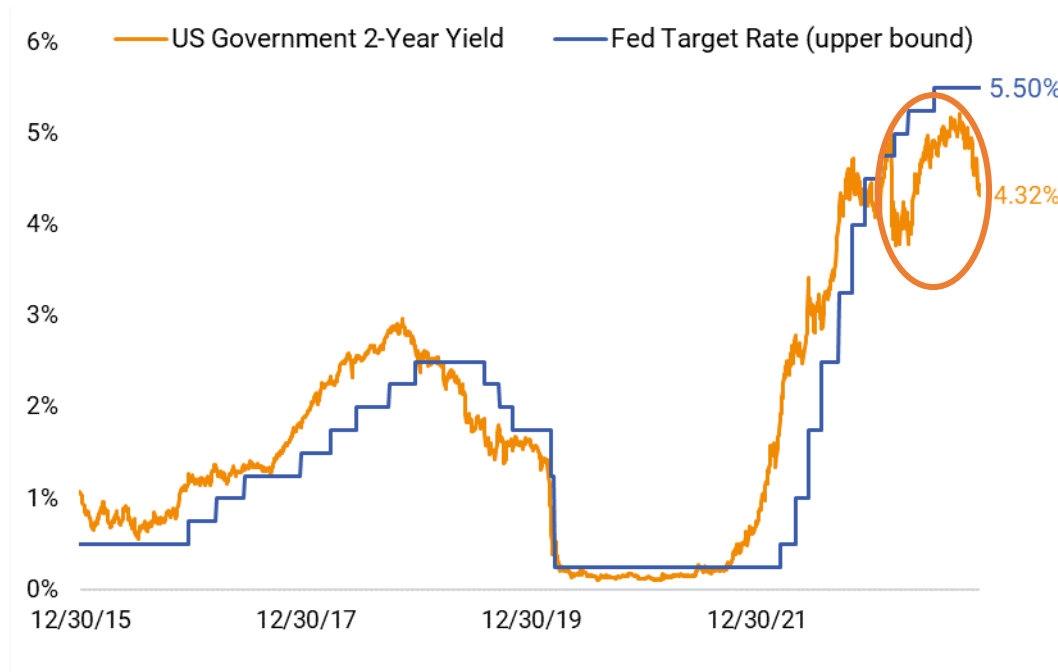
Source: Helios Quantitative Research, Bloomberg

Helios Quantitative Research LLC ("Helios") is associated with, and under the supervision of, Clear Creek Financial Management, LLC ("Clear Creek"), a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Clear Creek, and its representatives are properly licensed or exempt from licensure. This document is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Clear Creek or its representatives unless a client service agreement is in place.

# Fed Expectations & Stock Movements

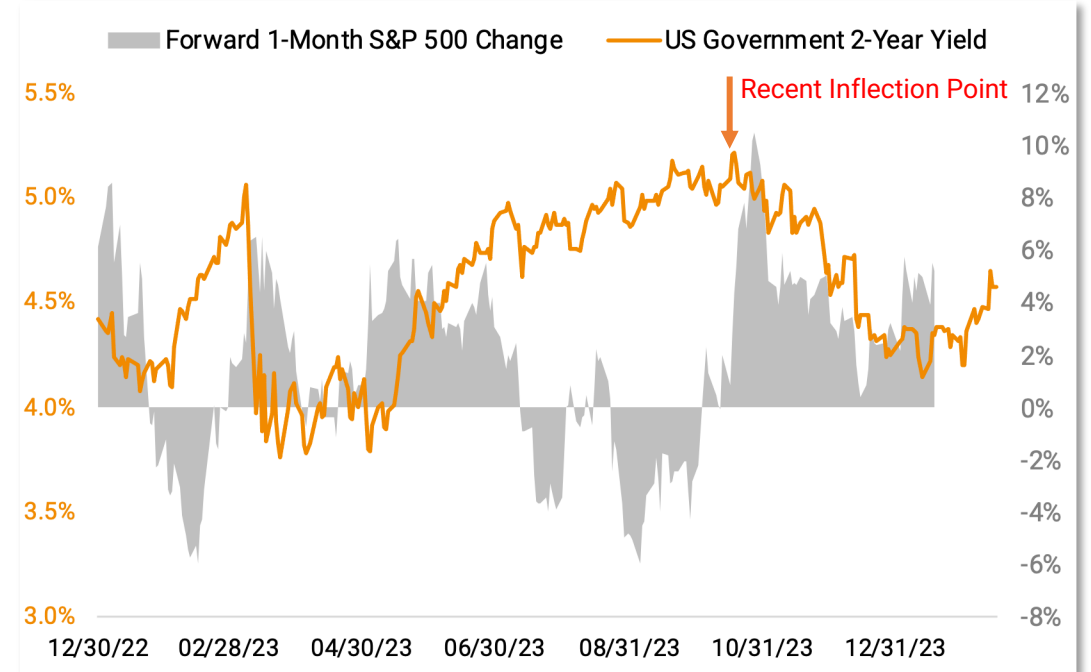
## 2-YEAR YIELDS TEND TO LEAD THE FED

December 30, 2015 to February 15, 2024



## RECENT MARKET ACTIVITY IMPACTED BY EXPECTATIONS

December 30, 2022 to February 15, 2024



Source: Helios Quantitative Research, Bloomberg

Helios Quantitative Research LLC ("Helios") is associated with, and under the supervision of, Clear Creek Financial Management, LLC ("Clear Creek"), a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Clear Creek, and its representatives are properly licensed or exempt from licensure. This document is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Clear Creek or its representatives unless a client service agreement is in place.



# Market Reactions to Fed Meetings

Meeting Date	Fed Action (bps)	S&P 500		VIX			10 Year Yield		
		Change 1W Before	Change 1W After	Value 1W Before	Value 1W After	Change	Value 1W Before	Value 1W After	Change
3/16/2022	25	1.91%	2.28%	32.45	23.57	-8.88	1.95%	2.29%	0.34%
5/4/2022	50	2.79%	-8.45%	31.60	32.56	0.96	2.83%	2.92%	0.09%
6/15/2022	75	-7.87%	-0.77%	23.96	28.95	4.99	3.02%	3.16%	0.13%
7/27/2022	75	1.62%	3.30%	23.88	21.95	-1.93	3.03%	2.70%	-0.32%
9/21/2022	75	-3.94%	-1.85%	26.16	30.18	4.02	3.40%	3.73%	0.33%
11/2/2022	75	-1.83%	-0.24%	27.28	26.09	-1.19	4.00%	4.09%	0.09%
12/14/2022	50	1.60%	-2.89%	22.68	20.07	-2.61	3.42%	3.66%	0.25%
2/1/2023	25	2.59%	-0.01%	19.08	19.63	0.55	3.44%	3.61%	0.17%
3/22/2023	25	1.19%	2.32%	26.14	19.12	-7.02	3.45%	3.56%	0.11%
5/3/2023	25	0.87%	1.17%	18.84	16.94	-1.9	3.45%	3.44%	-0.01%
6/14/2023	0	2.50%	-0.13%	13.94	13.20	0.74	3.80%	3.72%	-0.08%
7/26/2023	25	0.04%	-1.15%	13.76	16.09	2.33	3.75%	4.08%	0.33%
9/20/2023	0	-1.42%	-2.89%	13.48	18.22	4.74	4.25%	4.61%	0.36%
11/1/2023	0	1.24%	3.44%	20.19	14.45	-5.74	4.95%	4.49%	-0.46%
12/13/2023	0	3.49%	-0.14%	12.97	13.67	0.7	4.10%	3.85%	-0.26%
1/31/2024	0	-0.45%	3.10%	13.14	12.83	-0.31	4.18%	4.12%	-0.06%

Source: Helios Quantitative Research, Bloomberg

Indices are unmanaged and cannot be invested into directly. The returns do not reflect fees, sales charges, or expenses and don't reflect any particular investment. Past performance is not indicative of future results. Helios Quantitative Research LLC ("Helios") is associated with, and under the supervision of, Clear Creek Financial Management, LLC ("Clear Creek"), a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Clear Creek, and its representatives are properly licensed or exempt from licensure. This document is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Clear Creek or its representatives unless a client service agreement is in place.

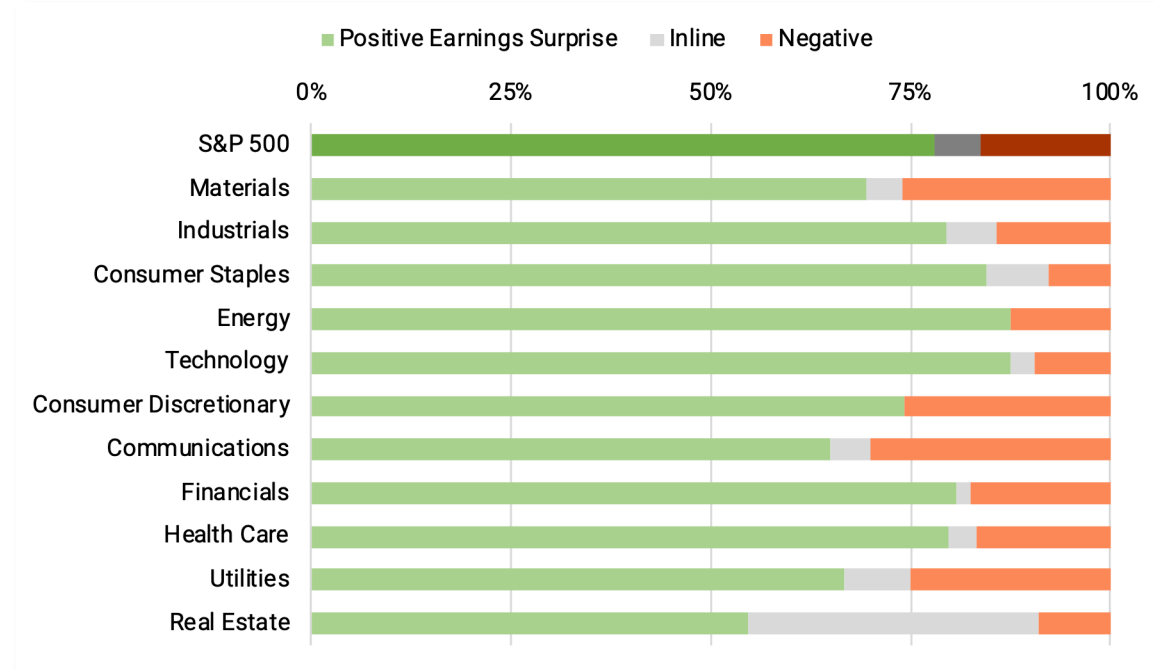
# Fourth Quarter Earnings Update

## WHAT DOES IT MEAN?

- Almost 80% of S&P 500 constituents have reported their sales and earnings numbers for Q4, with an aggregate sales surprise of 1.21% and earnings surprise of 7.44%.
- So far, Health Care has the largest sales surprise of 3.14%, where last season it also did fairly well. Utilities are reporting the most negative sales surprise again at -14.7%, far below the other sectors.
- Meanwhile, Consumer Discretionary has the largest earnings surprise at 14.81%. All the other sectors have reported positive earnings surprises so far, with Energy and Financials trailing behind at 12.75% and 10.39%, respectively.

## Q4 EARNINGS BEATING EXPECTATIONS SO FAR, EARNINGS UP 4.98%

Earnings vs. consensus analyst expectations, latest as of February 15, 2024



Source: Helios Quantitative Research, Bloomberg

Indices are unmanaged and cannot be invested into directly. The returns do not reflect fees, sales charges, or expenses and don't reflect any particular investment. Past performance is not indicative of future results. Helios Quantitative Research LLC ("Helios") is associated with, and under the supervision of, Clear Creek Financial Management, LLC ("Clear Creek"), a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Clear Creek, and its representatives are properly licensed or exempt from licensure. This document is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Clear Creek or its representatives unless a client service agreement is in place.

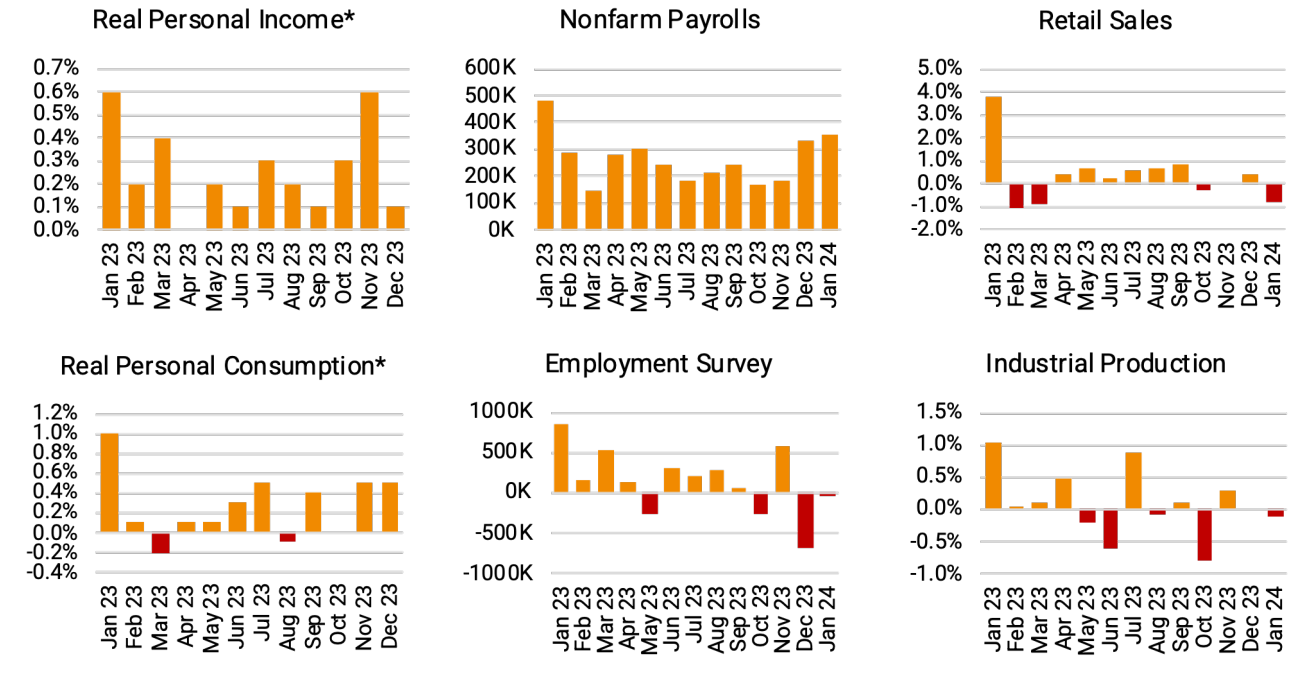
# Recession Monitor

## WHAT DOES IT MEAN?

- In December, nonfarm payrolls continued to show resilience, adding another 353,000 jobs, slightly surpassing Decembers total, for the largest number of jobs added in the past year.
- January's recent retail sales numbers show that the consumer is taking caution with their spending after the holiday season, where it came in lower than expectations at -0.8% instead of -0.2%.
- Both the employment survey and industrial production numbers delivered negative results where the industrial production came in at -0.1%, below its expected value of 0.2%.

## KEY COMPONENTS THE NBER EVALUATES

Monthly changes, January 2023 to January 2024, unless otherwise noted



Note: Employment Survey is the monthly change in the size of the civilian labor force from the Bureau of Labor Statistics Current Population Survey.

\* Through December 2023

Source: Helios Quantitative Research, Bloomberg, Bureau of Economic Analysis, Bureau of Labor Statistics, Census Bureau, Federal Reserve

Helios Quantitative Research LLC ("Helios") is associated with, and under the supervision of, Clear Creek Financial Management, LLC ("Clear Creek"), a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Clear Creek, and its representatives are properly licensed or exempt from licensure. This document is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Clear Creek or its representatives unless a client service agreement is in place.

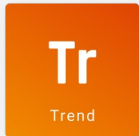
# Ecosystem



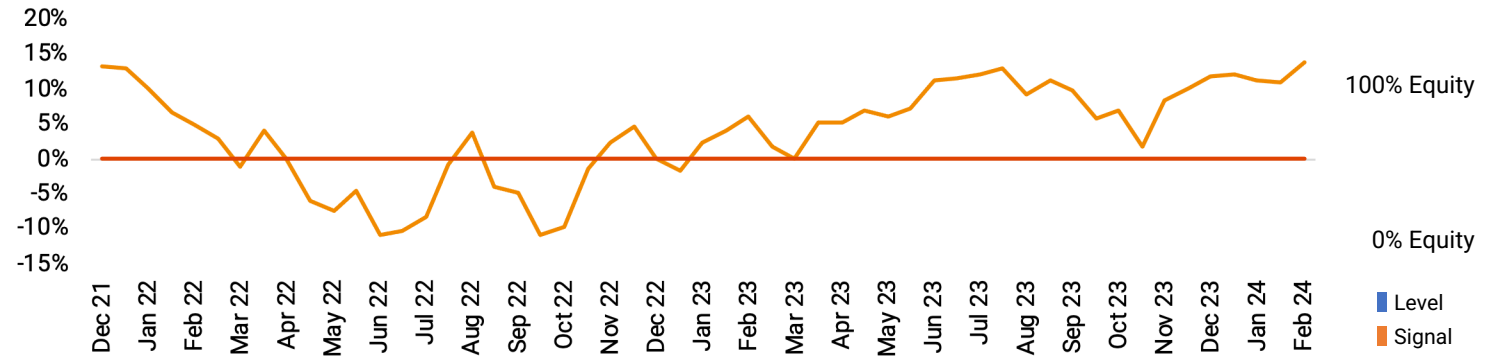
# Trend Level Element

## TRADE RATIONALE

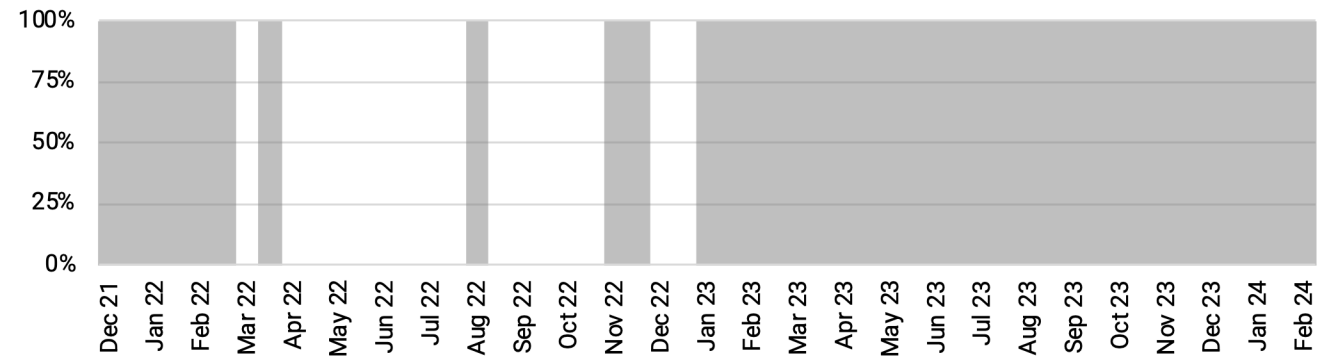
No changes.



## SIGNAL



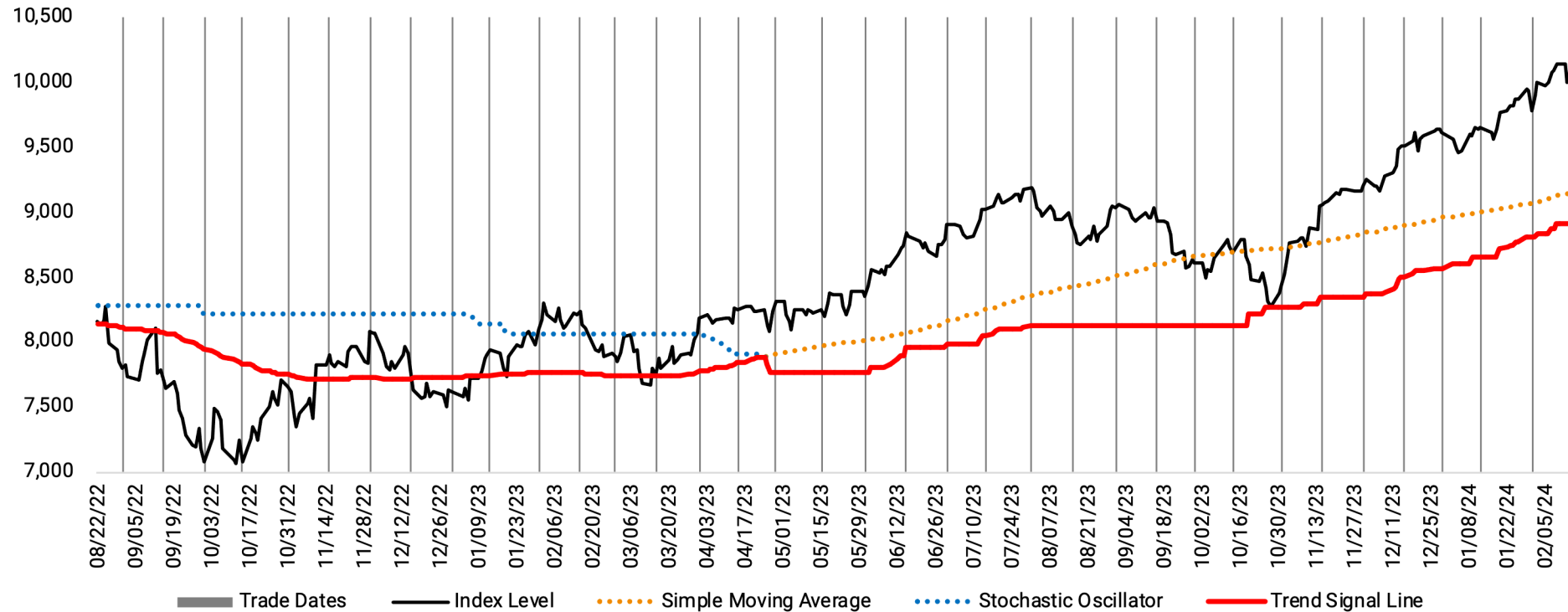
## HISTORICAL EXPOSURE



Source: Helios Quantitative Research, Bloomberg  
 Helios Quantitative Research LLC ("Helios") is associated with, and under the supervision of, Clear Creek Financial Management, LLC ("Clear Creek"), a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Clear Creek, and its representatives are properly licensed or exempt from licensure. This document is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Clear Creek or its representatives unless a client service agreement is in place.

# Trend Level Element

## Daily Element Data



Source: Helios Quantitative Research, Bloomberg

No theoretical approach can take into account all of the factors in the markets in general and the impact of decisions that might have been made during the actual operation of an index. Actual returns may differ from, and be lower than, back-tested returns. An index is a hypothetical portfolio of securities representing a particular strategy, market, or a market segment used as indicator for that particular strategy, market, or market segment. Indexes cannot be invested in directly.

Helios Quantitative Research LLC ("Helios") is associated with, and under the supervision of, Clear Creek Financial Management, LLC ("Clear Creek"), a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Clear Creek, and its representatives are properly licensed or exempt from licensure. This document is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Clear Creek or its representatives unless a client service agreement is in place.

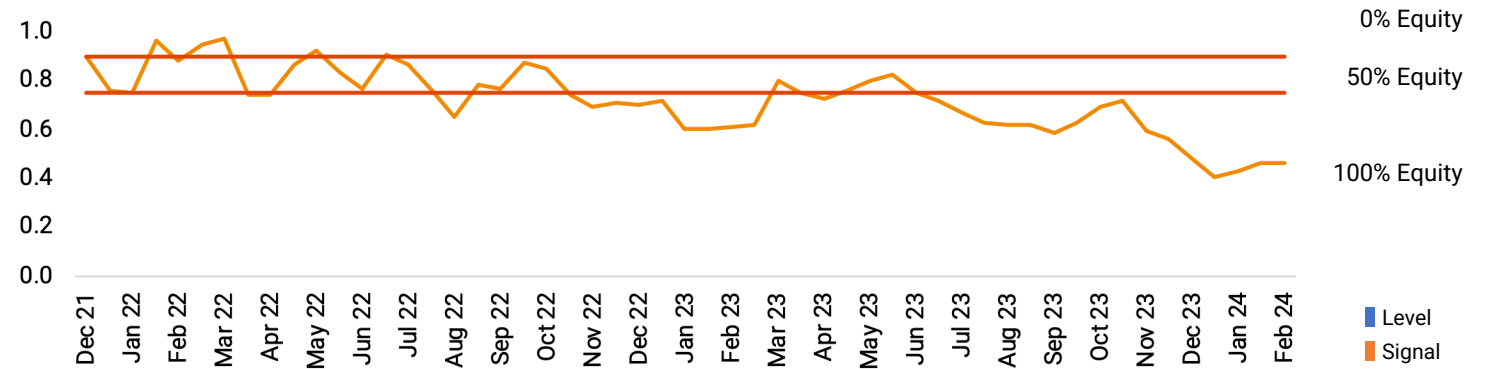
# Volatility Level Element

## TRADE RATIONALE

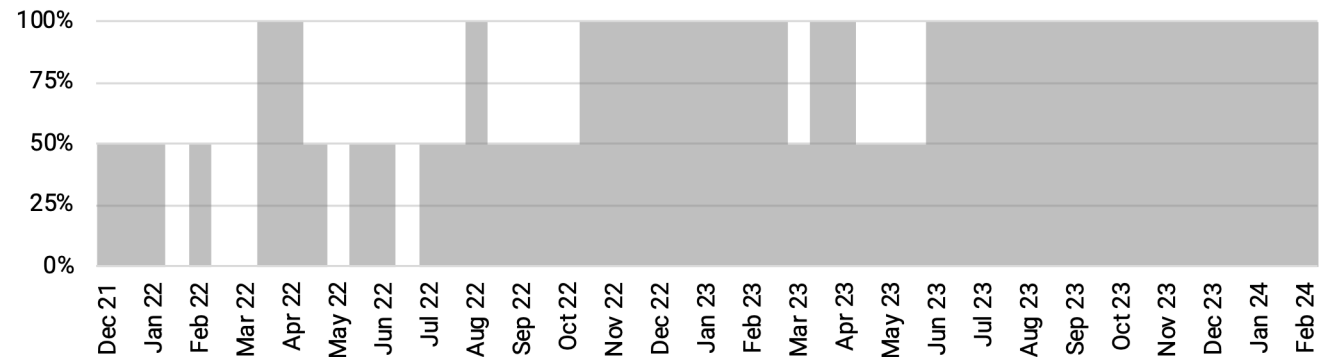
No changes.



## SIGNAL



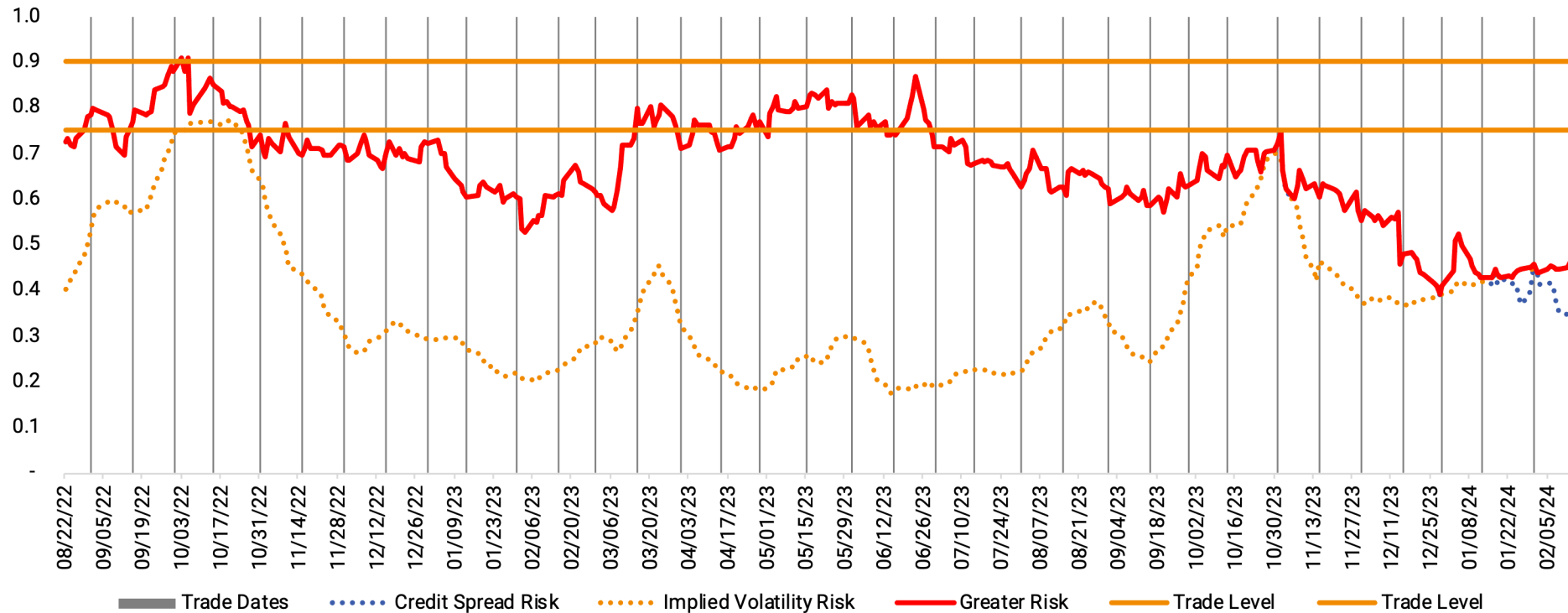
## HISTORICAL EXPOSURE



Source: Helios Quantitative Research, Bloomberg  
 Helios Quantitative Research LLC ("Helios") is associated with, and under the supervision of, Clear Creek Financial Management, LLC ("Clear Creek"), a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Clear Creek, and its representatives are properly licensed or exempt from licensure. This document is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Clear Creek or its representatives unless a client service agreement is in place.

# Volatility Level Element

## Daily Element Data



Source: Helios Quantitative Research, Bloomberg

No theoretical approach can take into account all of the factors in the markets in general and the impact of decisions that might have been made during the actual operation of an index. Actual returns may differ from, and be lower than, back-tested returns. An index is a hypothetical portfolio of securities representing a particular strategy, market, or a market segment used as indicator for that particular strategy, market, or market segment. Indexes cannot be invested in directly.

Helios Quantitative Research LLC ("Helios") is associated with, and under the supervision of, Clear Creek Financial Management, LLC ("Clear Creek"), a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Clear Creek, and its representatives are properly licensed or exempt from licensure. This document is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Clear Creek or its representatives unless a client service agreement is in place.



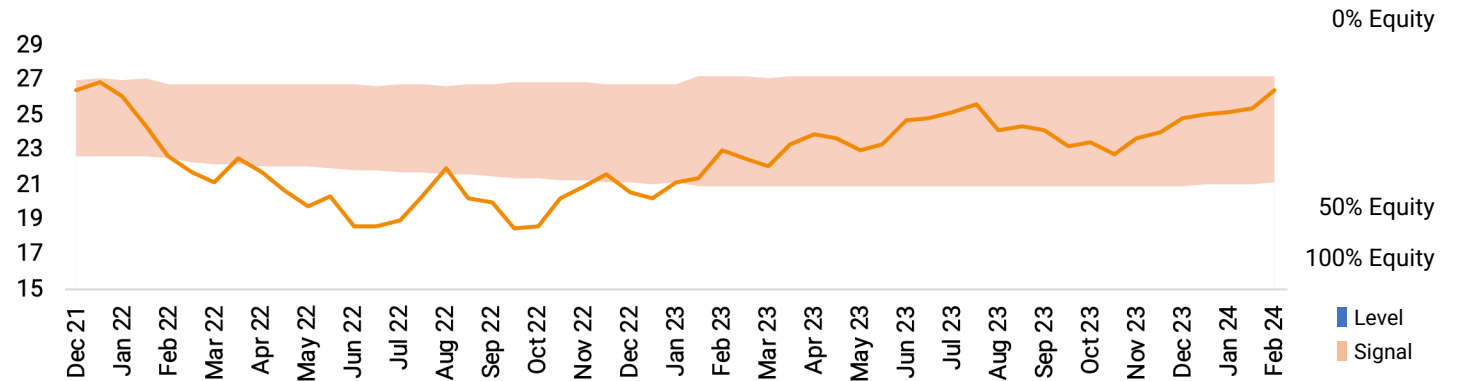
# Contrarian Level Element

## TRADE RATIONALE

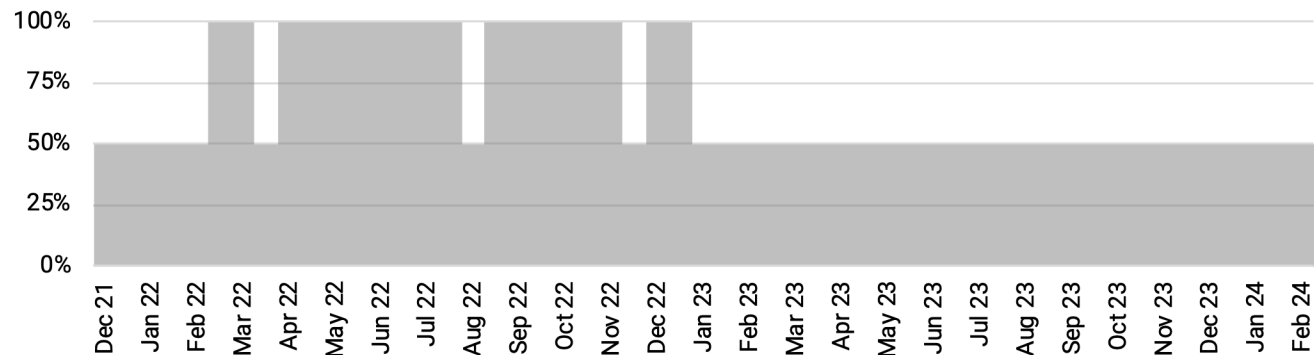
No changes.



## SIGNAL



## HISTORICAL EXPOSURE



Source: Helios Quantitative Research, Bloomberg  
 Helios Quantitative Research LLC ("Helios") is associated with, and under the supervision of, Clear Creek Financial Management, LLC ("Clear Creek"), a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Clear Creek, and its representatives are properly licensed or exempt from licensure. This document is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Clear Creek or its representatives unless a client service agreement is in place.

# Definitions & Disclosures

METHODS, DEFINITIONS, AND MORE

# Definitions & Disclosures

This commentary is produced by Helios Quantitative Research LLC (“Helios”) and is for informational purposes only. Helios Quantitative Research LLC (“Helios”) is associated with, and under the supervision of, Clear Creek Financial Management, LLC (“Clear Creek”), a Registered Investment Advisor. Helios provides research services to financial advisors who have executed a written agreement with Clear Creek or its representatives. The research, analysis, and views reflected in this commentary are subject to change at any time without notice.

Nothing in this commentary constitutes investment advice, performance data, or any recommendation of a particular security, portfolio of securities, or investment strategy as suitable for any specific person and is intended for use only by a third-party financial advisor, with other information, as an input in the development of investment advice for its own clients. Financial advisors are responsible for providing customized investment advice for each of their clients based on their unique risk tolerance and financial circumstances. Helios is not responsible for determining whether this commentary is applicable or suitable for financial advisor’s clients or for providing customized recommendations for any of financial advisor’s clients. Such financial advisors are responsible for making their own independent judgment as to how to use this information. Financial advisors must determine whether or not the securities are appropriate for their clients as Clear Creek and its representatives do not consider investor suitability when determining investment opinions. Only an investor and their financial advisor know enough about their circumstances to make an investment decision. Neither Clear Creek nor its representatives have investment discretion over or place trade orders for any portfolios or accounts derived from this information. Any mention of a particular security and related performance data is not a recommendation to buy or sell that security. There is no guarantee that any security illustrated will be successful or achieve any particular level of results.

Any presentation of back-tested performance are hypothetical, were compiled after the end of the period advertised, and do not represent decisions made by Helios during the period described. Advisory services are only offered to clients or prospective clients where Clear Creek and its representatives are properly licensed or exempt from licensure.

Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital.

© 2024 Helios Quantitative Research LLC. All rights reserved.