DATA DISPATCH

2024 bank stock performance 'remarkable' even with some recent underperformance

Friday, December 6, 2024 12:30 PM ET

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Market Intelligence

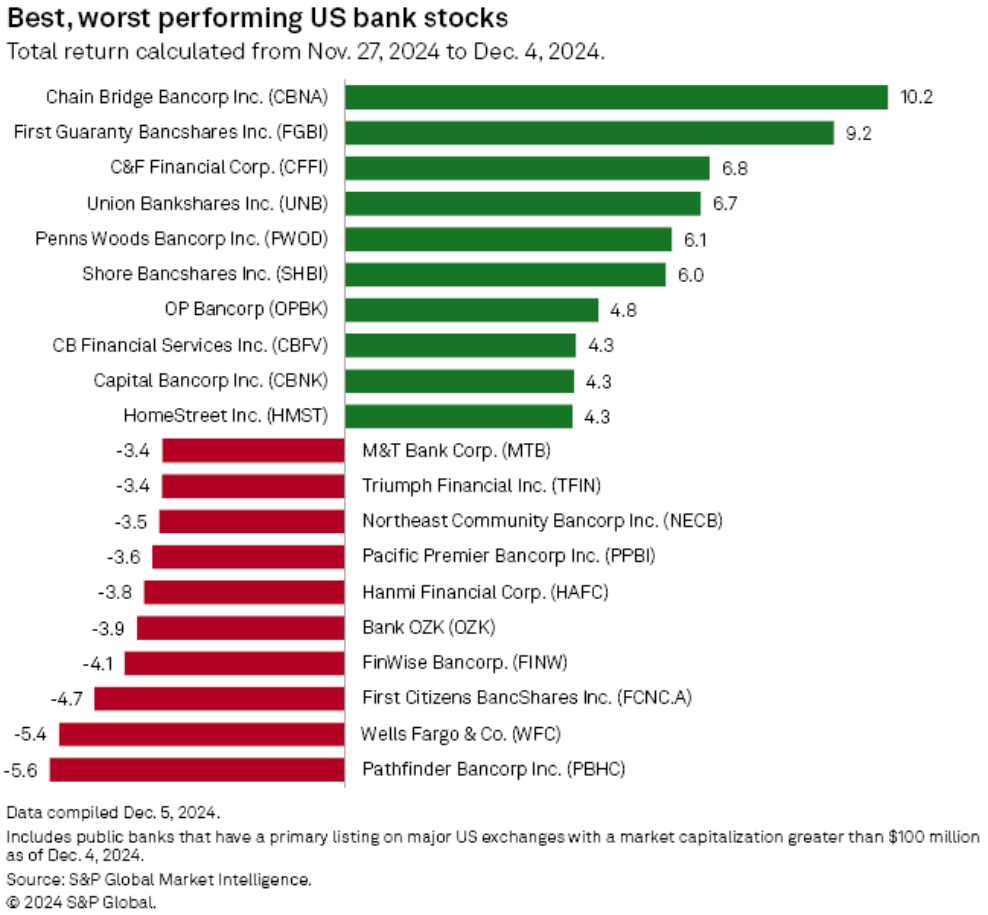
US bank stock performance in 2024 remains robust even as the industry underperformed the broader market in the last week.

The KBW Nasdaq Bank Index fell 2.5% while the S&P 500 rose 1.5% during the week ended Dec. 4, but in 2024 through that date, the KBW Nasdaq Bank Index is up 40.4% in 2024 while the S&P 500 is up 27.6%. Piper Sandler analyst Mark Fitzgibbon wrote in a Dec. 2 research note that 2024 bank stock performance has been "nothing short of remarkable."

"In fact, many of our bank-dedicated clients have recently suggested to us they wish they could end the year right now," Fitzgibbon wrote. "Clearly the elections played a sizable role in juicing recent performance."

Since the November election, bank stocks have performed similarly to how they did in the wake of the 2016 election, according to an analysis by Raymond James analyst Daniel Tamayo. In the 17 days following the election, the KBW Nasdaq Bank index rose 12.3% while the S&P 500 rose 4.3% compared to respective 19.0% and 2.4% increases in the 17 days following the 2016 election, Tamayo wrote.

Additionally, some generalist investors are looking to invest in banks that have not fully participated in the recent rally, Fitzgibbon wrote. As such, the analyst compiled a list of 17 banks to assist these investors including Bank OZK and Pacific Premier Bancorp Inc.



Worst performers

However, the industry is not immune to underperformance. Some 185 banks posted negative stock returns during the week ended Dec. 4 and Pathfinder

Bancorp Inc. posted the worst performance with a return of negative 5.6%. Meanwhile, Wells Fargo & Co. was the second-worst performer of the week with a return of negative 5.4% and First Citizens BancShares Inc. was the third-worst performer with a return of negative 4.7%.

Best performers

While bank stocks underperformed in general, 110 banks still posted positive returns during the week, led by Chain Bridge Bancorp Inc. with a total return of 10.2%.

First Guaranty Bancshares Inc. was the second-best performer of the week with a return of 9.2%. The company's performance marked its sixth consecutive week of growth, with its stock reaching a year-to-date total return of 38.1% as of Dec. 4 and a new high for 2024 on Dec. 3.

C&F Financial Corp. rounded out the top three performers with a return of 6.8%. The company's overperformance came just a week after it was the sixth-worst-performing bank between the close on Nov. 20 and the close on Nov. 27.

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