

MONDAY MORNING RECAP - March 11, 2024

Last Week

Dow Jones Industrial Average (DJIA)	38,722.69	-364.69	-0.93%
S&P 500 Index	5,123.69	-13.39	-0.26%
NASDAQ Composite Index	16,085.11	-189.83	-1.17%
U.S. 10 yr. Treasury Note Yield	4.09%	-10 Basis Points	
Gold (\$ per troy oz.)	\$2,178.60	+\$91.70	+4.39%
WTI Oil (\$ per barrel)	\$78.01	-\$1.96	-2.45%

Market Summary

GLOBAL EQUITIES: US equities fell last week despite above-consensus employment data. The S&P 500 finished the week -0.26% lower, following its 16th all-time high year-to-date on Thursday. Equities outside of the US rose, with the STOXX 600 and FTSE 100 finishing higher by 1.27% and 0.09%, respectively. The market moves reflected optimism for rate cuts in coming months following the ECB's downgrades to growth and inflation.

COMMODITIES: Commodity prices fell last week despite consensus expectations for higher demand and a smaller-than-expected increase in US crude inventory. WTI and Brent Crude closed at \$78.01 and \$82.08/bbl, respectively. Meanwhile, gold prices reached an all-time high last week, closing at \$2,178.60/troy oz following Chair Powell's statement that the Fed is "not far" from cutting rates.

FIXED INCOME: Global sovereign yields were lower last week following dovish commentary from global central banks. In the US, the 2-Year and 10-Year US Treasury yields decreased to 4.49% and 4.09%, respectively, as slowing US activity in February reflected the efficacy of maintaining a high policy rate. Elsewhere, the 10-Year German Bund yield fell to 2.27%, after the ECB announced there will be no change to its policy rate.

FX: The US dollar weakened against a basket of currencies last week, hitting its lowest level on Friday in over one month. Ultimately, the US dollar index fell by -1.17% despite nonfarm payrolls printing higher than consensus expectations. In Japan, the yen appreciated more than 1% against the dollar on Thursday, ultimately strengthening to ¥147.06 on the week. The surge came on the back of speculation that the BoJ may raise interest rates in March for the first time since 2007.

Economic Summary

LABOR: Employment data last week reflected slower-than expected labor market easing and the Fed's intended effects of higher interest rates. The JOLTS job openings report for January registered at 8.86M, marking a decline from last month but firmer than consensus expectations. Meanwhile, both the nonfarm payrolls report and unemployment rate exceeded consensus expectations at 275k and 3.9%, respectively.

US POLITICS: On Super Tuesday, the Republican nomination outcome became clearer as former President Trump's results indicated that he won 14 out of 15 state nomination contests. Nikki Haley dropped out of the race last Wednesday after only winning Vermont. Following the results, Trump's perceived odds of winning the nomination remained at around 93% after Super Tuesday.

MONETARY POLICY: The ECB kept interest rates unchanged at 4% last week. The new staff projections reflected significant downgrades to both growth and inflation, with the 2025 inflation forecast now closer to the ECB's 2% target. According to President Lagarde, the disinflationary process appears promising with peaking wage growth as an encouraging sign.

ACTIVITY: The ISM Services index slowed to 52.6, slightly below consensus expectations for a smaller decrease. The underlying composition was mixed, as increased business activity and new orders data revealed strength in the sector while the employment component fell back into contractionary territory.

Key Economic Releases

Monday, March 11:

No economic releases

Tuesday, March 12:

US Core CPI MoM (Cons: 0.3%, Prior: 0.4%)

US CPI YoY (Cons: 3.7%, Prior: 3.9%)

UK Unemployment Rate (Cons: 3.8%, Prior: 3.8%)

Wednesday, March 13:

UK GDP MoM (Cons: 0.2%, Prior: -0.1%)

Thursday, March 14:

US Core Retail Sales MoM (Cons: 0.4%, Prior: -0.6)

US PPI MoM (Cons: 0.3%, Prior: 0.3%)

US Retail Sales (Cons: 0.5%, Prior: -0.8%)

Friday, March 15:

Michigan Consumer Sentiment (Cons: 76.9, Prior: 76.9)

Source: Goldman Sachs Asset Management: "Market Monitor", 3/8/2024

"ECB" refers to European Central Bank. "WTI" refers to West Texas Intermediate crude oil, a common US benchmark for oil prices. "Brent" refers to a global benchmark for oil prices worldwide. "Bbl" refers to barrel. "Fed" refers to Federal Reserve. "BOJ" refers to Bank of Japan. "JOLTS" refers to Job Openings and Labor Turnover Survey. "Super Tuesday" is the US presidential primary election day when the greatest number of US states hold primary elections and caucuses. "ISM" refers to the Institute for Supply Management. "GIR" refers to Goldman Sachs Global Investment Research. "CPI" refers to a consumer price index.

Disclosure Statement

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