

## MONDAY MORNING RECAP - March 25, 2024

### Last Week

Dow Jones Industrial Average (DJIA)	39,475.90	+761.13	+1.97%
S&P 500 Index	5,234.18	+117.09	+2.29%
NASDAQ Composite Index	16,428.82	+455.64	+2.85%
U.S. 10 yr. Treasury Note Yield	4.22%	-9 Basis Points	
Gold (\$ per troy oz.)	\$2,158.10	+\$0.80	+0.04%
WTI Oil (\$ per barrel)	\$80.63	+\$0.05	+0.06%

### Market Summary

**GLOBAL EQUITIES:** US equities rose last week as the Fed held interest rates steady for the fifth consecutive meeting. The S&P 500 ultimately finished the week 2.29% higher as the FOMC reiterated the prospect for three cuts in 2024. Elsewhere, the STOXX 600 and FTSE 100 ended last week 1.04% and 2.72% higher, respectively, with the latter rising on the back of UK inflation falling to its lowest level in over 2 years.

**COMMODITIES:** Commodity prices fell last week on the back of US crude inventories rising and reports of OPEC+ considering extending its production cuts. WTI and Brent crude ultimately ended the week lower at \$80.63 and \$85.43/bbl, respectively, on reports of a potential ceasefire in the Middle East. Meanwhile, gold closed the week higher at \$2158.10 troy/oz.

**FIXED INCOME:** US sovereign yields fell last week as investors assessed the Fed's policy path for 2024. Ultimately, the 2-Year and 10-Year US Treasury yields ended last week lower at 4.60% and 4.22%, respectively, though the latter rose to a new 2024 high earlier in the week. Across the pond, the 10-Year UK Gilt yield fell below 4% for the first time since May 2023 following the BOE's decision to hold rates steady, ultimately ending last week at 3.93%.

**FX:** The US dollar strengthened against a basket of currencies amidst a busy week of central bank decisions. The US dollar index notched a one-month high, ultimately rising 0.91%, as housing data printed well above consensus. Relatedly, the Japanese yen weakened to ¥151.43, its lowest level since November 2023, despite the BoJ raising its policy rate for the first time in 17 years and exiting its negative interest rate policy.

## **Economic Summary**

**MONETARY POLICY:** The FOMC left the target range for the federal funds rate unchanged at 5.25–5.50% at its March meeting and restated its projection of three cuts in 2024. Meanwhile, the BoJ decided to exit its longstanding negative interest rate policy and ceased yield curve control. In the UK, the BoE voted 8-1 in favor of leaving key rates unchanged at 5.25%.

**ACTIVITY:** In the UK, the composite flash PMI declined slightly to 52.9, below consensus expectations, but remained in expansionary territory. In the Euro area, the composite flash PMI increased to 49.9, above consensus expectations. The improvement was largely broad-based but ultimately driven by the services sector. The print points towards continued optimism around growth in the upcoming year.

**HOUSING:** In the US, housing starts rose 10.7% while building permits increased 1.9% in February, both exceeding consensus expectations. Meanwhile, existing home sales increased to 4.38 million units in the February report, significantly above consensus. The median sales price of all existing homes increased 0.5% month-over-month.

**LABOR:** Initial jobless claims edged down to 210k in the week ended March 16, slightly below consensus expectations for a modest increase.

## **Key Economic Releases**

**Monday, March 25:**

US New Home Sales (Cons: 673K, Prior: 661K)

**Tuesday, March 26:**

US Durable Goods Orders (MoM) (Cons: 1.0%, Prior: -6.1%)

**Wednesday, March 27:**

No economic releases

**Thursday, March 28:**

US GDP QoQ (Q4) (Cons: 3.2%, Prior: 4.9%)

UK GDP QoQ (Cons: -0.3%, Prior: -0.1%)

Initial Jobless Claims (Cons: N/A, Prior: 210K)

**Friday, March 29:**

Observed US and UK Holiday – Good Friday

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

US PCE MoM (Cons: 0.4%, Prior: 0.3%)

Source: Goldman Sachs Asset Management: "Market Monitor", 3/22/2024

"Fed" refers to Federal Reserve. "FOMC" refers to the Federal Open Market Committee. "CPI" refers to the Consumer Price Index. "OPEC+" refers to the Organization of the Petroleum Exporting Countries. "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. "BoJ" refers to the Bank of Japan. "GIR" refers to Goldman Sachs Global Investment Research. "BoE" refers to the Bank of England. "PMI" refers to the Purchasing Managers Index.

### **Disclosure Statement**

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