

## MONDAY MORNING RECAP - April 15, 2024

### Last Week

Dow Jones Industrial Average (DJIA)	37,983.24	-920.80	-2.37%
S&P 500 Index	5,123.41	-80.93	-1.55%
NASDAQ Composite Index	16,175.09	-73.43	-0.45%
U.S. 10 yr. Treasury Note Yield	4.50%	+11 Basis Points	
Gold (\$ per troy oz.)	\$2,356.20	+\$30.50	+1.31%
WTI Oil (\$ per barrel)	\$85.66	-\$1.25	-1.44%

### Market Summary

**GLOBAL EQUITIES:** Global equity performance was mixed last week. In the US, firm consumer price growth stoked fear among investors that monetary easing might occur later than originally anticipated. As such, the S&P 500 closed the week -1.55% lower. In the Euro area, the STOXX 600 closed the week -0.14% lower as the ECB held its policy rate steady at 4.00%. Finally, in the UK, the FTSE 100 closed 1.23% higher despite concern voiced from a BoE policymaker about cutting rates too soon.

**COMMODITIES:** Oil prices pulled back as US stockpiles increased for the third consecutive week and interest rates pressed higher. These dynamics appeared to outweigh concerns of an escalation of conflict in the Middle East, with WTI and Brent crude closing the week lower at \$85.66 and \$90.45/bbl, respectively. Meanwhile, gold continued its march higher, notching another all-time high mid-week and eventually closing at \$2356.20/troy oz.

**FIXED INCOME:** US yields moved sharply higher across the curve last week as futures market pricing indicated that investors pared back rate cut expectations. Ultimately, the 2-Year and 10-Year US Treasury yields closed the week higher at 4.88% and 4.50%, respectively. Yield movements abroad were less pronounced given fewer signs of reflationary pressures relative to the US. The 10-Year German Bund yield fell to 2.36% while the 10-Year UK Gilt yield rose to 4.14%.

**FX:** The US dollar strengthened against a basket of currencies last week as investor expectations for interest rate cuts from the Fed decoupled from other major central banks. Ultimately, the US dollar index appreciated by 1.61%. Across the pond, the euro and pound sterling weakened against the greenback to \$1.06 and \$1.24, respectively, as the ECB and BoE may now be on track to cut their policy rates before the Fed.

## **Economic Summary**

**INFLATION:** The US Consumer Price Index surprised consensus expectations to the upside, rising 0.36% in March from the month prior and 3.48% from the year prior. Growth in transportation prices contributed to the surprise while primary and owner's equivalent rent roughly matched their pace of growth from the February print. The US Producer Price Index rose 0.2% in March from the month prior, slightly below consensus expectations, while the year-over-year rate increased to 2.1%. In China, March headline CPI surprised to the downside, registering at 0.1% year-over-year, down from 0.7% the previous month. Weakness may have been due to lower seasonal demand after the Lunar New Year holiday.

**MONETARY POLICY:** Minutes to the FOMC's March meeting indicated that recent inflation readings had been firmer than participants expected but that "almost all" judged it would be "appropriate to move policy to a less restrictive stance at some point this year." In the Euro area, the ECB Governing Council reinforced the potential for a June cut, on the back of slowing wage growth and independence from US monetary policy developments.

**ACTIVITY:** In the UK, monthly GDP rose by 0.1% month-over-month in February, in line with consensus expectations. The positive print was mainly driven by production, which notched up by 1.1% month-over-month following a fall of -0.3% in January.

**CONSUMER:** The University of Michigan's index of consumer sentiment edged down -1.5 pt to 77.9 in April, driven primarily by the current economic conditions component.

## **Key Economic Releases**

**Monday, April 15:**

US Retail Sales MoM (Cons: 0.3%, Prior: 0.6%)  
China GDP YoY (Cons: -, Prior: 5.2%)

**Tuesday, April 16:**

UK Unemployment Rate (Cons: -, Prior: 3.9%)  
US Industrial Production (Cons: -, Prior: 0.1%)

**Wednesday, April 17:**

UK CPI YoY (Cons: -, Prior: 3.4%)  
Euro Area CPI YoY (Cons: 2.4%, Prior: 2.6%)

**Thursday, April 18:**

Japan CPI YoY (Cons: -, Prior: 2.8%)

**Friday, April 19:**

UK Retail Sales MoM (Cons: -, Prior: 0.0%)

Source: Goldman Sachs Asset Management: "Market Monitor", 4/12/2024

"ECB" refers to European Central Bank. "BoE" refers to the Bank of England. "WTI" refers to West Texas Intermediate crude oil, a common US benchmark for oil prices. "Brent crude" refers to a global benchmark for oil prices worldwide. "Bbl" refers to barrel. "Fed" refers to Federal Reserve. "CPI" refers to consumer price index. "FOMC" refers to Federal Open Market Committee. "GIR" refers to Goldman Sachs Global Investment Research. "Bps" refers to basis points. "GDP" refers to Gross Domestic Product. "Pt" refers to points.

### **Disclosure Statement**

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