

## MONDAY MORNING RECAP - September 9, 2024

### Last Week

Dow Jones Industrial Average (DJIA)	40,345.41	-1,217.67	-2.93%
S&P 500 Index	5,408.42	-239.98	-4.25%
NASDAQ Composite Index	16,690.83	-1,022.79	-5.77%
U.S. 10 yr. Treasury Note Yield	3.72%	-19 Basis Points	
Gold (\$ per troy oz.)	\$2,493.50	-\$0.30	-0.01%
WTI Oil (\$ per barrel)	\$67.67	-\$5.88	-7.99%

### Market Summary

**GLOBAL EQUITIES:** US equities had their worst week since March 2023 as weak jobs data added concerns around the strength of the US economy. The S&P 500 ultimately ended the week -4.25% lower, despite the US unemployment rate falling in line with consensus expectations in August. Outside of the US, both the STOXX 600 and the TOPIX fell - 3.51% and -4.25%, respectively, with the latter moving on the back of continued wage pressures re-enforcing the possibility of additional BOJ rate hikes later this year.

**COMMODITIES:** Oil prices fell sharply last week as weak manufacturing data helped to support less restrictive monetary policy ahead. Ultimately, WTI and Brent crude finished the week lower at \$67.67 and \$71.06/bbl, respectively, after an OPEC+ decision to delay production hikes failed to alleviate concerns of a potential supply/demand imbalance. Meanwhile, the price of gold remained relatively flat last week before ultimately ending the week at \$2493.50/troy oz.

**FIXED INCOME:** Global bond yields fell sharply last week behind mixed US labor market data and signs of a slower-than-expected economic recovery in the Euro Area. In the US, The 2-Year and 10-Year US Treasury yields closed the week lower at 3.65% and 3.72%, respectively, as the 2s10s yield spread un-inverted for the first time in 26 months. Across the pond, the 10-Year German Bund yield decreased to 2.17% following a downward revision to Euro Area services activity.

**FX:** The US dollar weakened against a basket of currencies last week behind job openings declining well below consensus expectation in August. Ultimately, the US dollar index fell by -0.48%. In Japan, the yen strengthened against the dollar, ultimately ending the week at ¥142.36 on the back of falling yields in the US and Euro Area.

## **Economic Summary**

**LABOR:** In the US, nonfarm payrolls rose 142k in August, below consensus expectations, in a widely anticipated release given the prior months' weaker print. At the same time, the US unemployment rate fell 3bp to 4.22%, reflecting a -11bp contribution from a decline in temporary layoffs and a 4bp contribution from unemployed new entrants into the labor force. Average hourly earnings increased by 0.4% month-over-month in August, above consensus expectations, while the year-over-year rate increased by 0.2pp to 3.8%. Additionally, job openings decreased by 237k to 7,673k in August, well below consensus expectations. Finally, private sector employment increased by 99k in August, also below consensus expectations.

**ACTIVITY:** US services activity improved in August as the ISM services index edged up by 0.1pt to 51.5, roughly in line with consensus expectations. Conversely, both manufacturing and ISM manufacturing PMIs printed below consensus expectations and in contractionary territory in August, at 47.9 and 47.2, respectively. The composition of the former showed some improvement in employment, but a further decline in new orders and rise in inventory, suggesting that factory activity may remain subdued. In the Euro area, final PMI readings for August were revised down, suggesting the economic recovery might be slower than expected. The downward revisions were driven by the services sector which PMI is now reported at 52.9, 0.4pt lower than the flash estimate.

**INFLATION:** In Japan, nominal cash wage growth decelerated to 3.6% year-over-year in July, beating consensus expectations by 0.7pp. Continued wage pressures may lead the Bank of Japan to tighten monetary policy further in the quarters ahead.

## **Key Economic Releases**

**Monday, September 9:**  
No economic releases

**Tuesday, September 10:**  
No economic releases

**Wednesday, September 11:**  
US CPI YoY (Cons: 2.6%, Prior: 2.9%)  
UK GDP MoM (Cons: -, Prior: 0.0%)

**Thursday, September 12:**  
ECB Rate Decision  
US Initial Jobless Claims (Cons: -, Prior: 227K)  
US PPI MoM (Cons: 0.02%, Prior: 0.01%)

**Friday, September 13:**  
No economic releases

Source: Goldman Sachs Asset Management: "Market Monitor", 9/6/2024

"BoJ" refers to Bank of Japan. "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. "OPEC" refers to Organization of the Petroleum Exporting Countries. "Oz" refers to ounce. "bp" refers to basis point. "FOMC" refers to Federal Open Market Committee. "pt" refers to point. "ISM" refers to Institute of Supply Management. "PMI" refers to Purchasing Managers' Index. "pp" refers to percentage point.

### **Disclosure Statement**

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