

MONDAY MORNING RECAP - September 16, 2024

Last Week

Dow Jones Industrial Average (DJIA)	41,393.78	+1,048.37	+2.60%
S&P 500 Index	5,626.02	+217.60	+4.02%
NASDAQ Composite Index	17,683.98	+993.14	+5.95%
U.S. 10 yr. Treasury Note Yield	3.66%	-6 Basis Points	
Gold (\$ per troy oz.)	\$2,581.30	+\$87.80	+3.52%
WTI Oil (\$ per barrel)	\$68.65	+\$0.98	+1.45%

Market Summary

GLOBAL EQUITIES: US equities rose last week on the back of headline inflation printing in line with consensus expectations. The S&P 500 ultimately ended the week 4.02% higher, notching its largest intraday comeback since October 2022 on Wednesday. Outside of the US, the STOXX 600 rose 1.86% while the TOPIX fell – 1.01%, marking its second consecutive week of declines on the back of a downward revision of growth in Japan.

COMMODITIES: Oil prices rose last week despite decreased demand on the back of stagnant growth in China, according to a report by the International Energy Agency. Ultimately, WTI and Brent crude finished the week higher at \$68.65 and \$71.61/bbl, respectively, despite OPEC+ cutting its forecast for oil prices in both 2024 and 2025 due to softening global demand. Meanwhile, gold prices rose to \$2,581.30/troy oz.

FIXED INCOME: Global bond yields fell last week amidst consumer sentiment climbing to a 4-month high for September. In the US, the 2-Year and 10-Year US Treasury yields closed the week lower at 3.57% and 3.66%, respectively, while the 2s10s yield spread rose to 0.07%. Across the pond, the 10-Year German Bund yield fell to 2.15% on the back of the ECB delivering its second rate cut of the year.

FX: The US dollar weakened against a basket of currencies last week following an above consensus increase in US consumer credit. Ultimately, the US dollar index fell by –0.13%. Outside of the US, the Euro and pound strengthened to \$1.11 and \$1.31, respectively. Meanwhile in Japan, the yen strengthened against the dollar, ultimately ending the week at ¥140.93 on the back of BoJ officials signaling additional rate hikes if inflation remains on track.

Economic Summary

INFLATION: Inflation data in the US was mixed last week, with headline CPI printing in line with consensus expectations but core CPI printing slightly hotter than expected. Ultimately, headline CPI printed at 2.5% year-over-year, while core CPI came in at 0.3% month-over-month. Stubborn housing inflation at 0.5% month-over-month was the primary driver for core CPI printing above consensus expectations. Meanwhile, both headline and core PPI printed slightly above consensus expectations, at 0.2% and 0.3% month-over-month, respectively.

POLITICS: The first presidential debate between Vice President Harris and former President Trump kicked off Tuesday night. National polls from FiveThirtyEight now indicate that VP Harris is ahead of former President Trump by 4pp, whereas she was 2pp ahead in the week prior to the debate. Swing state polling still shows a tight race between the two presidential candidates.

MONETARY POLICY: In the Euro area, the ECB cut the deposit rate by 25bps to 3.50% as expected, but did not pre-commit to a particular rate path. The staff projections showed some near-term downgrade of growth and a small upgrade of inflation.

LABOR: In the UK, the International Labor Organization's 3-month unemployment rate ticked lower to 4.10% in July, in line with consensus expectations. Meanwhile, private sector regular pay growth fell to 4.9% on a three-month year-over-year basis in July.

Key Economic Releases

Monday, September 16:
No economic releases

Tuesday, September 17:
US Core Retail Sales MoM (Cons: 0.2%,
Prior: 0.4%)

Wednesday, September 18:
FOMC Meeting UK CPI YoY (Cons: 2.2%,
Prior: 2.2%)
Euro CPI YoY (Cons: 2.2%, Prior: 2.6%)

Thursday, September 19:
BoE Meeting
US Existing Home Sales (Cons: 3.89M, Pri-
or: 3.95M)

Friday, September 20:
BoJ Meeting
UK Core Retail Sales MoM (Cons: 0.4%,
Prior: 0.5%)

Source: Goldman Sachs Asset Management: "Market Monitor", 9/13/2024

"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. "FOMC" refers to Federal Open Market Committee. "CPI" refers to Consumer Price Index. "Oz" refers to ounce. "ECB" refers to European Central Bank. "BoJ" refers to Bank of Japan. "Core CPI" refers to Consumer Price Index, excluding food and energy. "VP" refers to Vice President. "GDP" refers to Gross Domestic Product. "BoE" refers to Bank of England. "3M" refers to 3 Month.

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