

MONDAY MORNING RECAP - October 21, 2024

Last Week

Dow Jones Industrial Average (DJIA)	43,275.91	+412.05	+0.96%
S&P 500 Index	5,864.67	+49.64	+0.85%
NASDAQ Composite Index	18,489.55	+146.62	+0.80%
U.S. 10 yr. Treasury Note Yield	4.08%	No Change	
Gold (\$ per troy oz.)	\$2,713.70	+\$56.10	+2.11%
WTI Oil (\$ per barrel)	\$69.22	-\$6.34	-8.39%

Market Summary

GLOBAL EQUITIES: US equities rose last week as strong consumer spending provided reassurance around the strength of the US consumer. The S&P 500 ultimately ended the week 0.85% higher. Outside of the US, the STOXX 600 and FTSE 100 rose by 0.59% and 1.28%, respectively, as headline inflation in the UK fell below 2% for the first time in over three years. In China, the Hang Seng index continued its decline last week despite strong retail sales activity, ultimately ending the week -2.11% lower.

COMMODITIES: Oil prices fell last week amid abating concerns that conflict in the Middle East will materially disrupt supply. WTI and Brent crude finished the week lower at \$69.22 and \$73.06/bbl, respectively, despite falling crude oil stockpiles in the US and above consensus industrial production activity in China. Meanwhile, the price of gold posted its sixth consecutive week of gains and broke through \$2,700 for the first time on Friday before ultimately ending the week at \$2713.70/troy oz.

FIXED INCOME: In the US, the 2-Year and 10-Year US Treasury yields remained roughly flat at 3.95% and 4.08%, respectively, as above consensus retail sales figures pointed to a more gradual pace of monetary easing ahead. Outside of the US, the 10-Year German Bund and 10-Year UK Gilt yields fell to 2.18% and 4.06%, respectively, behind the ECB cutting policy rates for the third time this year, highlighting continued disinflation progress in the Euro Area.

FX: The US dollar strengthened against a basket of currencies last week amidst mixed manufacturing data. Ultimately, the US dollar index rose by 0.67%. Elsewhere, the Chinese Yuan weakened against the dollar last week despite economic growth in the third quarter registering above consensus expectations, ultimately ending the week at ¥7.1032.

Economic Summary

ACTIVITY: In the US, core retail sales rose 0.7% month-over-month in September while headline retail sales rose 0.4%, both above consensus expectations. Specifically, core retail sales fell at electronics and furniture stores but rose in every other store category. In China, September activity data was stronger than expected with both industrial production and retail sales beating consensus expectations. As a result, 3Q GDP growth registered at 4.6% year-over-year, above consensus expectations of 4.5%.

MONETARY POLICY: In the Euro area, the ECB cut its policy rate by 25bps as consensus expected, highlighting that the disinflationary process is well on track. In the UK, headline inflation printed at 1.7% year-over-year in September, below consensus expectations and falling below the BoE's 2% target for the first since April 2021.

MANUFACTURING: US Manufacturing activity was mixed in October. The Philadelphia Fed manufacturing index increased by 8.6pts to +10.3 in October, above consensus expectations. The composition of the print was mixed-to-strong, with increases in the shipments and new orders components and declines in the employment component. Conversely, the Empire manufacturing index declined sharply by -23.4pts to -11.9 in October, well below consensus expectations and back into contractionary territory. The composition of the report was mixed-to-weak, with decreases in the new orders and shipments components but an increase in the employment component.



Key Economic Releases

Monday, October 21:
No economic releases

Tuesday, October 22:
No economic releases

Wednesday, October 23:
US Existing Home Sales (Cons: 3.88M,
Prior 3.86M)

Thursday, October 24:
US Manufacturing PMI (Cons: 47.5, Prior
47.3)
US Services PMI (Cons: 55.0, Prior 55.2)
US New Home Sales (Cons: 717K, Prior
716K)

Friday, October 25:
US Durable Goods Orders MoM (Cons: -
1.1%, Prior 0.0%)

Source: Goldman Sachs Asset Management: "Market Monitor", 10/18/2024

"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. "Oz" refers to ounce. "ECB" refers to European Central Bank. "GDP" refers to Gross Domestic Product. "bps" refers to basis points. "BoE" refers to Bank of England. "pts" refers to points.

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