

## MONDAY MORNING RECAP - January 6, 2025

### Last Week

Dow Jones Industrial Average (DJIA)	42,732.13	-260.08	-0.60%
S&P 500 Index	5,942.47	-28.37	-0.48%
NASDAQ Composite Index	19,621.68	-100.35	-0.51%
U.S. 10 yr. Treasury Note Yield	4.60%	-2 Basis Points	
Gold (\$ per troy oz.)	\$2,645.00	+\$26.60	+1.02%
WTI Oil (\$ per barrel)	\$73.96	+\$3.36	+4.76%

### Market Summary

**GLOBAL EQUITIES:** US equities fell last week on the back of mixed economic data and weakness amongst select Magnificent 7 firms. The S&P 500 ultimately ended the week -0.48% lower after closing out 2024 with four straight down days for the first time in almost 60 years. Elsewhere, the STOXX Europe 600 and FTSE 100 rose 0.22% and 0.92%, respectively, supported by strong energy sector performance.

**COMMODITIES:** Oil prices rose sharply last week behind hopes that further economic stimulus in China will help drive increased consumption in 2025. WTI and Brent crude ultimately ended the week at \$73.96 and \$76.51/bbl, respectively, as colder temperatures across the US and Europe helped to boost demand. Meanwhile, gold prices rose to \$2645.00/troy oz.

**FIXED INCOME:** US Treasury yields fell slightly last week despite strong manufacturing and labor market data indicating further resilience in the US economy. The 2-Year and 10-Year US Treasury yields ended the week at 4.28% and 4.60%, respectively. Across the pond, the 10-Year UK Gilt yield followed suit while the 10-Year German Bund yield closed higher, ending the week at 4.59% and 2.42%, respectively.

**FX:** The US dollar strengthened against a basket of currencies last week on the back of a decline in jobless claims during the historically volatile holiday season. Ultimately, the US dollar index ended the week up 0.87%. Meanwhile, the Chinese Yuan weakened against the dollar to ¥7.21, as recent declines in Chinese manufacturing appeared to overshadow improved services activity.

## **Economic Summary**

**ACTIVITY:** In the US, the ISM manufacturing index increased by 0.9pt to 49.3 in December, against consensus expectations for a modest decline. The underlying composition of the print was mixed, as the new orders and production components increased, while the employment component declined. The S&P Global US manufacturing PMI was revised up by 1.1pt to 49.4 in the final December reading, above consensus expectations. Specifically, the output, new orders, and employment components were all part of the upward revision. On another note, Chicago PMI printed at 36.9 in December, below consensus expectations for 42.7 and a decrease from last month's reading of 40.2.

**LABOR:** US initial jobless claims decreased by 9k to 211k in the week ended December 28, somewhat below consensus expectations for a roughly unchanged reading. The four-week moving average of jobless claims fell by 4k to 223k. Additionally, nationwide continuing claims decreased by 52k to 1,844k in the week ended December 21, below consensus expectations. Seasonal adjustment challenges can make jobless claims readings particularly volatile around the holiday season.

**CHINA:** China's NBS manufacturing PMI fell to 50.1 in December from 50.3 in November, led by declines in the output and employment components. Conversely, improved activity in the services and construction sectors led to an increase in the non-manufacturing PMI to 52.2, from 50.0 in November. China's Caixin manufacturing PMI also fell, coming in at 50.5 in December, against consensus expectations of 51.7.



## Key Economic Releases

<b>Monday, January 6:</b> US Services PMI (Cons: 58.5, Prior: 56.1)
<b>Tuesday, January 7:</b> US JOLTS Job Openings (Cons: 7.770M, Prior: 7.744M) US ISM Non-Manuf PMI (Cons: 53.2, Prior: 52.1)
<b>Wednesday, January 8:</b> FOMC Minutes

<b>Thursday, January 9:</b> US National Day Holiday
<b>Friday, January 10:</b> US Nonfarm Payrolls (Cons: 154K, Prior: 227K) US Unemployment Rate (Cons: 4.2%, Prior: 4.2%) US Avg Hourly Earnings MoM (Cons: 0.3%, Prior: 0.4%)

Source: Goldman Sachs Asset Management: "Market Monitor", 1/3/2025

"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. "ISM" refers to the Institute for Supply Management. "PMI" refers to Purchasing Managers' Index. "pt" refers to point. "NBS" refers to National Bureau of Statistics.

### **Disclosure Statement**

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