

Osaic

Market Week: October 28, 2024



MARKET WEEK

Key Dates/Data Releases

10/29: International trade in goods and services, JOLTS

10/30: GDP

10/31: Personal income and outlays

11/1: Employment situation, S&P Global Manufacturing PMI

The Markets (as of market close October 25, 2024)

Tech shares helped the NASDAQ close up last week. The remaining indexes listed here didn't fare as well. Renewed concerns about the Federal Reserve's interest rate policy dampened investor appetite for risk. Bond prices also faded during the week, driving yields higher. Crude oil prices climbed higher as investors monitored ongoing tensions in the Middle East. Gold prices continued to advance and have risen over 33.0% from the beginning of the year.

Stocks mostly retreated last Monday following their longest weekly rally of the year. Of the benchmark indexes listed here, only the NASDAQ (0.3%) posted a gain. The remaining indexes closed in the red, led by the Russell 2000 (-1.6%), followed by the Dow and the Global Dow (-0.8%). The S&P 500 dipped 0.2%. Ten-year Treasury yields rose 10.9 basis points to close at 4.18%, the highest level since late July. Among the market sectors, utilities, materials, financials, real estate, and information technology closed higher, while health care and energy declined. Crude oil prices closed up 1.8% to \$70.45 per barrel. The dollar (0.5%) and gold prices (0.2%) posted gains.

In what was akin to the previous day's performance, stocks closed mostly lower last Tuesday. Once again, the NASDAQ was the only benchmark index to post a gain after ticking up 0.2%, while the Dow and the S&P 500 were essentially unchanged. The Global Dow fell 0.4%, and the Russell 2000 declined 0.3%. The yield on 10-year Treasuries inched up to 4.20%. Crude oil prices jumped 2.4% to settle at \$72.24 per barrel. The dollar inched up 0.1%, while gold prices rose 0.9%.

Each of the benchmark indexes listed here retreated last Wednesday as bond yields rose amid investor concerns over further interest rate cuts. Several major tech companies saw their stock values decline, which also placed a drag on Wall Street. The Nasdaq dropped 1.6%, the Dow fell 1.0%, the S&P 500 declined 0.9%, the Russell 2000 lost 0.8%, and the Global Dow dipped 0.6%. Bond values also tumbled, pushing yields higher, with 10-year Treasury yields climbing 3.8 basis points to close the session at 4.24%. Crude oil prices fell 1.0%, falling to \$71.03 per barrel. The dollar ticked up 0.3%, while gold prices declined 1.1%.

Stocks closed mostly higher last Thursday with only the Dow (-0.3%) sliding lower. Investors reacted to the latest earnings reports, particularly one involving a major electric automotive manufacturer. The NASDAQ rose 0.8%, the S&P 500 ended a three-session slide after gaining 0.2%. The Russell 2000 also edged up 0.2%, while the Global Dow inched up 0.1%. Ten-year Treasury yields fell to 4.20%. Crude oil prices retreated for the second straight day, settling at \$70.47 per barrel. The dollar edged lower, while gold prices (0.7%) recouped some of the losses from the previous session.

Gains in tech shares helped drive the NASDAQ (0.6%) higher last Friday. A decline in financial shares was enough to overshadow tech gains, resulting in losses for the Dow (-0.6%), the Russell 2000 (-0.5%), and the Global Dow (-0.4%). The S&P 500 ended the session flat. Ten-year Treasury yields climbed to 4.23%. Crude oil prices reversed losses from the previous two days, advancing 2.1%. The dollar and gold prices each gained 0.2%.



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Stock Market Indexes

Market/Index	2023 Close	Prior Week	As of 10/25	Weekly Change	YTD Change
DJIA	37,689.54	43,275.91	42,114.40	-2.68%	11.74%
NASDAQ	15,011.35	18,489.55	18,518.61	0.16%	23.36%
S&P 500	4,769.83	5,864.67	5,808.12	-0.96%	21.77%
Russell 2000	2,027.07	2,276.09	2,207.99	-2.99%	8.93%
Global Dow	4,355.28	5,043.43	4,939.32	-2.06%	13.41%
fed. funds target rate	5.25%-5.50%	4.75%-5.00%	4.75%-5.00%	0 bps	-50 bps
10-year Treasuries	3.86%	4.07%	4.23%	16 bps	37 bps
US Dollar-DXY	101.39	103.46	104.32	0.83%	2.89%
Crude Oil-CL=F	\$71.30	\$69.35	\$71.59	3.23%	0.41%
Gold-GC=F	\$2,072.50	\$2,736.90	\$2,757.40	0.75%	33.05%

Chart reflects price changes, not total return. Because it does not include dividends or splits, it should not be used to benchmark performance of specific investments.

Last Week's Economic News

- September, the last month of the fiscal year, saw the government budget enjoy a surplus of \$64.3 billion, well off from August's deficit of \$380.1 billion. For fiscal year 2024, the deficit was \$1,832.8 trillion, \$137.6 billion above the FY23 deficit of \$1,695.2 trillion. Compared to the prior fiscal year, FY24 saw government receipts increase by roughly \$479.5 billion, while government outlays increased by \$617.0 billion.
- New orders for manufactured durable goods in September, down three of the last four months, decreased 0.8%, according to the U.S. Census Bureau. This followed a 0.8% August decrease. Excluding transportation, new orders increased 0.4%. Excluding defense, new orders decreased 1.1%. Transportation equipment, also down three of the last four months, drove the decrease after declining 3.1%. New orders for nondefense capital goods in September decreased 4.5%. New orders for defense capital goods rose 6.4% last month. Since September 2023, new orders for durable goods have decreased 1.5%.
- Existing-home sales decreased 1.0% in September and 3.5% from one year ago. The median existing-home sales price fell 2.4% in September to \$404,500 but was 3.0% above the September 2023 price. The inventory of unsold existing homes, at a supply of 4.3 months, rose by 1.5% from the prior month. Sales of single-family homes edged lower by 0.6% in September and fell 2.3% from a year earlier. The median existing single-family home price was \$409,000 in September, down from \$419,000 in August but up from \$397,400 in September 2023. According to Freddie Mac, the 30-year fixed-rate mortgage averaged 6.44% as of October 17. That's up from 6.32% from one week ago but down from 7.63% one year ago.
- Sales of new single-family homes in September reached the highest level since May 2023 after rising 4.1% over the prior month's total. Last month's sales were 6.3% above the September 2023 estimate. The median sales price of new homes sold in September 2024 was \$426,300. The average sales price was \$501,000. The estimate of new homes for sale at the end of September represented a supply of 7.6 months at the current sales rate.
- The national average retail price for regular gasoline was \$3.144 per gallon on October 21, \$0.027 per gallon below the prior week's price and \$0.389 per gallon less than a year ago. Also, as of October 21, the East Coast price rose \$0.012 to \$3.054 per gallon; the Midwest price decreased \$0.094 to \$3.006 per gallon; the Gulf Coast price inched down \$0.015 to \$2.720 per gallon; the Rocky Mountain price dipped \$0.037 to \$3.221 per gallon; and the West Coast price fell \$0.013 to \$4.034 per gallon.
- For the week ended October 19, there were 227,000 new claims for unemployment insurance, a decrease of 15,000 from the previous week's level, which was revised up by 1,000. According to the Department of Labor, the

advance rate for insured unemployment claims for the week ended October 12 was 1.3%, an increase of 0.1 percentage point from the previous week's rate. The advance number of those receiving unemployment insurance benefits during the week ended October 5 was 1,897,000, an increase of 28,000 from the previous week's level, which was revised up by 2,000. This is the highest level for insured unemployment since November 13, 2021 when it was 1,974,000. States and territories with the highest insured unemployment rates for the week ended October 5 were New Jersey (2.2%), California (1.9%), Puerto Rico (1.9%), Washington (1.8%), Nevada (1.6%), Rhode Island (1.6%), Massachusetts (1.5%), New York (1.5%), Illinois (1.4%), Alaska (1.3%), Oregon (1.3%), and Pennsylvania (1.3%). The largest increases in initial claims for unemployment insurance for the week ended October 12 were in Georgia (+3,293), New York (+2,340), Pennsylvania (+1,379), Texas (+886), and South Carolina (+779), while the largest decreases were in Michigan (-7,917), Florida (-3,257), Ohio (-2,556), North Carolina (-2,365), and Indiana (-2,173).

Eye on the Week Ahead

There are several market-moving economic reports released this week. Among those reports is the initial estimate of gross domestic product for the third quarter. The second quarter GDP estimated that the economy grew at an annualized rate of 3.0%. The personal consumption expenditures price index, the preferred inflation indicator of the Federal Reserve, is released within the personal income and outlays report. August saw prices tick up 0.1%, while the annual rate of growth rose 2.2%. Lastly, the latest employment data for October is released on Friday. September's report revealed an unexpected 254,000 new jobs, a figure well above consensus estimates. It is likely that the September figure is adjusted downward.

Data sources: Economic: Based on data from U.S. Bureau of Labor Statistics (unemployment, inflation); U.S. Department of Commerce (GDP, corporate profits, retail sales, housing); S&P/Case-Shiller 20-City Composite Index (home prices); Institute for Supply Management (manufacturing/services). Performance: Based on data reported in WSJ Market Data Center (indexes); U.S. Treasury (Treasury yields); U.S. Energy Information Administration/Bloomberg.com Market Data (oil spot price, WTI, Cushing, OK); www.goldprice.org (spot gold/silver); Oanda/FX Street (currency exchange rates).

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The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 largest, publicly traded companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the Nasdaq stock exchange. The Russell 2000 is a market-cap weighted index composed of 2,000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks worldwide. The U.S. Dollar Index is a geometrically weighted index of the value of the U.S. dollar relative to six foreign currencies. Market indexes listed are unmanaged and are not available for direct investment.

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