



## THINGS TO WATCH

– **FED RATE DECISION AND DOT PLOT:** On Wednesday afternoon, the Federal Open Market Committee (FOMC) is widely expected to hold the benchmark federal funds rate in a range of 5.25% to 5.50%. An update to the FOMC's Summary of Economic Projections (SEP), in which officials forecast the policy rate at the end of 2023, 2024, 2025, and longer-term, will be closely watched by market participants to gauge Chairman Powell and colleagues' appetite for another 0.25% hike on November 1.

– **CRUDE OIL PRICES:** U.S. West Texas Intermediate (WTI) crude oil prices exceeded \$90 per barrel last week for the first time since early November 2022, up nearly 35% since mid-June. An extension of recent production cuts by Saudi Arabia and Russia has tightened global supply, while positioning by hedge funds and other speculators has flipped to bullish in recent months from a bearish stance in the first half of this year. The average price of a gallon of gasoline in the U.S. touched an 11-month high of \$3.88 last week, during a period in which prices at the pump have historically cooled off after the end of summer driving season.

– **BOE AND BOJ:** On Thursday, the Bank of England (BOE) will likely lift its benchmark lending rate 25 basis points to 5.5% amid a recent acceleration in wages. Early Friday morning, the Bank of Japan (BOJ) is expected to keep its benchmark rate unchanged at -0.1%, despite stronger-than-expected growth and inflation in the world's third-largest economy. BOJ Governor Kazuo Ueda indicated recently he and his colleagues believe they will have enough data by year end to decide if negative interest rates are still appropriate.

– **INSTACART IPO:** On Tuesday, the parent company of Instacart is expected to begin trading under the ticker symbol CART. Instacart, the largest grocery-delivery outfit in the U.S., is reportedly seeking to raise up to \$660 million in this week's initial public offering, which would value the company at roughly \$9.6 billion, about 30% of the market capitalization of supermarket chain Kroger (KR).

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
NFIB Small Business Optimism	91.3	89.4	▲
Consumer Price Index (Y/Y)	3.7%	4.0%	▼
Core Consumer Price Index (Y/Y)	4.3%	5.3%	▼
Producer Price Index (Y/Y)	1.6%	1.1%	▲
Core Producer Price Index (Y/Y)	2.2%	2.8%	▼
Retail Sales (M/M)	0.6%	0.7%	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	34618.24	0.12%	4.44%	12.32%
NASDAQ	13708.33	-0.39%	30.97%	19.74%
S&P 500	4450.32	-0.16%	15.91%	14.90%
MSCI EAFE	2108.23	1.65%	8.45%	17.87%
BB U.S. Aggregate	2054.10	-0.33%	0.26%	-0.46%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	5.45%	5.41%	3.11%
10-Year Treasury	4.33%	4.21%	3.45%

REPORTS DUE THIS WEEK	LATEST
Building Permits (Millions Annualized)	1.44
Housing Starts (Millions Annualized)	1.45
Existing Home Sales (Millions Annualized)	4.07
S&P Global U.S. Manufacturing PMI	47.9
S&P Global U.S. Services PMI	50.5

Price returns are as of 9/15/23. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

## NUMBERS OF THE WEEK

213

The number of consecutive trading days the U.S. 10-year Treasury yield has held below yields on the 3-month U.S. Treasury bill from November 8, 2022 through last Friday. This is the longest-running inversion of the 3-month to 10-year segment of the U.S. Treasury yield curve since at least 1962, the inception of Treasury market data aggregated by Bloomberg. Yield curve inversions have often (though not always) preceded U.S. recessions by 6 to 18 months.

\$25.3 billion

Inflows to global equity funds during the week ended September 13, the largest weekly figure since March 2022, according to EPFR data analyzed by Bank of America. Renewed optimism in the U.S. and Japanese economies, along with underweight positioning for most of 2023, seem to have increased investor demand for global stocks in recent months.



MainStreet Investment Advisors, LLC is an investment adviser registered with the Securities and Exchange Commission and a wholly-owned subsidiary of Fifth Third Bank, National Association. Opinions herein are as of the publication date and are subject to change without notice. This report may include "forward-looking statements" which may or may not be accurate over the long term. The week is calculated beginning with Monday's market open. Report includes candid statements and observations regarding investment strategies, asset allocation, individual securities, and economic and market conditions. Statements, opinions or forecasts are not guaranteed. Do not place undue reliance on forward-looking statements. Actual results could differ materially from those described. This material is not intended to be used as a general guide to investing, or as a source of any specific investment recommendations, and makes no implied or express recommendations concerning the manner in which any client's account should or would be handled, as appropriate investment strategies depend upon the client's investment objectives. The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy/sell any security or instrument or to participate in any trading strategy. Indexes and sector statistics are unmanaged and are a common measure of performance of their respective asset classes. Indexes are not available for direct investment. Past performance is not indicative of future results. The value of investments and the income derived from investments can go down as well as up. Future returns are not guaranteed, and a loss of principal may occur. Investing for short periods may make losses more likely. Not a deposit, not FDIC insured, may lose value, not bank guaranteed, not insured by any federal government agency.