

## THINGS TO WATCH

### August Jobs Data

On Friday morning, the Labor Department’s Household Survey is expected to show the unemployment rate ticked down to 4.2% in August after an unforeseen increase to a 32-month high of 4.3% in July. Nonfarm payrolls (part of the Labor Department’s Establishment Survey) are projected to have grown by 165,000 in August after a disappointing 114,000 July gain. Friday’s release will be the last major labor market data available before the Federal Reserve’s September 17-18 policy setting meeting, at which officials are expected to cut their benchmark rate by 0.25% to a range of 5.00%-5.25%.

### Broadcom

The \$757 billion market-capitalization technology giant headlines this week’s quiet earnings schedule with post-market fiscal 3Q24 results Thursday. Broadcom (AVGO) is expected to increase its AI-specific revenue to \$11 billion in its fiscal year 2024 ending October 31, boosted by increased spending on customized silicon solutions. AVGO is widely viewed as the world’s number two AI semiconductor supplier and retains leading market share in 3-nanometer and 5-nanometer custom chip designs.

### Fed Regional Surveys

The Federal Reserve’s Summary of Commentary on Current Economic Conditions (informally known as the Beige Book) will be released Wednesday covering a 7-week period through mid-August. The report, which is a summary of anecdotal information on economic conditions in the central bank’s 12 districts, will provide an update on various trends across the U.S. business landscape, including slowing labor market conditions and value-seeking consumer behavior. Fed Chair Powell and Governor Christopher Waller have called out the Beige Book report as one of their favorite indicators of underlying economic momentum.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
Durable Goods Orders (M/M)	9.9%	0.2%	▲
Conf. Board Consumer Confidence	103.3	101.3	▲
S&P CoreLogic CS 20-City U.S. HPI (Y/Y)	6.5%	7.5%	▼
Personal Income (Y/Y)	4.5%	4.4%	▲
Core PCE Price Index (Y/Y)	2.6%	2.8%	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	41563.08	1.07%	11.75%	22.06%
NASDAQ	17713.63	-0.91%	18.58%	27.20%
S&P 500	5648.40	0.27%	19.52%	27.12%
MSCI EAFE	2447.79	0.19%	12.07%	19.55%
BB U.S. Aggregate	2228.33	-0.52%	3.18%	7.29%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	5.11%	5.28%	5.45%
10-Year Treasury	3.90%	4.14%	4.11%

REPORTS DUE THIS WEEK	LATEST
ISM Manufacturing PMI	46.8
ISM Services PMI	51.4
Non-Farm Payrolls (Thousands)	114
Unemployment Rate	4.3%
Average Hourly Earnings (Y/Y)	3.6%

Total returns are as of 8/30/24. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

## NUMBERS OF THE WEEK

791

The number of consecutive days the 2-year-to-10-year portion of the U.S. Treasury yield curve has closed in inversion territory (shorter rates higher than longer rates) dating back to July 1, 2022. As of last Friday, the spread between the 2-year yield (3.92%) and the 10-year yield (3.90%) appears to be on the cusp of de-inversion, or normalization, as the market prices in a combination of Fed rate cuts, decent economic growth and expanding federal deficits.

51.1

The median Bloomberg survey estimate for Thursday’s ISM non-manufacturing (services) purchasing manager’s index (PMI). A reading above 50 (and especially above the 51.1 estimate) would indicate consumer spending on services expanded in August despite job recent market softness. Skeptics might argue consumers have been dipping into their savings to support spending, while optimists might counter that increases in the savings rate (not declines) have historically signaled an economic contraction.

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