

9/30/2024

The Week Ahead



THINGS TO WATCH

Powell in Nashville

The Federal Reserve Chair will deliver keynote remarks later today at the 66th annual meeting of the National Association of Business Economics in Tennessee's capital city. Any hint from Powell about his preference for the size of a likely rate cut on November 7 will probably make headlines. As of last Friday, fed fund futures pricing indicated 100% odds of a 0.25% cut and a 53% probability of another 0.50% jumbo cut on the first Thursday in November (and two days after Election Day).

VP Debate

Tomorrow night, Minnesota Governor Tim Walz and Ohio Senator JD Vance will participate in a 90-minute Vice Presidential debate in New York City hosted by CBS News. Among the most relevant topics for investors will be any additional details on their respective campaigns' tax, immigration, and tariff policies. Stances on energy, technology sector regulation and cryptocurrency policies could also be noteworthy.

Tesla 3Q Deliveries

Tesla (TSLA) is expected to report Wednesday it delivered 461,500 units in the third quarter, up 3.9% from 2Q24 and an increase of 6.1% from 435,059 in the third quarter of 2023. An upside surprise in deliveries could stoke optimism about a stabilization in EV demand supported by TSLA's aggressive pricing tactics. Wednesday's report comes eight days before the widely-anticipated Robotaxi event on October 10, at which TSLA is expected to provide an update on its full self-driving platform.

Unemployment Rate

On Friday morning, the Labor Department's Household Survey is projected to show the domestic unemployment rate held steady at 4.2% in September based on the median forecast in a Bloomberg survey. If the unemployment rate meets or comes in below expectations and nonfarm payrolls exceed the consensus 145,000 estimate, we would expect a positive stock market reaction and higher Treasury yields.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
S&P Global U.S. Manufacturing PMI	47.0	51.6	▼
S&P Global U.S. Services PMI	55.4	55.3	▲
S&P CoreLogic CS 20-City U.S. HPI (Y/Y)	5.9%	7.3%	▼
Conf. Board Consumer Confidence	98.7	97.8	▲
New Home Sales (Thousands Annualized)	716	672	▲
Core PCE Price Index (Y/Y)	2.7%	2.7%	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	42313.00	0.59%	13.89%	28.63%
NASDAQ	18119.59	0.96%	21.37%	39.51%
S&P 500	5738.17	0.64%	21.55%	36.20%
MSCI EAFE	2444.28	2.02%	13.34%	26.14%
BB U.S. Aggregate	2257.43	0.02%	4.79%	12.09%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	4.61%	5.10%	5.47%
10-Year Treasury	3.75%	3.82%	4.61%

REPORTS DUE THIS WEEK	LATEST
JOLTS Job Openings (Millions)	7.67
ISM Manufacturing PMI	47.2
Non-Farm Payrolls (Thousands)	142
Unemployment Rate	4.2%
Average Hourly Earnings (Y/Y)	3.8%

Total returns are as of 9/27/24. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

15.7%

The 5-day percentage gain in the Shanghai Shenzhen CSI 300 Index of mainland Chinese shares in U.S. dollar terms from Monday through Friday of last week. This was the benchmark's strongest five-day return since December 2014 and the fifth-largest in its 22-year history. A set of stimulus measures last week intended to boost liquidity, relieve pressure on the country's depressed property market, and promote stock buying drove the rally. The Chinese stock market has been in a bear market for over three years.

\$3 billion

Year-to-date bookings categorized by IT consultancy and services provider Accenture (ACN) as "GenAI," or related to helping its clients organize and prepare data for artificial intelligence workloads. Through the first three quarters of the year, ACN has converted \$900 million of these GenAI bookings into revenue. Although a small percentage of the company's revenue base, it is beginning to be seen by analysts as a meaningful growth driver amid a weak environment for traditional strategic consulting services.

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