

Weekly Market Recap

The week in review

- Headline CPI rose 0.4% m/m and 3.7% y/y
- Core CPI rose 0.3% m/m and 4.1% y/y
- PPI final demand index rose 2.2% y/y
- Prelim. consumer sentiment fell to 63 from 68.1

The week ahead

- Retail sales
- Continuing claims
- Industrial production
- Housing starts and permits
- NAHB housing market index

Thought of the week

Headline inflation rose 0.4% m/m and 3.7% y/y in September, partly due to higher energy prices with the gasoline CPI component rising 2.1% m/m and 3.0% y/y. However, there could be better news coming on this front. This week's chart shows daily gasoline prices, WTI crude oil prices and the spread between the two, which reflects taxes, distribution costs and, most importantly, refining margins. Last month the price of crude oil rose to its highest level YTD; however, refining margins actually trended downwards, softening the impact of higher crude prices at the gas pump. This reduction reflects a recovery in U.S. and global refinery activity and relatively soft U.S. gasoline demand in September. Moreover, even with the current Middle East turmoil, oil prices have now fallen from their September peaks, suggesting that the downward trend in gasoline prices may continue through October and into November. This should help reduce CPI inflation over the next two months, potentially discouraging the Federal Reserve from imposing any further rate hikes and setting the stage for modest reductions in both inflation and interest rates in 2024.

Please see important disclosures on next page.

Weekly Data Center

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	4328	0.47	0.99	14.19	19.92	29.17
Dow Jones 30	33670	0.79	0.54	3.29	14.52	24.73
Russell 2000	4274	-1.47	-3.63	-1.18	1.08	9.22
Russell 1000 Growth	1812	0.30	2.36	27.93	29.12	22.08
Russell 1000 Value	914	0.44	-1.07	0.70	9.35	30.19
MSCI EAFE	2013	0.97	-0.89	6.63	25.91	15.65
MSCI EM	951	1.52	-0.12	2.04	14.78	-8.73
NASDAQ	13407	-0.18	1.44	28.94	27.01	15.65

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	5.44	0.95	-0.23	-1.43	1.46	-15.06
U.S. Corporates	6.10	1.25	-0.21	-0.19	4.54	-14.83
Municipals (10yr)	3.91	0.98	0.46	-1.12	2.60	-4.72
High Yield	9.25	0.53	-0.68	5.14	9.29	3.02

Key Rates	Levels (%)					
	10/13/23	10/6/23	9/29/23	12/30/22	10/13/22	10/13/20
2-yr U.S. Treasuries	5.04	5.08	5.03	4.41	4.47	0.16
10-yr U.S. Treasuries	4.63	4.78	4.59	3.88	3.97	0.74
30-yr U.S. Treasuries	4.78	4.95	4.73	3.97	3.97	1.52
10-yr German Bund	2.74	2.91	2.82	2.53	2.32	-0.56
3-mo. LIBOR	5.66	5.67	5.66	4.77	4.08	0.24
3-mo. EURIBOR	3.99	3.98	3.95	2.13	1.38	-0.51
6-mo. CD rate	N/A	2.21	2.21	1.80	1.13	0.30
30-yr fixed mortgage	7.67	7.67	7.53	6.58	6.81	3.00
Prime Rate	8.50	8.50	8.50	7.50	6.25	3.25

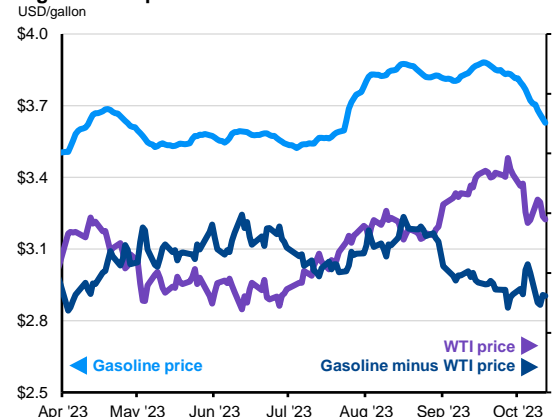
Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
17.96	3.90	1.57	36265
16.25	4.19	2.04	10677
18.38	1.63	1.57	2138
24.84	10.10	0.74	21376
13.56	2.19	2.46	18425
12.57	1.65	3.16	14631
11.72	1.54	3.08	6513
24.77	5.12	0.80	21642

Currencies	Levels		
	10/13/23	12/30/22	10/13/22
\$ per €	1.05	1.07	0.97
\$ per £	1.21	1.20	1.12
¥ per \$	149.68	131.95	147.38

Commod.	Levels		
	10/13/23	12/30/22	10/13/22
Oil (WTI)	82.91	80.16	89.59
Gasoline	3.68	3.09	3.91
Natural Gas	3.34	3.52	6.25
Gold	1909	1814	1648
Silver	22.08	23.95	19.18
Copper	7891	8387	7663
Corn	6.10	6.14	6.73
BBG Idx	238.94	245.89	250.58

Chart of the Week

Decreasing refiner margins are dampening the impact of higher crude prices on consumers



Style Returns

	V	B	G
L	0.4	0.5	0.3
M	0.1	-0.1	-0.5
S	-0.7	-1.5	-2.3

S&P 500 Sector Returns

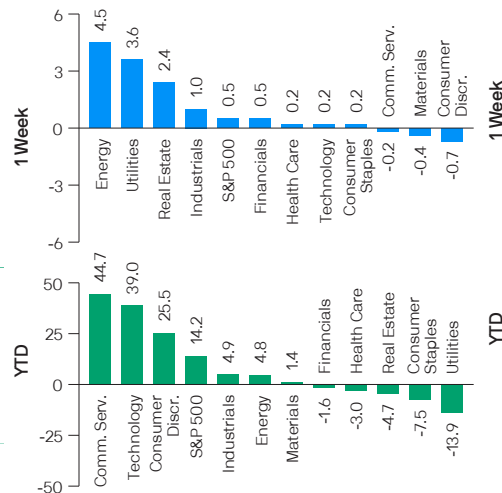




Chart of the Week: Source: AAA, Bloomberg, J.P. Morgan Asset Management.

Thought of the week: Source: AAA, Bloomberg, J.P. Morgan Asset Management.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.); provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI - EAFE; provided by: MSCI - gross official pricing. Index: MSCI - EM; provided by: MSCI - gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Bloomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period.

Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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