

Weekly Market Recap

The week in review

- ISM Services PMI rose to 51.4, beating expectations
- Initial jobless claims fell 17k to 233k

The week ahead

- CPI
- PPI
- Consumer sentiment

Thought of the week

The S&P 500 is still recovering from the recent sell-off, but meanwhile, its constituents are on track to report 12% earnings growth. In addition to the numbers, the earnings season provides a unique perspective on the health of the economy. Continued growth requires continued spending, and management commentary offers insight into two of the three sources of that spending: consumers and corporations. This week's chart aims to highlight the cautious optimism companies have expressed over the past few weeks. There's been a slight uptick in mentions of an economic slowdown, and consumer spending is a bit more in focus, while capital expenditures are less so. The changes are small, however, and there hasn't been much chatter about job cuts, indicating overall concern is muted.

On the consumer side, executives have highlighted a divergence in spending behavior across income brackets. While growth remains robust at the upper-end, lower-end consumers appear increasingly value conscious. They're still spending but just allocating dollars more carefully. This strong consumer spending has translated to strong corporate earnings. At the same time, secular investment trends like AI, the energy transition and re-shoring have and should continue to boost capital expenditures. Balance sheets also remain robust, reducing the risk of something breaking. Unlike typical late-cycle conditions, consumer spending has been financed by real wage growth rather than borrowing, and companies are still spending down the cash they accumulated during COVID. In the storm of recent volatility, investors should anchor to the fundamental truth highlighted this earnings season: consumer and corporate spending is moderating but looks durable, so growth should be too.

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	5344	-0.02	-2.02	12.96	21.42	26.33
Dow Jones 30	39498	-0.56	1.11	5.95	14.77	19.64
Russell 2000	5172	-1.32	1.71	3.48	9.41	-2.83
Russell 1000 Growth	2299	0.37	-5.21	14.41	27.11	25.22
Russell 1000 Value	1080	-0.30	1.97	8.72	13.31	18.02
MSCI EAFE	2284	-0.29	-1.21	4.46	10.42	7.31
MSCI EM	1063	0.28	-1.51	6.05	8.57	-9.79
NASDAQ	16745	-0.17	-5.54	12.00	22.97	15.36

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.51	-0.82	3.09	2.36	6.31	-6.49
U.S. Corporates	5.08	-0.76	2.82	2.32	8.07	-6.65
Municipals (10yr)	3.23	-0.30	1.43	-0.17	3.72	-1.75
High Yield	7.85	0.25	1.89	4.52	11.24	6.87

Key Rates	Levels (%)					
	8/9/24	8/2/24	6/28/24	12/29/23	8/9/23	8/9/21
2-yr U.S. Treasuries	4.05	3.88	4.71	4.23	4.79	0.23
10-yr U.S. Treasuries	3.94	3.80	4.36	3.88	4.00	1.33
30-yr U.S. Treasuries	4.23	4.11	4.51	4.03	4.18	1.96
10-yr German Bund	2.22	2.16	2.47	2.00	2.50	-0.47
SOFR	5.34	5.35	5.33	5.38	5.30	0.05
3-mo. EURIBOR	3.56	3.62	3.71	3.91	3.76	-0.54
6-mo. CD rate	2.29	2.29	2.38	2.23	2.20	0.15
30-yr fixed mortgage	6.55	6.55	7.03	6.76	7.09	2.99
Prime Rate	8.50	8.50	8.50	8.50	8.50	3.25

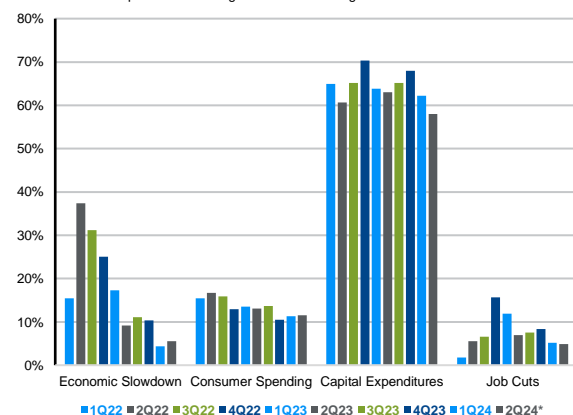
Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
20.30	4.53	1.31	44883	
17.97	4.80	1.79	13957	
23.60	1.83	1.39	2463	
27.22	11.66	0.57	25390	
15.74	2.51	2.07	23575	
13.27	1.77	2.90	16312	
11.73	1.64	2.32	7393	
26.17	6.07	0.69	27117	

Currencies	Levels		
	8/9/24	12/29/23	8/9/23
\$ per €	1.09	1.10	1.10
\$ per £	1.28	1.27	1.27
¥ per \$	146.59	140.98	143.71

Commod.	Levels		
	8/9/24	12/29/23	8/9/23
Oil (WTI)	76.19	71.89	84.35
Gasoline	3.45	3.12	3.83
Natural Gas	2.13	2.58	2.92
Gold	2427	2078	1923
Silver	27.58	23.79	22.71
Copper	8805	8476	8395
Corn	3.74	4.59	5.34
BBG Idx	226.55	226.43	239.45

Chart of the Week

Companies aren't overly concerned about the economy
% of S&P 500 companies mentioning term in their earnings call



Style Returns

	V	B	G
L	-0.3	0.0	0.4
M	-0.3	0.2	1.6
S	-2.0	-1.3	-0.6
	V	B	G
L	8.7	13.0	14.4
M	7.0	6.3	3.7
S	2.2	3.5	4.9

S&P 500 Sector Returns

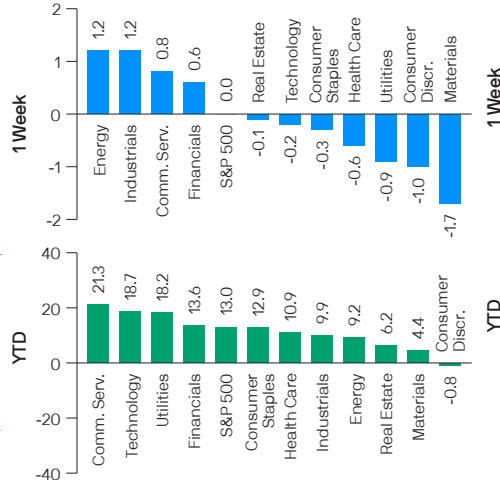




Chart of the Week: Bloomberg, J.P. Morgan Asset Management.

Thought of the week: Bloomberg, J.P. Morgan Asset Management. *2Q24 data is based off of the 450 companies that had reported on August 8, 2024.

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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