

# Weekly Market Recap

## The week in review

- Durable goods new orders rose 9.9% m/m
- 2Q24 GDP personal consumption revised to 2.9% saar
- PCE price index edged higher 0.2% m/m

## The week ahead

- JOLTS
- PMIs
- Nonfarm payrolls

## Thought of the week

Data revisions are adding to difficulties in assessing the strength of the post-pandemic economy. One example of this was a very large downward adjustment to payroll employment numbers in the recent annual benchmarking.

The BLS estimates payroll job growth using a monthly survey of roughly 120,000 businesses. Each year, these are benchmarked against state unemployment insurance tax records. The latest exercise revealed that job growth was overstated by 818K jobs between April 2023 and March 2024. While this downward revision might seem alarming, it is crucial to consider the broader context.

First, as shown in this week's chart, despite the revision, the economy still added around 2.1 million jobs during the revised period, averaging 174K jobs per month. Second, these revisions are preliminary and could be revised upward because the data may not fully account for the surge in immigrants at the U.S. southern border. Some of these immigrants were likely captured in the establishment survey, as they found work, but not in unemployment insurance records. Lastly, the recent rise in the unemployment rate to 4.3% is due to more people entering the labor force, not layoffs. Employment continues to expand, albeit at a slower pace, indicating that the labor market is normalizing rather than weakening.

More broadly, the economy remains resilient, as evidenced by last week's upward revision of 2Q GDP to 3%. This week's jobs report will be critical in shaping the Fed's approach, with gradual rate cuts expected unless employment actually begins to fall.

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	5648	0.27	3.67	19.53	26.96	30.69
Dow Jones 30	41563	1.07	6.64	11.75	21.50	24.90
Russell 2000	5511	-0.01	8.51	10.39	18.28	2.17
Russell 1000 Growth	2433	-0.68	0.35	21.12	30.93	28.69
Russell 1000 Value	1141	1.32	7.93	15.08	20.74	23.31
MSCI EAFE	2453	0.61	6.30	12.42	19.57	14.61
MSCI EM	1100	-0.05	2.02	9.86	14.59	-6.08
NASDAQ	17714	-0.91	0.00	18.57	27.30	18.82

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.42	-0.51	3.81	3.07	7.47	-6.31
U.S. Corporates	4.94	-0.59	3.99	3.49	9.47	-6.35
Municipals (10yr)	3.20	0.03	1.72	0.12	4.70	-1.32
High Yield	7.52	0.20	3.61	6.29	12.64	7.91

Key Rates	Levels (%)					
	8/30/24	8/23/24	6/28/24	12/29/23	8/30/23	8/30/21
2-yr U.S. Treasuries	3.91	3.90	4.71	4.23	4.90	0.20
10-yr U.S. Treasuries	3.91	3.81	4.36	3.88	4.12	1.29
30-yr U.S. Treasuries	4.20	4.10	4.51	4.03	4.23	1.90
10-yr German Bund	2.28	2.23	2.47	2.00	2.55	-0.42
SOFR	5.33	5.33	5.33	5.38	5.30	0.05
3-mo. EURIBOR	3.49	3.53	3.71	3.91	3.80	-0.55
6-mo. CD rate	2.27	2.28	2.38	2.23	2.16	0.15
30-yr fixed mortgage	6.44	6.44	7.03	6.76	7.31	3.03
Prime Rate	8.50	8.50	8.50	8.50	8.50	3.25

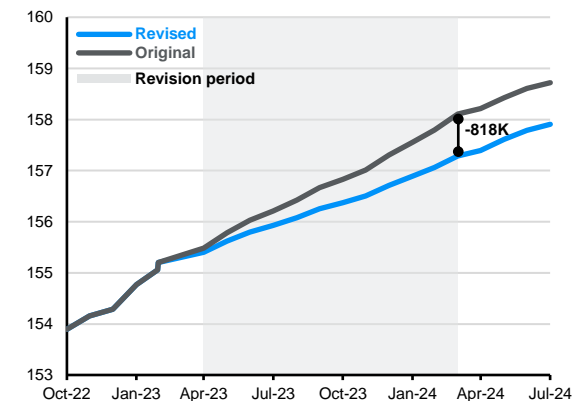
Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
21.24	4.69	1.25	47438	
18.80	4.95	1.70	14692	
24.79	1.90	1.31	2622	
28.33	12.00	0.55	26861	
16.53	2.61	1.97	24916	
14.02	1.83	2.70	17527	
11.96	1.66	2.20	7648	
27.22	6.27	0.67	28715	

Currencies	Levels		
	8/30/24	12/29/23	8/30/23
\$ per €	1.11	1.10	1.09
\$ per £	1.31	1.27	1.27
¥ per \$	145.61	140.98	145.85

Commod.	Levels		
	8/30/24	12/29/23	8/30/23
Oil (WTI)	75.95	71.89	81.64
Gasoline	3.31	3.12	3.81
Natural Gas	2.14	2.58	2.48
Gold	2513	2078	1948
Silver	29.47	23.79	24.62
Copper	9215	8476	8395
Corn	3.75	4.59	5.04
BBG Idx	228.58	226.43	239.26

## Chart of the Week

Total nonfarm employment Millions, s.a.



## Style Returns

	V	B	G
L	1.3	0.3	-0.7
M	0.7	0.3	-0.6
S	0.1	0.0	-0.1
	V	B	G
L	15.1	19.5	21.1
M	13.0	12.1	9.3
S	9.1	10.4	11.7

## S&P 500 Sector Returns

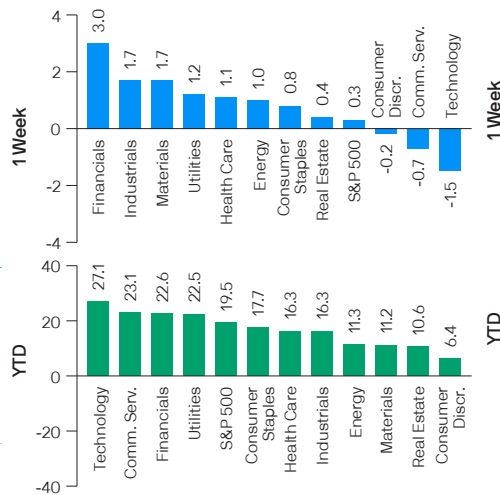




Chart of the Week: Source: BLS, J.P. Morgan Asset Management.  
Thought of the week: Source: BLS, J.P. Morgan Asset Management.

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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**Diversification does not guarantee investment returns and does not eliminate the risk of loss.**

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