

Weekly Market Recap

The week in review

- Headline CPI rose 0.2% m/m (2.4% y/y)
- Initial jobless claims jumped to 258K
- PPIs came in softer than expected at 0.0% m/m (1.8% y/y)

The week ahead

- Retail sales
- Housing starts

Thought of the week

In late September, Israel launched an offensive into Lebanon against the Iranian-backed militant group Hezbollah. In response, Iran fired 200 ballistic missiles at Tel Aviv. Israel has vowed to retaliate. Along with devastating humanitarian consequences, further escalation could spike oil prices. While a sustained geopolitical premium does seem warranted, the impact on the crude market may be muted.

Currently, analysts believe Israel will target Iran's missile rather than energy facilities. After all, the U.S. is far more interested in disrupting Iran's military capabilities than global oil markets, especially ahead of an election. But should Iranian production take a hit, the market still appears well positioned to absorb the shock. While conflicts like the Iranian Revolution in 1978 caused crippling supply disruptions, the region's share of the market has declined significantly. Around 65% of supply now comes from non-OPEC countries, and the U.S. is the world's largest producer of oil.

Additionally, as this week's chart shows, OPEC itself has excess production capacity of about 5 million barrels, or 6% of current supply. Member nations are planning on reviving 2.2mbd of capacity over the course of 2025 and would likely ramp up sooner should prices spike.

While the fog of war is clouding the future, modern-day oil markets are resilient. Prices fell back quickly after the Russian invasion of Ukraine and then again after Hamas's initial attack on Israel. Nevertheless, geopolitical risk is highly elevated. Those who wish to hedge should consider investments with exposure to areas like the defense sector or global transport.

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	5815	1.13	0.96	23.25	34.80	39.72
Dow Jones 30	42864	1.22	1.31	15.42	29.32	32.12
Russell 2000	5553	0.99	0.22	11.42	27.86	5.08
Russell 1000 Growth	2531	1.42	1.24	26.10	38.60	41.24
Russell 1000 Value	1164	0.92	0.84	17.66	28.91	28.46
MSCI EAFE	2419	0.26	-1.99	11.24	22.15	17.06
MSCI EM	1160	-1.66	-0.94	16.13	24.79	0.47
NASDAQ	18343	1.13	0.86	22.89	35.30	29.69

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.50	-0.46	-1.46	2.93	9.77	-5.03
U.S. Corporates	4.94	-0.44	-1.29	3.96	12.62	-4.00
Municipals (10yr)	3.20	-0.63	-0.57	0.45	7.31	-0.02
High Yield	7.41	-0.31	-0.48	7.49	15.61	9.43

Key Rates	Levels (%)						
	10/11/24	10/4/24	9/30/24	12/29/23	10/11/23	10/11/21	
2-yr U.S. Treasuries	3.95	3.93	3.66	4.23	4.99	0.32	
10-yr U.S. Treasuries	4.08	3.98	3.81	3.88	4.58	1.61	
30-yr U.S. Treasuries	4.39	4.26	4.14	4.03	4.73	2.16	
10-yr German Bund	2.29	2.22	2.12	2.00	2.73	-0.13	
SOFR	4.82	4.83	4.96	5.38	5.31	0.05	
3-mo. EURIBOR	3.18	3.25	3.28	3.91	3.95	-0.55	
6-mo. CD rate	N/A	2.31	2.29	2.23	2.21	0.14	
30-yr fixed mortgage	N/A	6.96	6.68	6.99	7.80	3.19	
Prime Rate	8.00	8.00	8.00	8.50	8.50	3.25	

Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
21.80	4.84	1.21	49138	
19.37	5.08	1.65	14909	
24.83	1.24	1.28	2651	
28.87	12.29	0.53	27856	
16.90	2.68	1.94	25396	
14.12	1.85	2.99	17201	
12.66	1.76	2.52	8202	
27.61	6.41	0.65	29718	

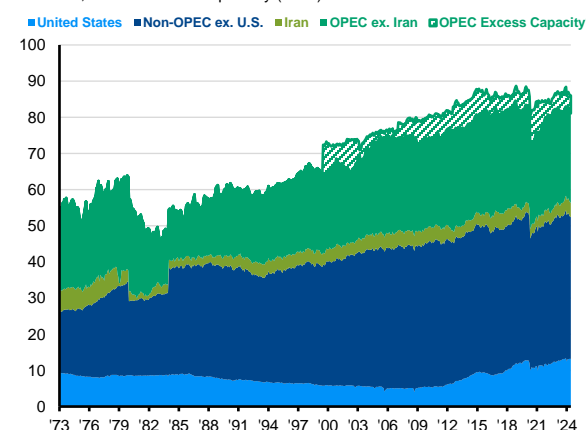
Currencies	Levels		
	10/11/24	12/29/23	10/11/23
\$ per €	1.09	1.10	1.06
\$ per £	1.31	1.27	1.23
¥ per \$	149.27	140.98	149.15

Commod.	Levels		
	10/11/24	12/29/23	10/11/23
Oil (WTI)	75.84	71.89	83.70
Gasoline	3.14	3.12	3.68
Natural Gas	2.68	2.58	3.19
Gold	2649	2078	1871
Silver	31.20	23.79	22.07
Copper	9597	8476	7944
Corn	3.86	4.59	4.76
BBG Idx	241.14	226.43	233.76

Chart of the Week

Global Oil Production

Crude oil, millions of barrels per day (mb/d)



Style Returns

	V	B	G
L	0.9	1.1	1.4
M	0.6	1.0	2.4
S	0.8	1.0	1.1
	V	B	G
L	17.7	23.3	26.1
M	15.1	15.5	16.6
S	8.9	11.4	14.1

S&P 500 Sector Returns

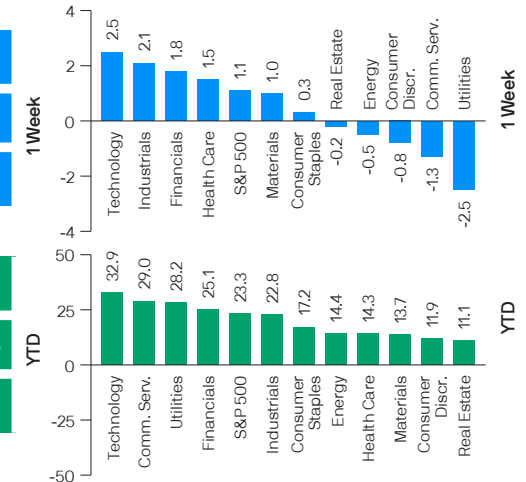




Chart of the Week: Bloomberg, EIA, J.P. Morgan Asset Management. Crude oil includes lease condensate. *Data begins in July 1999. Data are as of June 2024.

Thought of the week: EIA, 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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