

Weekly Market Recap

The week in review

- Retail sales rose 0.4% m/m
- Housing starts were down -0.5% m/m
- The ECB cut rates by 25bps

The week ahead

- Markit PMIs
- Durable goods orders
- Consumer sentiment

Thought of the week

And we're off! The 3Q earnings season began last Friday with reports from the largest U.S. banks. Currently, analysts are projecting pro forma earnings per share (EPS) of \$60.01. If realized, this would represent y/y growth of 1.9% and a q/q contraction of -0.9%. Looking at the three main sources of EPS growth, revenues, margins and buybacks are expected to contribute 2.2, 0.5 and -0.8 points, respectively.

Zooming out, the macro picture is still supportive, though growth and inflation have slowed from breakneck paces. The Atlanta Fed's GDPNow model is projecting 3Q24 GDP growth of 3.2% annualized, and consumer spending seems similarly resilient with y/y growth tracking at 2% for goods and 3% for services. Manufacturing activity, however, remains weak with PMIs close to cycle lows. So, while growth sectors like Information Technology, Communication Services and Health Care should experience another quarter of robust earnings growth, cyclicals like Materials, Industrials and Energy are struggling.

Over the quarter, crude oil and natural gas prices decreased y/y by an average of 5.0% and 16.4%, respectively, hurting Energy sector profitability. In Industrials, transportation and capital goods activity is muted as companies postpone expenditures until interest rate and regulatory uncertainty dissipates. China's centrality in global manufacturing and commodity demand is also hurting, particularly in Materials. But things are looking up. China's stimulus, U.S. monetary easing and fiscal spending on energy and supply chain security should support a cyclical recovery. Indeed, all three sectors are expected to see double digit earnings growth by the second half of 2025.

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	5865	0.87	1.84	24.33	37.92	36.98
Dow Jones 30	43276	0.98	2.30	16.55	31.12	30.52
Russell 2000	5657	1.87	2.10	13.50	33.59	4.81
Russell 1000 Growth	2549	0.73	1.99	27.03	42.55	36.51
Russell 1000 Value	1177	1.13	1.99	19.00	31.52	27.53
MSCI EAFE	2409	-0.37	-2.36	10.82	24.15	14.63
MSCI EM	1155	-0.37	-1.31	15.71	26.11	-1.27
NASDAQ	18490	0.80	1.67	23.87	39.92	26.06

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.51	0.05	-1.41	2.98	12.08	-5.27
U.S. Corporates	4.94	0.07	-1.22	4.04	15.11	-4.63
Municipals (10yr)	3.19	0.17	-0.40	0.62	8.52	0.08
High Yield	7.34	0.34	-0.13	7.86	17.36	9.69

Key Rates	Levels (%)					
	10/18/24	10/11/24	9/30/24	12/29/23	10/18/23	10/18/21
2-yr U.S. Treasuries	3.95	3.95	3.66	4.23	5.19	0.44
10-yr U.S. Treasuries	4.08	4.08	3.81	3.88	4.91	1.59
30-yr U.S. Treasuries	4.38	4.39	4.14	4.03	5.00	2.01
10-yr German Bund	2.19	2.29	2.12	2.00	2.91	-0.17
SOFR	4.85	4.81	4.96	5.38	5.30	0.05
3-mo. EURIBOR	3.20	3.18	3.28	3.91	3.99	-0.55
6-mo. CD rate	2.34	2.31	2.29	2.23	2.17	0.14
30-yr fixed mortgage	6.96	6.99	6.68	6.99	8.00	3.17
Prime Rate	8.00	8.00	8.00	8.50	8.50	3.25

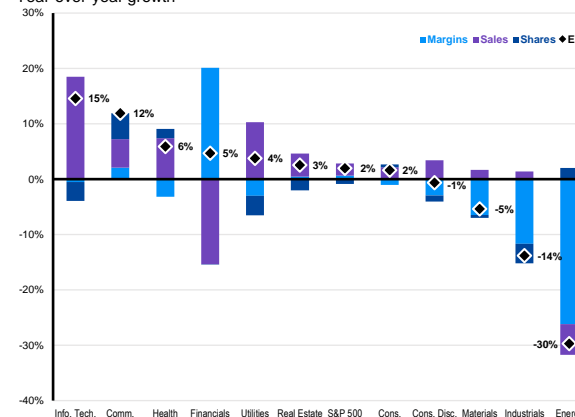
Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
21.94	4.87	1.21	49557
19.68	5.10	1.64	15097
25.28	1.24	1.27	2698
29.01	12.35	0.53	28058
17.07	2.71	1.93	25677
14.18	1.84	2.99	17135
12.62	1.76	2.52	8172
27.72	6.44	0.65	29959

Currencies	Levels		
	10/18/24	12/29/23	10/18/23
\$ per €	1.09	1.10	1.05
\$ per £	1.30	1.27	1.21
¥ per \$	149.61	140.98	149.78

Commod.	Levels		
	10/18/24	12/29/23	10/18/23
Oil (WTI)	70.66	71.89	88.35
Gasoline	3.17	3.12	3.58
Natural Gas	2.35	2.58	2.92
Gold	2713	2078	1956
Silver	32.13	23.79	23.21
Copper	9473	8476	7948
Corn	3.80	4.59	4.77
BBG Idx	235.20	226.43	240.50

Chart of the Week

3Q24 pro forma EPS expectations
Year-over-year growth



Style Returns

	V	B	G
L	1.1	0.9	0.7
M	1.6	1.4	0.8
S	2.2	1.9	1.5
	V	B	G
L	19.0	24.3	27.0
M	16.9	17.1	17.5
S	11.3	13.5	15.8

S&P 500 Sector Returns

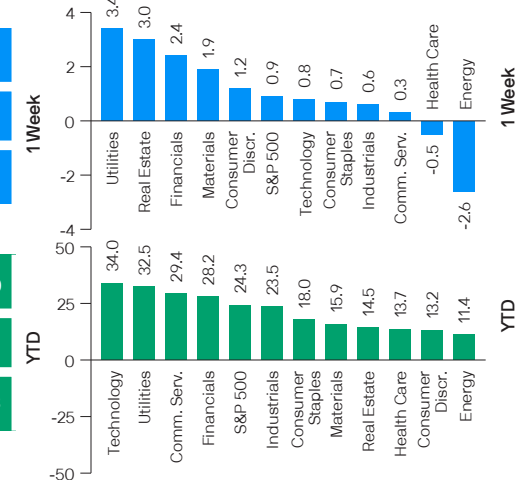




Chart of the Week: FactSet, J.P. Morgan Asset Management. Data are as of 10/18/2024.

Thought of the week: FactSet, 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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