

Weekly Market Recap

The week in review

- Job openings rose to 8.04M in Aug.
- Nonfarm payrolls grew 254K in Sep.
- Wages grew 0.4% m/m (4.0% y/y) in Sep.

The week ahead

- CPI
- Consumer sentiment

Thought of the week

Within the broader labor market mosaic, investors have found themselves paying particular attention to one measure: the unemployment rate. While the unemployment rate ticked lower to 4.1% in September, it remains well above its cycle low of 3.4% set in April 2023. The gradual trend higher in unemployment has sparked concerns the labor market could be cooling too quickly. However, looking under the hood, things are not as alarming as headlines might suggest. Unemployment can rise for two reasons: fewer people working or more people entering the labor force to look for a job. This week's chart shows that the recent increase in unemployment has been driven not by a decline in employment but rather by a growing labor supply. Initial jobless claims and reported layoffs remain historically low, indicating that the labor market is still relatively stable. In fact, payroll data shows that the U.S. economy created 254K new jobs in September. However, job growth hasn't kept pace with labor supply growth over the last year. A post-pandemic immigration surge and labor force participation rising to levels last seen in 2008 have left some new entrants into the workforce without a job. Despite a higher unemployment rate than a year ago, wage growth in September remained elevated at 4.0% y/y, marking the 17th consecutive month in which wage growth has outpaced inflation. This, coupled with a high number of job openings—approximately 8 million, suggests sustained demand for labor. Given this backdrop, investors should remain cautious but not overly pessimistic. As long as layoffs remain low and wage growth continues to outpace inflation, the U.S. economy is likely to remain resilient. Moving forward, even if employment conditions weaken further, real wage gains should continue to support consumer spending, allowing the U.S. economy to maintain a trend-like pace into 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	5751	0.26	-0.17	21.87	36.89	40.16
Dow Jones 30	42353	0.13	0.09	14.03	30.42	32.47
Russell 2000	5499	-0.48	-0.76	10.32	29.86	4.21
Russell 1000 Growth	2496	0.32	-0.17	24.34	41.39	42.00
Russell 1000 Value	1154	0.21	-0.08	16.58	30.23	28.49
MSCI EAFE	2413	-3.73	-2.24	10.95	26.83	17.56
MSCI EM	1179	0.42	0.73	18.10	30.88	4.61
NASDAQ	18138	0.12	-0.27	21.51	38.07	30.32

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.43	-1.24	-1.01	3.40	11.37	-5.25
U.S. Corporates	4.88	-1.03	-0.86	4.42	14.48	-4.55
Municipals (10yr)	3.07	0.10	0.06	1.08	8.96	0.43
High Yield	7.29	-0.15	-0.17	7.82	17.06	9.47

Key Rates	Levels (%)					
	10/4/24	9/27/24	9/30/24	12/29/23	10/4/23	10/4/21
2-yr U.S. Treasuries	3.93	3.55	3.66	4.23	5.05	0.27
10-yr U.S. Treasuries	3.98	3.75	3.81	3.88	4.73	1.49
30-yr U.S. Treasuries	4.26	4.10	4.14	4.03	4.87	2.05
10-yr German Bund	2.22	2.13	2.12	2.00	2.98	-0.21
SOFR	4.85	4.84	4.96	5.38	5.32	0.05
3-mo. EURIBOR	3.25	3.33	3.28	3.91	3.96	-0.55
6-mo. CD rate	2.31	2.29	2.29	2.23	2.21	0.16
30-yr fixed mortgage	6.96	6.69	6.68	6.99	7.88	3.11
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)
21.57	4.79	1.23	48597
19.13	5.03	1.67	14803
24.72	1.25	1.30	2628
28.55	12.15	0.54	27469
16.73	2.66	1.96	25171
14.04	1.84	2.76	17153
12.78	1.77	2.01	8341
27.37	6.36	0.65	29361

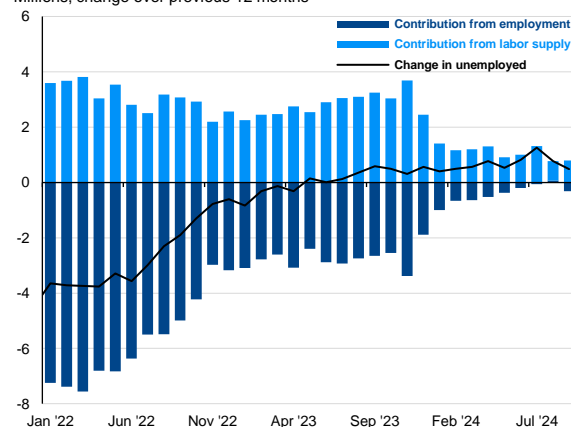
Currencies	Levels		
	10/4/24	12/29/23	10/4/23
\$ per €	1.10	1.10	1.05
\$ per £	1.31	1.27	1.21
¥ per \$	148.51	140.98	148.96

Commod.	Levels		
	10/4/24	12/29/23	10/4/23
Oil (WTI)	73.73	71.89	84.32
Gasoline	3.18	3.12	3.80
Natural Gas	2.97	2.58	2.92
Gold	2650	2078	1819
Silver	32.06	23.79	21.11
Copper	9784	8476	7911
Corn	3.95	4.59	4.74
BBG Idx	243.96	226.43	230.33

Chart of the Week

Breakdown of unemployment

Millions, change over previous 12 months



Style Returns

	V	B	G
L	0.2	0.3	0.3
M	-0.4	-0.1	0.9
S	-0.8	-0.5	-0.2

	V	B	G
L	16.6	21.9	24.3
M	14.4	14.4	13.9
S	8.0	10.3	12.8

S&P 500 Sector Returns

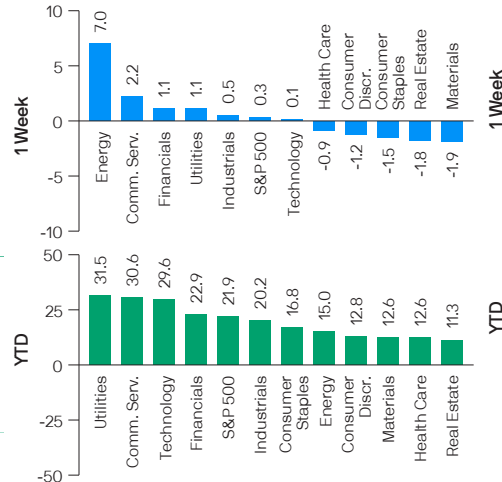




Chart of the Week: BLS, J.P. Morgan Asset Management.

Thought of the week: 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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