

Market Update – August 26, 2024

The Weekly Briefing

In a relatively light week of earnings and economic data, investors turned their attention to Jackson Hole – the site of the Fed’s annual economic symposium – for the next clues on the path of monetary policy. While a few FOMC members emphasized the need to see more data, Chairman Powell closed the conference by stating “the time has come” to lower rates. Risk assets soared on Friday – the S&P 500 and Nasdaq rose more than 1% and the economically sensitive Russell 2000 gained more than 3%. As of Friday’s close, futures markets implied a 100% chance of a cut in September with a consensus expectation of 25 basis points.

While equity markets cheered the apparent confirmation of a September rate cut, Powell struck a cautious tone on the strength of the labor market and economy. The speech highlighted the recent increase in the unemployment rate and Powell emphasized that downside risks to the economy have increased. Economic commentary was similar to the post-July meeting press conference, albeit slightly more cautious. The July PCE release at the end of this week will provide the next major indication on the strength of the consumer and path of inflation.

Lowe’s and Target headlined the earnings news for the week, providing mixed reads on the consumer. Lowe’s reported a comparable sales decline of -5%, slightly worse than investor expectations, and lowered its full-year guidance. The company attributed the results to a difficult macro backdrop and a muted housing market. Shares fell slightly. Target’s stock rallied as the company showed signs of improvement following a period of subpar execution. The company reported a comparable sales increase of 2%, the first increase in five quarters. Target called out the consumer as resilient despite pressure from macro headwinds.

Earnings season has nearly concluded, with more than 90% of S&P 500 companies having reported. Aggregate S&P 500 Q2 EPS is up 10.9% YoY, the highest growth rate since Q4 2021.

The Week Ahead

Monday	Tuesday	Wednesday	Thursday	Friday
Durable Goods	House Price Index	FOMC Meeting Minutes	Jobless Claims	Personal Income Personal Spending PCE Price Index
	GEHC S	NVDA CRM CRWD HPQ	DELL MRVL ADSK LULU DG	

Market Snapshot

	Last Week	YTD	1yr
S&P 500	0.5%	19.2%	29.8%
DJIA	0.7%	10.6%	22.2%
Nasdaq 100	-0.2%	17.8%	33.1%
Russell 2000	2.4%	10.4%	21.5%
S&P 500 E/W	1.3%	11.6%	20.6%
2yr Yield	3.92%	-0.33%	-1.05%
10yr Yield	3.80%	-0.08%	-0.39%
VIX	15.9	3.4	0.18
WTI Crude	\$74.8	4.4%	-5.1%
Gold	\$2,513	21.8%	31.2%
Bitcoin	\$64,244	53.2%	146.9%

Economic Summary

	Actual	Expected	Prior (r)
US Leading Index (m/m)	-0.6%	-0.4%	-0.2%
Initial Jobless Claims	232k	232k	228k
Existing Home Sales	3.95m	3.94m	3.90m
Existing Home Sales (m/m)	1.3%	1.3%	-5.1%
New Home Sales	739k	623k	668k
New Home Sales (m/m)	10.6%	1.0%	0.3%

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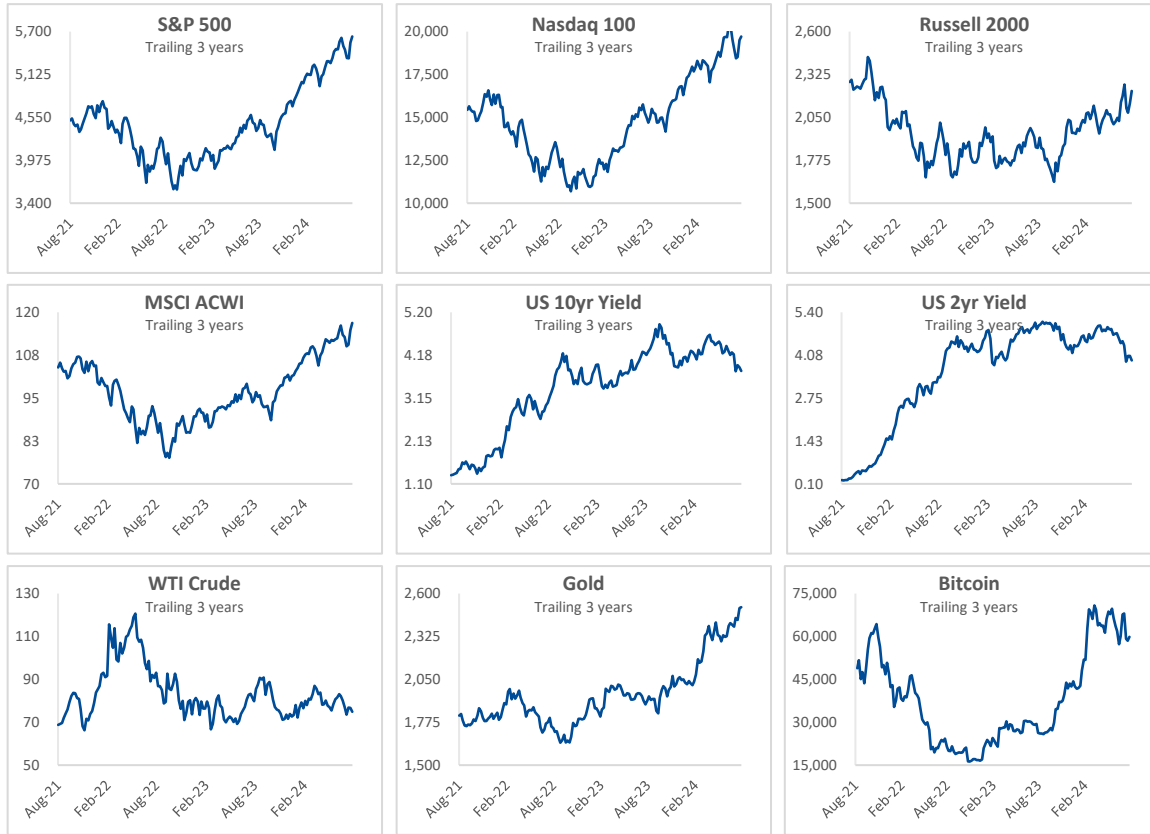
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Markets Monitor



S&P 500 Sector Heatmap Total Return YTD

S&P 500	Comm. Services	Cons. Discretionary	Cons. Staples
19.2%	21.1%	5.5%	15.3%
Energy	Financials	Healthcare	Industrials
9.5%	19.1%	14.8%	14.2%
Materials	Real Estate	Technology	Utilities
9.3%	10.1%	16.8%	21.0%

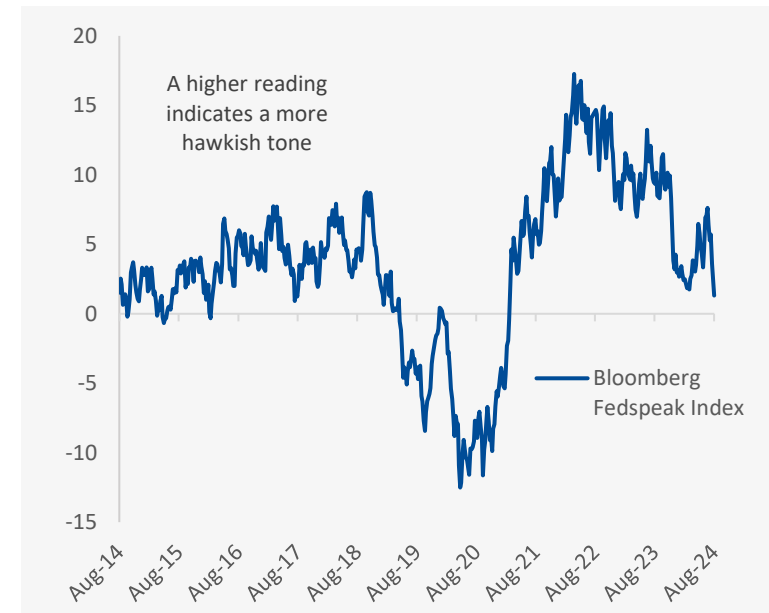
Last Week in Earnings

Date	Ticker	EPS	Revenue	Price chg
19-Aug	EL	Beat	Beat	-2.2%
	PANW	Beat	Beat	7.2%
20-Aug	LOW	Beat	Miss	-1.2%
21-Aug	TGT	Beat	Beat	10.3%
	ZM	Beat	Beat	13.0%
22-Aug	INTU	Beat	Beat	-6.8%

World Watch

	Last Week	YTD	1yr
MSCI ACWI	0.8%	15.6%	26.0%
MSCI Europe	1.7%	11.9%	22.0%
MSCI APAC	0.9%	11.2%	20.1%
DXY Index	100.7	-0.6%	-2.6%
EUR / USD	\$1.12	0.3%	1.1%
GBP / USD	\$1.32	3.8%	4.8%
USD / JPY	144.1	2.2%	-1.7%
USD / CNY	7.12	0.3%	-2.2%

FedSpeak, as measured by Bloomberg's language processing model, is the most dovish since Covid



Sources: Bloomberg, Logia Portfolio Management, Sunflower Bank.



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