



WEEK OF SEPTEMBER 30, 2024

Market Update

Propelled by Chinese stimulus measures, international equities led the way last week. The yield curve steepened slightly. Economic data was mixed: business confidence rose but consumer confidence and personal spending reports disappointed.

Quick Hits

- 1. Report releases:** Personal income and spending growth slowed in August.
- 2. Financial market data:** China launched a slew of measures to support its stock market and consumers.
- 3. Looking ahead:** This week's data will focus on business confidence and employment.

Report Releases: September 23–27, 2024

Preliminary S&P Global US Composite PMI
September (Monday)

The S&P Global US Composite PMI fell but was better than expected. Services came in as expected at 55.2. Manufacturing, on the other hand, rose but fared slightly worse than expected at 48.6. Because the services component makes up the majority of the U.S. economy, the overall rise was welcome.

- Expected/prior month composite PMI: 54.0/54.6
- Actual composite PMI: 54.4



Conference Board Consumer Confidence Index
September (Tuesday)

Consumer confidence fell more than expected due to worsening consumer views on current economic conditions. Concerns about the health of the labor market were the cause of the souring confidence.

- Expected/prior month consumer confidence: 104.0/105.6
- Actual consumer confidence: 98.7



Preliminary Durable Goods Orders
August (Wednesday)

Headline durable goods orders were unchanged, defying economist forecasts for a drop. Core order growth also impressed, rising a healthy 0.5 percent against calls for a 0.1 percent increase.

- Expected/prior durable goods orders monthly change: -2.6%/+9.9%
- Actual durable goods orders change: +0.0%
- Expected/prior core durable goods orders monthly change: +0.1%/-0.1%
- Actual core durable goods orders change: +0.5%



Personal Spending and Personal Income
August (Friday)

Although personal income and spending growth came in below economist estimates, August was the 17th consecutive month with spending growth.

- Expected/prior personal income monthly change: +0.4%/+0.3%
- Actual personal income change: +0.2%
- Expected/prior personal spending monthly change: +0.3%/+0.5%
- Actual personal spending change: +0.2%



>> The Takeaway

- Business confidence, as measured by S&P Global US Composite PMI, increased slightly in September.
- Consumer confidence and personal spending missed expectations in September and August, respectively.

Financial Market Data

Equity

Index	Week-to-Date	Month-to-Date	Year-to-Date	12-Month
S&P 500	0.64%	1.70%	21.55%	36.22%
Nasdaq Composite	0.96%	2.36%	21.37%	39.45%
DJIA	0.59%	1.92%	13.89%	28.63%
MSCI EAFE	3.75%	2.48%	14.73%	27.68%
MSCI Emerging Markets	6.21%	7.01%	17.23%	27.06%
Russell 2000	-0.13%	0.41%	10.85%	26.92%

Source: Bloomberg, as of September 27, 2024

Emerging and international markets led the way as China rolled out multiple stimulus measures to try to lift consumer confidence and achieve its goal of 5 percent economic growth by GDP. The measures included cuts to bank reserve rates and medium-term lending rates; a swap facility to fund brokers, funds, and insurers; and another fund to help facilitate company buybacks. The result was a move of more than 18 percent, as measured by the MSCI China Index. European stocks also rallied, sending the MSCI EAFE higher.

Fixed Income

Index	Month-to-Date	Year-to-Date	12-Month
U.S. Broad Market	1.58%	4.69%	12.07%
U.S. Treasury	1.44%	4.08%	10.30%
U.S. Mortgages	1.50%	4.82%	12.91%
Municipal Bond	0.93%	2.24%	10.05%

Source: Bloomberg, as of September 27, 2024

The yield curve continued to steepen on the margins as short-term rates fell and long-term rates rose incrementally. The 2-year fell 1 basis point (bp) to close at 3.56 percent. The 10- and 30-year yields increased 2 bps and 3 bps, respectively, closing at 3.75 percent and 4.1 percent, respectively.

>> The Takeaway

- China was the story, launching multiple stimulus measures and propelling emerging markets higher.
- The yield curve steepened slightly.

Looking Ahead

This week's data will focus on business confidence and the employment picture.

- The week kicks off on Tuesday with the release of the **JOLTS Job Openings Report** for August and **ISM Manufacturing index** for September. Job openings have fallen an average of roughly 280,000 over the past two months. Investors will watch to see if the trend eases. Manufacturer confidence is expected to improve modestly yet remain in contractionary territory in September.
- On Thursday, the **ISM Services index** for September will be released. Service sector confidence is expected to remain unchanged after improving more than expected in August.
- Finally, the week will wrap on Friday with the **employment report** for September. Hiring is set to slow; economists expect to see that 130,000 jobs were added. The unemployment rate is expected to remain unchanged at 4.2 percent.





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measures the performance of all issues listed in the Nasdaq Stock Market, except for rights, warrants, units, and convertible debentures. The Dow Jones Industrial Average is computed by summing the prices of the stocks of 30 large companies and then dividing that total by an adjusted value, one which has been adjusted over the years to account for the effects of stock splits on the prices of the 30 companies. Dividends are reinvested to reflect the actual performance of the underlying securities. The MSCI EAFE Index is a float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a market capitalization-weighted index composed of companies representative of the market structure of 26 emerging market countries in Europe, Latin America, and the Pacific Basin. The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index. The Bloomberg US Aggregate Bond Index is an unmanaged market value-weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. The U.S. Treasury Index is based on the auctions of U.S. Treasury bills, or on the U.S. Treasury's daily yield curve. The Bloomberg US Mortgage Backed Securities (MBS) Index is an unmanaged market value-weighted index of 15- and 30-year fixed-rate securities backed by mortgage pools of the Government National Mortgage Association (GNMA), Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (FHLMC), and balloon mortgages with fixed-rate coupons. The Bloomberg US Municipal Index includes investment-grade, tax-exempt, and fixed-rate bonds with long-term maturities (greater than 2 years) selected from issues larger than \$50 million. One basis point is equal to 1/100th of 1 percent, or 0.01 percent.

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