

# Monthly Newsletter

## September 2024



### Monthly Market Recap

Historically, August has been a challenging month for stocks, yet momentum in the markets seems to have continued in a positive direction. The S&P 500 gained 2.4%, the DJIA rose by 2%, and the NASDAQ increased by 0.7%.

Job growth in July slowed more than anticipated, with the unemployment rate ticking up to 4.3%. The labor market, which had been a pillar of strength in the economy, is now showing signs of cooling. The U.S. added 114,000 jobs in July, a figure below the downwardly revised estimate. This has sparked market volatility and fears of a potential recession, as investors worry that the Federal Reserve may be delaying interest rate cuts for too long. The mixed economic signals have left markets closely watching the Fed's next moves.

Inflation continued to edge up in July, largely driven by rising housing costs. The CPI rose 0.2% from June, bringing the annual rate to 2.9%, its lowest since March 2021. Excluding food and energy, Core CPI also increased by 0.2% in June and fell to 3.2% year-over-year, the lowest since April 2021. Notably, a 0.4% rise in shelter costs accounted for 90% of the overall inflation increase, defying the Fed's expectations for easing in this area.

With inflation gradually easing towards the Fed's 2% target and the labor market cooling, the likelihood of interest rate cuts is increasing. At the Jackson Hole Economic Symposium, Federal Reserve Chair Jerome Powell indicated that "the time has come for policy to adjust," suggesting rate cuts could begin as early as September.

As second-quarter earnings reports wrap up, analysts are forecasting a 10.9% earnings growth for S&P 500 companies, the highest year-over-year growth since Q4 2021.

As August rebounded from a recent global sell-off, the S&P rallied for eight consecutive days, marking historic weekly gains. While the tech sector has slowed this past month, industrials have gained momentum.

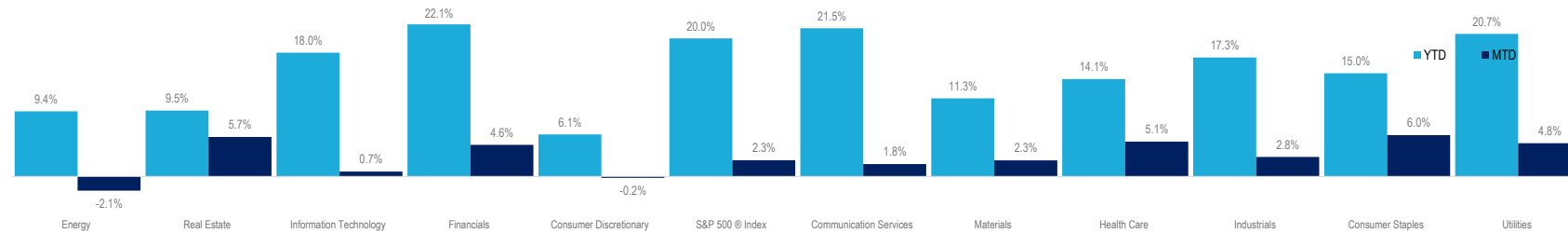
Overall, August's market conditions suggest a stable economic environment, further supported by stronger-than-expected consumer spending, as retail sales advanced 1% for the month, demonstrating the resilience of consumers.

Looking ahead, September, traditionally a difficult month for the market, may surprise due to potential interest rate cuts and the looming election. As we move into the fall, we remain cautiously optimistic that the markets can sustain the positive momentum they've shown throughout the year.

|                              | Index Return % |          |
|------------------------------|----------------|----------|
|                              | MTD            | YTD      |
| <b>Equities</b>              |                |          |
| S&P 500                      | 2.4%           | 19.5%    |
| Russell 3000                 | 2.2%           | 18.2%    |
| Nasdaq                       | 0.7%           | 18.6%    |
| Dow Jones                    | 2.0%           | 11.7%    |
| <b>Fixed Income</b>          |                |          |
| US Aggregate                 | 1.4%           | 3.1%     |
| US Corporate High Yield      | 1.6%           | 6.3%     |
| <b>Economic Metrics</b>      |                |          |
|                              | Rate %         |          |
|                              | Jul-24         |          |
| US Unemployment Rate         | 4.30%          |          |
| US Inflation Rate            | 2.89%          |          |
| <b>Levels</b>                |                |          |
| <b>Commodities</b>           |                |          |
|                              | Jul-24         | Aug-24   |
| Oil (WTI)                    | 79.36          | 78.40    |
| Gold                         | 2,426.30       | 2,513.40 |
| DowJ. Commodity Index        | 975.97         | 972.38   |
| <b>Interest Rates</b>        |                |          |
|                              | Rate %         |          |
|                              | Jul-24         |          |
|                              | Aug-24         |          |
| 10 Year Treasury Rate        | 4.09%          | 3.87%    |
| 30 Year Treasury Rate        | 4.35%          | 4.15%    |
| 30 Year Mortgage Rate        | 6.78%          | 6.35%    |
| US Corp. AAA Effective Yield | 4.65%          | 4.39%    |

All numbers reported are as of Aug 31 2024

| Major Economic Events | Date      |
|-----------------------|-----------|
| Employment Situation  | 6-Sep     |
| Inflation Rate        | 11-Sep    |
| FOMC Meeting          | 17-18 Sep |



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**Sources**

|                                     |   |
|-------------------------------------|---|
| S&P 500 Performance                 | <a href="https://ycharts.com/indices/%5ESPXTR/level">https://ycharts.com/indices/%5ESPXTR/level</a>   |
| Russell 3000 Performance            | <a href="https://ycharts.com/indices/%5ERUATR/level">https://ycharts.com/indices/%5ERUATR/level</a>   |
| Nasdaq Performance                  | <a href="https://ycharts.com/indices/%5ENA100TR/level">https://ycharts.com/indices/%5ENA100TR/level</a>   |
| Dow Jones Performance               | <a href="https://ycharts.com/indices/%5EDJITR">https://ycharts.com/indices/%5EDJITR</a>   |
| US Aggregate Performance            | <a href="https://ycharts.com/indices/%5EBBUSATR">https://ycharts.com/indices/%5EBBUSATR</a>   |
| US Corporate High Yield Performance | <a href="https://ycharts.com/indices/%5EBBUSCOHYTR">https://ycharts.com/indices/%5EBBUSCOHYTR</a>   |
| US Unemployment Rate                | <a href="https://ycharts.com/indicators/us_unemployment_rate">https://ycharts.com/indicators/us_unemployment_rate</a>   |
| US Inflation Rate                   | <a href="https://ycharts.com/indicators/us_inflation_rate">https://ycharts.com/indicators/us_inflation_rate</a>   |
| 10 Year Treasury Rate               | <a href="https://ycharts.com/indicators/10_year_treasury_rate">https://ycharts.com/indicators/10_year_treasury_rate</a>   |
| 30 Year Treasury Rate               | <a href="https://ycharts.com/indicators/30_year_treasury_rate">https://ycharts.com/indicators/30_year_treasury_rate</a>   |
| 30 Year Mortgage Rate               | <a href="https://ycharts.com/indicators/30_year_mortgage_rate">https://ycharts.com/indicators/30_year_mortgage_rate</a>   |
| US Corp. AAA Effective Yield        | <a href="https://ycharts.com/indicators/us_coporate_aaa_effective_yield">https://ycharts.com/indicators/us_coporate_aaa_effective_yield</a>   |
| European Markets Performance        | <a href="https://russellinvestments.com/middle-east/global-market-outlook#ColorBoxesRoot_5c2d1932-eb2f-4ad5-a377-5c496b847736">https://russellinvestments.com/middle-east/global-market-outlook#ColorBoxesRoot_5c2d1932-eb2f-4ad5-a377-5c496b847736</a> |
| Sectors & Industries Performance    | <a href="https://ycharts.com">https://ycharts.com</a>   |
| Dow Jones Commodity Index           | <a href="https://ycharts.com/indices/%5EDJCI">https://ycharts.com/indices/%5EDJCI</a>   |
| Gold Price                          | <a href="https://ycharts.com/indicators/gold_price_in_us_dollar">https://ycharts.com/indicators/gold_price_in_us_dollar</a>   |
| Crude Oil Price                     | <a href="https://ycharts.com/indicators/wti_crude_oil_spot_price">https://ycharts.com/indicators/wti_crude_oil_spot_price</a>   |

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