

Weekly Market Recap

The week in review

- Prelim mfg. PMI fell to 48.0 while the svcs. PMI rose to 55.2
- Revisions removed 818k jobs from payroll employment

The week ahead

- 2Q GDP (second estimate)
- PCE

Thought of the week

Initial jobless claims have risen in recent months, averaging 236k since early June versus 213k in the first five months of 2024. Claims were volatile in July and, on two occasions, spiked to their highest levels since last August. This, in tandem with a weaker Jobs report, stoked fears of a rapidly cooling labor market. Interestingly, a deeper dive into state-level data suggests that two states are largely to blame for the swings in claims: Texas and Michigan.

In these states, three of the last six weeks have shown week-to-week changes in initial claims that surpass one standard deviation in magnitude based on data back to 1988. In Michigan, larger temporary auto plant closures in July likely pressured more individuals to file for unemployment. In Texas, storm-related issues forced individuals out of work as the jump in claims coincided with Hurricane Beryl's landfall in the state. These spikes proved temporary, however, and claims in both states have retraced lower. For the week ended August 17, initial claims settled at 232k, higher than prints earlier this year but below the average 244k reported in the five years before the pandemic. While weekly prints may be volatile, long-term investors should focus on longer-term trends, which show a labor market that is slowing, but not one that is rapidly deteriorating.

Beyond claims, BLS revisions released last week removed 818k jobs from payroll employment in March 2024. This suggests the labor market was weaker than reported in 2023, but also that strong productivity gains should be revised upward. In his speech at Jackson Hole, Chair Powell expressed more confidence in the disinflation process and noted the FOMC does "not seek or welcome" further cooling in the labor market. This cements a first rate cut in September, creating a sense of urgency for investors to lock in attractive yields before they move lower.

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	5635	1.47	3.39	19.20	28.91	31.79
Dow Jones 30	41175	1.29	5.51	10.56	21.83	23.82
Russell 2000	5514	3.62	8.53	10.41	20.43	4.87
Russell 1000 Growth	2450	1.25	1.04	21.95	34.73	32.02
Russell 1000 Value	1127	1.92	6.53	13.59	20.92	22.51
MSCI EAFE	2439	2.76	5.66	11.74	21.02	14.94
MSCI EM	1101	0.71	2.07	9.91	16.80	-2.38
NASDAQ	17878	1.41	0.92	19.66	31.28	22.51

Fixed Income	Yield	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.34	0.67	4.34	3.60	8.61	-5.80
U.S. Corporates	4.87	0.75	4.61	4.11	10.84	-5.66
Municipals (10yr)	3.19	0.11	1.69	0.09	4.85	-1.45
High Yield	7.56	0.71	3.40	6.07	13.28	8.41

Key Rates	Levels (%)					
	8/23/24	8/16/24	6/28/24	12/29/23	8/23/23	8/23/21
2-yr U.S. Treasuries	3.90	4.06	4.71	4.23	4.95	0.23
10-yr U.S. Treasuries	3.81	3.89	4.36	3.88	4.19	1.25
30-yr U.S. Treasuries	4.10	4.15	4.51	4.03	4.27	1.87
10-yr German Bund	2.23	2.25	2.47	2.00	2.53	-0.48
SOFR	5.31	5.32	5.33	5.38	5.30	0.05
3-mo. EURIBOR	3.53	3.56	3.71	3.91	3.83	-0.55
6-mo. CD rate	2.28	2.30	2.38	2.23	2.19	0.14
30-yr fixed mortgage	6.50	6.50	7.03	6.76	7.31	3.03
Prime Rate	8.50	8.50	8.50	8.50	8.50	3.25

Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
21.27	4.68	1.25	47322	
18.67	4.92	1.72	14559	
24.93	1.91	1.31	2623	
28.73	12.07	0.54	27049	
16.37	2.59	1.99	24604	
13.89	1.82	2.71	17428	
11.98	1.64	2.19	7653	
27.68	6.32	0.66	28978	

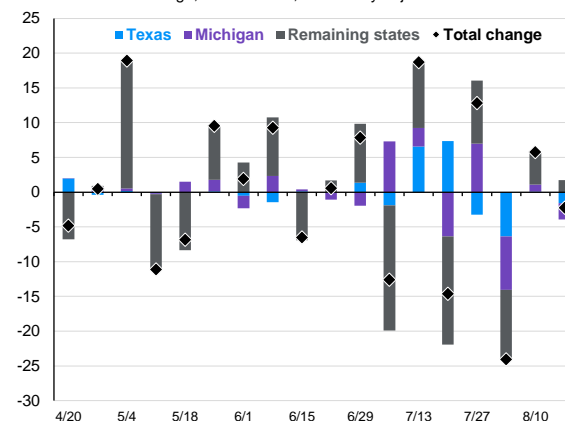
Levels			
Currencies	8/23/24	12/29/23	8/23/23
\$ per €	1.12	1.10	1.08
\$ per £	1.32	1.27	1.27
¥ per \$	145.16	140.98	144.75

Levels			
Commod.	8/23/24	12/29/23	8/23/23
Oil (WTI)	73.02	71.89	78.91
Gasoline	3.38	3.12	3.87
Natural Gas	2.06	2.58	2.60
Gold	2511	2078	1917
Silver	29.44	23.79	23.75
Copper	9072	8476	8378
Corn	3.64	4.59	5.26
BBG Idx	229.24	226.43	235.67

Chart of the Week

Change in initial jobless claims

Week-over-week change, in thousands, seasonally adjusted at the state level



Style Returns

	V	B	G
L	1.9	1.5	1.3
M	2.6	2.4	1.9
S	3.8	3.6	3.4
	V	B	G
L	13.6	19.2	22.0
M	12.2	11.8	10.0
S	9.0	10.4	11.9

S&P 500 Sector Returns

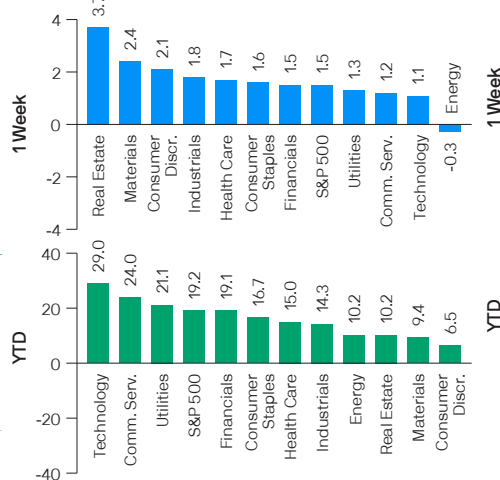




Chart of the Week: Source: Department of Labor, Haver Analytics, J.P. Morgan Asset Management. Change in aggregated state-level initial claims may not equal the change in reported initial claims due to seasonal adjustments being applied to state-level data.

Thought of the week: Source: BLS, Department of Labor, Haver Analytics, 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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