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Market Week: March 4, 2024

The Markets (as of market close March 1, 2024)

Wall Street continued its February rally into March as stocks closed last week notably higher with the exception of the Dow, which ticked lower. Investor enthusiasm about tech shares, particularly AI stocks, helped drive the upturn. Inflation data also was positive. While consumer prices ticked up in January, the 12-month rate actually declined, lessening concerns that the Federal Reserve would delay interest rate cuts beyond this year. Information technology led the market sectors, with real estate and consumer discretionary also moving higher. The yield on 10-year Treasuries fell as bond prices advanced. Crude oil prices ended the week higher. The dollar slipped lower, while an end-of-week rally helped drive gold prices up.

Last Monday saw stocks step back from the prior week's record highs as investors awaited the latest inflation data. Among the benchmark indexes listed here, only the Russell 2000 gained, finishing the session up 0.7%. The remaining indexes closed the day in the red, with the S&P 500 falling 0.4%, while the Global Dow dropped 0.3%. the Dow and the Nasdaq dipped about 0.1%. Ten-year Treasury yields inched up to 4.29% after gaining 3.9 basis points. Crude oil prices rose $1.17 to $77.66 per barrel. The dollar and gold prices declined.

Stocks were mixed last Tuesday, with the Russell 2000 (1.4%) extending gains from the previous session. The Nasdaq advanced 0.4%, the Global Dow rose 0.3%, and the S&P 500 ticked up 0.2%. The Dow dipped 0.3%. Crude oil prices rose to $78.65 per barrel after gaining $1.07 due to supply concerns and a stronger U.S. demand. Ten-year Treasury yields settled at 4.31%. The dollar and gold prices were flat.

Wall Street saw stocks slip lower last Wednesday as investors were a bit apprehensive ahead of the upcoming inflation report. Each of the benchmark indexes listed here closed the session lower, with the Russell 2000 falling the furthest (-0.8%), followed by the Nasdaq (-0.6%), the Global Dow (-0.3%), and the Dow (-0.1%). Ten-year Treasury yields dipped 4.1 basis points to 4.27%. Crude oil prices declined $0.45 to $78.42 per barrel. The dollar and gold prices were flat.

Stocks closed higher last Thursday as investors gained some relief that the latest price inflation data matched expectations. The Nasdaq gained 0.9% to reach an all-time high. The Russell 2000 added 0.7%, the S&P 500 gained 0.5%, while the Dow and the Global Dow inched up 0.1%. Ten-year Treasury yields slipped to 4.25%. Crude oil prices settled at $78.25 per barrel after falling $0.29. The dollar and gold prices closed higher.

The Nasdaq and the S&P 500 reached new record highs last Friday. The Nasdaq gained 1.1% to lead the benchmark indexes listed here, followed by the Russell 2000 (1.0%), the S&P 500 (0.8%), the Global Dow (0.6%), and the Dow (0.2%). Ten-year Treasury yields fell 7.2 basis points to end the day at 4.18%. The dollar dipped lower while gold prices rose 1.8%. Crude oil prices gained $1.47 to reach $79.80 per barrel.

Key Dates/Data Releases
3/5: S&P Services PMI
3/6: JOLTS
3/7: International trade in goods and services
3/8: Employment situation

Stock Market Indexes

Market/Index	2023 Close	Prior Week	As of 3/1	Weekly Change	YTD Change
DJIA	37,689.54	39,131.53	39,087.38	-0.11%	3.71%
Nasdaq	15,011.35	15,996.82	16,274.94	1.74%	8.42%
S&P 500	4,769.83	5,088.80	5,137.08	0.95%	7.70%
Russell 2000	2,027.07	2,016.69	2,076.39	2.96%	2.43%
Global Dow	4,355.28	4,515.13	4,539.46	0.54%	4.23%
fed. funds target rate	5.25%-5.50%	5.25%-5.50%	5.25%-5.50%	0 bps	0 bps
10-year Treasuries	3.86%	4.26%	4.18%	-8 bps	32 bps
US Dollar-DXY	101.39	103.96	103.88	-0.08%	2.46%
Crude Oil-CL=F	$71.30	$76.56	$79.80	4.23%	11.92%
Gold-GC=F	$2,072.50	$2,045.30	$2,092.40	2.30%	0.96%

Chart reflects price changes, not total return. Because it does not include dividends or splits, it should not be used to benchmark performance of specific investments.

Last Week's Economic News

- Gross domestic product (GDP) grew at an annualized rate of 3.2% in the fourth quarter of 2023, according to the second estimate. In the third quarter, GDP increased 4.9%. Compared to the third quarter of 2023, the deceleration in GDP in the fourth quarter primarily reflected a downturn in private inventory investment and slowdowns in federal government spending, residential fixed investment, and consumer spending. Imports, which are a negative in the calculation of GDP, decelerated. The personal consumption expenditures (PCE) price index increased 1.8%, an upward revision of 0.1 percentage point. Excluding food and energy prices, the PCE price index increased 2.1%, an upward revision of 0.1 percentage point. Personal consumption expenditures rose 3.0% in the fourth quarter, compared to a 3.1% advance in the third quarter.
- Personal income rose 1.0% in January, while consumer spending inched up 0.2%, down from December's 0.7% increase. The personal consumption expenditures price index, a noted measure of inflation, rose 0.3% in January after ticking up 0.1% (revised) in December. However, the 12-month rate rose 2.4%, down from 2.6% for the year ended in December, and closer to the Federal Reserve's goal of 2.0% inflation. Core prices, less food and energy, advanced 0.4% in January (0.1% in December) and 2.8% for the year ended in January (2.9% for the 12 months ended in December).
- Sales of new single-family homes rose 1.5% in January, a pace that was slightly below expectations. Since January 2023, sales rose 1.8%. The median sales price of new single-family houses sold in January was $420,700 ($413,100 in December). The average sales price was $534,300 ($493,400 in December). Inventory of homes for sale stood at an 8.3-month supply in January, the same as in December.
- New orders for manufactured durable goods decreased 6.1% in January, marking the third monthly decline out of the last four months. Excluding transportation, new orders decreased 0.3%. Excluding defense, new orders decreased 7.3%. Transportation equipment, also down three of the last four months, led the decrease, falling 16.2%.
- The international trade in goods deficit was $90.2 billion in January, up $2.3 billion, or 2.6%, from $87.9 billion in December. Exports of goods for January were $170.4 billion, $0.4 billion, or 0.2%, more than December exports. Imports of goods for January were $260.6 billion, $2.7 billion, or 1.1%, more than December imports.
- Manufacturing accelerated in February for the second straight month, according to the S&P survey of purchasing managers. The February S&P Global US Manufacturing Purchasing Managers' Index™ was 52.2, up from 50.7 in January. The February reading marked the strongest improvement in operating conditions in the manufacturing sector since July 2022. New orders grew at the fastest pace in 21 months, while export orders expanded for the first time in three months. Overall, total sales rose at the sharpest pace since May 2022.
- The national average retail price for regular gasoline was $3.249 per gallon on February 26, $0.020 per gallon less than the prior week's price and $0.093 per gallon less than a year ago. Also, as of February 26, the East Coast price decreased $0.026 to $3.204 per gallon; the Midwest price fell $0.024 to $3.098

per gallon; the Gulf Coast price decreased $0.056 to $2.845 per gallon; the Rocky Mountain price advanced $0.060 to $2.982 per gallon; and the West Coast price increased $0.025 to $4.082 per gallon.

- For the week ended February 24, there were 215,000 new claims for unemployment insurance, an increase of 13,000 from the previous week's level, which was revised up by 1,000. According to the Department of Labor, the advance rate for insured unemployment claims for the week ended February 17 was 1.3%, an increase of 0.1 percentage point from the previous week's rate. The advance number of those receiving unemployment insurance benefits during the week ended February 17 was 1,905,000, an increase of 45,000 from the previous week's level, which was revised down by 2,000. States and territories with the highest insured unemployment rates for the week ended February 10 were New Jersey (2.8%), Rhode Island (2.7%), Minnesota (2.5%), Massachusetts (2.4%), California (2.3%), Illinois (2.3%), Montana (2.1%), Alaska (2.0%), New York (2.0%), Pennsylvania (2.0%), and Washington (2.0%). The largest increases in initial claims for unemployment insurance for the week ended February 17 were in Oklahoma (+1,802), Ohio (+915), Tennessee (+490), Iowa (+387), and the District of Columbia (+198), while the largest decreases were in California (-8,980), Kentucky (-3,671), Michigan (-1,905), New York (-1,643), and Illinois (-1,431).

Eye on the Week Ahead

The employment sector is front and center this week with the releases of the latest Job Openings and Labor Turnover Survey and the employment situation. The numbers of job openings, hires and separations have been relatively consistent over the past few months and are expected to stay in line with recent trends. On the other hand, employment rose by an unexpectedly high 353,000 in January, which, when coupled with upward revisions for November and December, shows the employment sector has remained strong.

Data sources: Economic: Based on data from U.S. Bureau of Labor Statistics (unemployment, inflation); U.S. Department of Commerce (GDP, corporate profits, retail sales, housing); S&P/Case-Shiller 20-City Composite Index (home prices); Institute for Supply Management (manufacturing/services). Performance: Based on data reported in WSJ Market Data Center (indexes); U.S. Treasury (Treasury yields); U.S. Energy Information Administration/Bloomberg.com Market Data (oil spot price, WTI, Cushing, OK); www.goldprice.org (spot gold/silver); Oanda/FX Street (currency exchange rates).

The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 largest, publicly traded companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange. The Russell 2000 is a market-cap weighted index composed of 2,000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks worldwide. The U.S. Dollar Index is a geometrically weighted index of the value of the U.S. dollar relative to six foreign currencies. Market indexes listed are unmanaged and are not available for direct investment.
