

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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**Mike Graziano, CMT®, CRPC®, CFP®, Chief Investment Officer**

Graziano Budny Wealth Management Group, LLC

6143 S Willow Drive | Suite 310 | Greenwood Village, CO 80111

720.583.6363 | 720.458.0773 fax | [www.grazianobudny.com](http://www.grazianobudny.com) | [mgraziano@grazianobudny.com](mailto:mgraziano@grazianobudny.com)

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Authored by the Investment Research team at Commonwealth Financial Network®

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