

Full Market Commentary

The Week on Wall Street

Stocks rallied last week as investors received better-than-expected consumer and producer inflation data.

The Dow Jones Industrial Average rose 2.60 percent, while the Standard & Poor's 500 Index gained 4.02 percent. The Nasdaq Composite led, picking up 5.95 percent as tech stocks rebounded. The MSCI EAFE Index, which tracks developed overseas stock markets, rose 1.01 percent.^{1,2}

A Wednesday to Remember

Stocks bounced out of the gate at the start of the week as “risk on” investors made moves before the pending release of the twin inflation reports—the Consumer Price Index (CPI) and Producer Price Index (PPI). The three major averages added slightly more than 1 percent in Monday trading.³

On Wednesday, stocks initially dipped following the release of the CPI as traders appeared disappointed by the report. By midday, sentiment changed. The S&P 500, down as much as 1.6 percent in early trading, gained 1.1 percent by the closing bell. More inflation data out Thursday showed wholesale price increases were tempered, which helped stocks move higher through the balance of the week.^{4,5}

Small Caps Shine

Small-cap stocks, as measured by the Russell 2000 Index, have pushed higher in recent weeks, which is a telling move for some Wall Street observers. The Russell 2000 has outperformed the S&P 500 by more than 4 percent during Q3 so far.⁶

One reason is that smaller stocks tend to respond when they anticipate interest rates will trend lower. Investors appear to be positioning themselves in small cap issues, expecting the Fed may adjust rates at its September meeting as it looks to guide the economy to a soft landing.⁷

Best Regards,



THIS WEEK: KEY ECONOMIC DATA

Monday: Empire State Manufacturing Index.

Tuesday: FOMC meeting – Day 1. Retail Sales. Industrial Production. Fed Official Lorie Logan speaks.

Wednesday: FOMC meeting – Day 2. Housing Starts and Permits. FOMC Announcement. Fed Chair Press Conference.

Thursday: Existing Home Sales. Weekly Jobless Claims.

Friday: Fed Official Patrick Harker speaks.

Source: Investors Business Daily - Econoday economic calendar; September 13, 2024

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

THIS WEEK: COMPANIES REPORTING EARNINGS

Wednesday: General Mills, Inc. (GIS)

Thursday: FedEx Corporation (FDX)

Source: Zacks, September 13, 2024

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1. The Wall Street Journal, September 13, 2024
2. Investing.com, September 13, 2024
3. The Wall Street Journal, September 10, 2024
4. The Wall Street Journal, September 11, 2024
5. CNBC.com, September 12, 2024
6. The Wall Street Journal, September 13, 2024
7. MarketWatch.com, September 12, 2024
8. IRS.gov, May 8, 2024
9. Healthline, May 8, 2024