

## Full Market Commentary

### The Week on Wall Street

Stocks moved higher last week after the Federal Reserve's half-point rate cut, bolstered by multiple data points supporting a cooling but still strong economy and decelerating inflation.

The Standard & Poor's 500 Index gained 1.36 percent, while the Nasdaq Composite rose 1.49 percent. The Dow Jones Industrial Average moved ahead by 1.62 percent. The MSCI EAFE Index, which tracks developed overseas stock markets, inched up 0.42 percent.<sup>1,2</sup>

### Fed Cuts Rate 0.5 Percent

Stocks traded in a narrow range for the first half of the week as anxious investors awaited the outcome of the Federal Open Market Committee's (FOMC) September meeting.<sup>3,4</sup>

Shortly after 2 pm ET Wednesday, the Fed announced it was cutting rates by a half percentage point—a more significant cut than some investors anticipated. Stocks initially rose in response and then fell. Some market watchers attributed the decline to concern that the Fed might be concerned about economic growth.<sup>5,6</sup>

But after sleeping on it, stocks rallied Thursday, with the Nasdaq, S&P, and Dow climbing 2.5 percent, 1.7 percent, and 1.3 percent, respectively. The Dow topped 42,000 for the first time, while the S&P crossed the 5,700 mark.<sup>7,8</sup>

### Fed's Move

The half-point cut was the first change in the Fed Funds Rate in 14 months and the first reduction in 4½ years, bringing its target range to 4.75-5.0 percent. Fed Chair Powell said the decision reflected the Committee's "greater confidence that inflation is moving sustainably toward 2 percent" and that the "risks to achieving its employment and inflation goals are roughly in balance."<sup>9</sup>

Best Regards,



## **THIS WEEK: KEY ECONOMIC DATA**

**Monday:** Fed Officials Raphael Bostic, Austan Goolsbee and Neel Kashkari speak.

**Tuesday:** Case-Shiller Home Price Index. Consumer Confidence.

**Wednesday:** New Home Sales. EIA Petroleum Status Report.

**Thursday:** Gross Domestic Product. Durable Goods. Fed Chair Powell speaks. Pending Home Sales. Fed Officials Michael Barr, John Williams and Neel Kashkari speak. 7-Year Treasury Note Auction.

**Friday:** Personal Income & Outlays. International Trade in Goods. Consumer Sentiment.

Source: Investors Business Daily - Econoday economic calendar; September 19, 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**

**Tuesday:** AutoZone, Inc. (AZO)

**Wednesday:** Micron Technology, Inc. (MU), Cintas Corporation (CTAS)

**Thursday:** Costco Wholesale Corporation (COST)

Source: Zacks, September 19, 2024

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1. The Wall Street Journal, September 20, 2024
2. Investing.com, September 20, 2024
3. CNBC.com, September 16, 2024
4. The Wall Street Journal, September 18, 2024
5. CNBC.com, September 18, 2024
6. The Wall Street Journal, September 18, 2024
7. The Wall Street Journal, September 19, 2024
8. The Wall Street Journal, September 20, 2024
9. The Wall Street Journal, September 18, 2024
10. IRS.gov, May 8, 2024
11. Travelandleisure.com, May 8, 2024