

Full Market Commentary

The Week on Wall Street

Stocks moved higher last week, continuing to build on the momentum generated after the Federal Reserve decided to cut short-term rates by 0.50 percent.

The Standard & Poor's 500 Index gained 0.59 percent, while the Nasdaq Composite rose 0.95 percent. The Dow Jones Industrial Average added 0.62 percent. The MSCI EAFE Index, which tracks developed overseas stock markets, gained an eye-catching 3.53 percent.^{1,2}

Congress Passes Spending Bill

Stocks started the week tepidly but in the green, as investors mostly shrugged off Tuesday's weak consumer confidence report. Then, at midweek, markets put on the brakes as investors appeared to take profits after a four-day winning streak.^{3,4}

On Thursday, markets rallied on news that the final Q2 gross domestic product estimate showed the economy increased at an annual rate of 3.0 percent. Then Friday, the PCE, or Personal Consumption and Expenditures Index, showed inflation had cooled slightly more than expected in August, which some believe may influence the Fed's decisions on short-term rates at its November meeting.⁵

Finally, a continuing resolution was passed by both houses of Congress last week and signed by President Biden Friday morning, assuaging concerns over a government shutdown. The resolution funds the government until December 20.⁶

China's Stimulus Package

This week, the head-turning performance came from outside the U.S.

As measured by the MSCI EAFE (Europe, Australia, and Far East) Index, international stocks rose more than 3 percent following news of China's stimulus package, which could be as much as 2 trillion yuan, or \$284 billion. China's program also cut banks' reserve requirements and lowered a key short-term interest rate.

While the EAFE Index doesn't track stocks from Mainland China, the stimulus package had far-reaching implications for other countries.^{7,8}

Best Regards,



THIS WEEK: KEY ECONOMIC DATA

Monday: Fed Chair Jerome Powell speaks. Fed Official Michelle Bowman speaks.

Tuesday: ISM Manufacturing Index. Construction Spending. Fed Official Raphael Bostic speaks.

Wednesday: ADP Employment Report. Motor Vehicle Sales. Fed Officials Beth Hammack, Alberto Musalem, Michelle Bowman, and Thomas Barkin speak.

Thursday: Jobless Claims. Factory Orders. ISM Services Index. 10-Year Treasury Note announcement. Fed Officials Raphael Bostic and Neel Kashkari speak.

Friday: Employment Situation. Fed Official John Williams speaks.

Source: Investors Business Daily - Econoday economic calendar; September 27, 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: NIKE, Inc. (NKE), Paychex, Inc. (PAYX)

Thursday: Constellation Brands Inc (STZ)

Source: Zacks, September 27, 2024

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

1. The Wall Street Journal, September 27, 2024
2. Investing.com, September 27, 2024
3. CNBC.com, September 24, 2024
4. CNBC.com, September 25, 2024
5. BEA.gov, September 26, 2024
6. The Wall Street Journal, September 22, 2024 OR The Hill, September 25, 2024
7. The Wall Street Journal, September 27, 2024
8. The Wall Street Journal, September 27, 2023
9. cargurus.com, May 8, 2024
10. Runnersworld.com, May 8, 2024