



Market Recap – Wednesday, September 18, 2024

Major Indices (Price Returns)	Close	1-Day Change		WTD	MTD	YTD
S&P 500	5,618.26	-16.32	-0.29%	-0.14%	-0.53%	+17.79%
Dow Jones Industrial Average	41,503.10	-103.08	-0.25%	+0.26%	-0.14%	+10.12%
NASDAQ Composite	17,573.30	-54.76	-0.31%	-0.63%	-0.79%	+17.07%
Russell 2000	2,206.34	+0.86	+0.04%	+1.09%	-0.51%	+8.84%
MSCI EAFE (USD)	2,405.14	-8.16	-0.34%	-0.24%	-1.97%	+7.56%
MSCI Emerging Markets (USD)	1,087.75	-2.76	-0.25%	+0.50%	-1.11%	+6.25%
Bloomberg Commodity Index	97.12	+0.10	+0.10%	+0.97%	+1.08%	-1.54%
Bloomberg U.S. Aggregate Bond	94.38	-0.33	-0.35%	-0.24%	+1.48%	+2.92%

S&P 500 Sector Performance (Price Returns)

Sector	1-Day	YTD	Current P/E 10yr Avg.	Sector	1-Day	YTD	Current P/E 10yr Avg.
S&P 500	-0.29%	+17.8%	21.2x 18.3x	Health Care	-0.16%	+13.5%	19.8x 16.5x
Communication Services	+0.02%	+22.7%	18.4x 18.3x	Industrials	-0.09%	+15.3%	21.9x 19.0x
Consumer Discretionary	-0.19%	+9.2%	25.4x 26.3x	Information Technology	-0.51%	+24.3%	28.0x 20.0x
Consumer Staples	-0.44%	+16.4%	22.0x 19.6x	Materials	-0.38%	+8.7%	20.1x 16.8x
Energy	+0.25%	+4.8%	12.4x 15.4x	Real Estate	-0.30%	+11.3%	19.4x 18.9x
Financials	-0.28%	+19.6%	15.8x 14.3x	Utilities	-0.77%	+23.0%	18.2x 17.4x

Notable Movers

S&P 500 Top 5 Gains & Losses

Ticker	Company Name	1-Day	YTD	Ticker	Company Name	1-Day	YTD
WST	West Pharmaceutical Svcs	+4.5%	-12.2%	RMD	Resmed Inc	-5.1%	+38.4%
DLTR	Dollar Tree Inc	+3.0%	-46.7%	AVY	Avery Dennison Corp	-4.9%	+3.6%
MNST	Monster Beverage Corp Ne	+2.5%	-9.1%	SYN	Sysco Corp	-4.2%	+1.9%
GM	General Motors Co	+2.4%	+35.5%	ALB	Albemarle Corp	-3.6%	-40.1%
BIO	Bio Rad Labs Inc	+2.0%	+5.4%	INTC	Intel Corp	-3.3%	-58.7%

S&P 400 (Mid Cap) Top 5 Gains & Losses

Ticker	Company Name	1-Day	YTD	Ticker	Company Name	1-Day	YTD
PEN	Penumbra Inc	+4.6%	-22.2%	IRDM	Iridium Communications Inc	-3.2%	-33.4%
RGEN	Repligen Corp	+4.1%	-21.0%	WOLF	Wolfspeed Inc	-3.0%	-80.8%
KRC	Kilroy Rlty Corp	+4.0%	+0.4%	HLI	Houlihan Lokey Inc	-2.8%	+29.1%
COHR	Coherent Corp	+3.9%	+86.0%	EXEL	Exelixis Inc	-2.8%	+11.8%
ARWR	Arrowhead Pharmaceuticals	+3.8%	-32.1%	WFRD	Weatherford Intl Plc	-2.6%	-6.5%

Source: FactSet; P/E uses forward (next twelve months) consensus EPS estimate (FFO for Real Estate)

The Day Ahead – Thursday, September 19, 2024

S&P 500 futures are indicating a higher open this morning

Asian Markets	Overnight	YTD	1-Year	European Markets	Today	YTD	1-Year
Japanese Nikkei 225	+2.13%	+11.0%	+11.8%	London FTSE 100	+0.74%	+7.5%	+8.6%
Hong Kong Hang Seng	+2.00%	+5.7%	+0.1%	Euro STOXX 50	+1.93%	+9.0%	+16.1%
Shanghai Composite	+0.69%	-8.0%	-12.4%	Germany DAX	+1.42%	+13.3%	+21.1%
Commodities & FX	Current	Today	YTD	U.S. Treasuries	Current	Today	YTD
Crude Oil (WTI)	\$70.75	+1.2%	-1.3%	30-Year Yield	4.07%	+0.04	+0.03
Natural Gas (NYMEX)	\$2.25	-1.4%	-3.2%	10-Year Yield	3.73%	+0.02	-0.15
Gold	\$2,604	+0.2%	+25.7%	5-Year Yield	3.50%	+0.01	-0.35
Silver	\$31.13	+1.4%	+29.2%	2-Year Yield	3.59%	-0.03	-0.66
EUR/USD	1.113	+0.1%	+0.8%	3-Month Yield	4.73%	-0.03	-0.62
Dollar Index (DXY)	100.96	+0.4%	-0.4%	Current Fed Funds Target: 4.75% to 5.00%			

Sources: FactSet, Thomson Reuters

Economic Calendar	Release (PT)	Period	Actual	Consensus	Previous
Current Account SA	05:30	Q2	-\$266.8B	-\$261.0B	-\$241.0B
Continuing Jobless Claims SA	05:30	09/07	1.829K	1,856K	1,843K
Foreign Direct Investment	05:30	Q2	\$77.854M		\$73.571M
Initial Claims SA	05:30	09/14	219.0K	230.0K	231.0K
Philadelphia Fed Index SA	05:30	SEP	1.7	2.7	-7.0
Existing Home Sales SAAR	07:00	AUG	3.860K	3,900K	3,950K
Leading Indicators SA M/M	07:00	AUG	-0.2%	-0.3%	-0.6%
EIA Natural Gas Stocks	07:30	09/13			40.0B

Source: FactSet

Today's Earnings Releases (AM):				Today's Earnings Releases (PM):			
CBRL, DRI, DAVA, FDS				FDX, LEN, MLKN			
This Morning's Earnings Reports (vs. consensus)		This Morning's Earnings Guidance (vs. consensus)		This Morning's Analyst Reports (Street)			
Above:	FDS	Above:	X	Upgrades:	SAFE, PRLD, ELS, EFX, DASH, AFLYY		
In-Line:		In-Line:	GLW, DRI, FDS	Downgrades:	WSC, VSTO, RTO, PGNY, NREF, MUSA, LFT, HALO, FIVE, ELAN, CCO, CASY, ATHA		
Below:	CBRL, DRI	Below:	TEX				

Sources: Briefing.com, MarketWatch

Market Headlines	Company Headlines
<p>The S&P 500 has jumped higher in early trading this morning, up +1.88%. The Dow Jones Industrial Average is also up +1.29%. Major Asia-Pacific equity indices were up across the board overnight. European equity indices were also higher across the board at mid-session. Oil is trading up at around \$74.84/barrel. Gold is trading up slightly at +0.05% and the 10-year U.S. Treasury yield is up to ~3.77%.</p> <p>The Federal Open Market Committee lowered interest rates by -0.5% yesterday in its first cut since the start of the pandemic in early 2020. The new benchmark federal funds rate is now 4.75-5%. The decision follows the cooling of inflation rates and a slowing labor market.</p> <p>Initial Claims data was lower than expected for the week ending 9/14, at 219,000 (K) compared to the 230K consensus. The number is down from 231K in the week prior.</p>	<p>Alaska Air Group (ALK) completed its \$1.9 billion (B) acquisition of Hawaiian Airlines yesterday after clearing a review by the U.S. Department of Transportation on Tuesday, under the agreement that existing loyalty member miles will remain valid and key routes are maintained.</p> <p>Boeing Co. (BA) announced its plan to furlough thousands of employees yesterday in a bid to preserve cash, following the strike of over 30,000 workers in Washington and Oregon. The company continues to be in negotiations with the union. Those impacted include both executives and managers.</p>

Please refer to page 2 of this report for detailed disclosure information

Looking Ahead:

Futures for Wall Street indexes surged with those tracking Nasdaq climbing to more than 2%, following the Federal Reserve’s 50-bps rate reduction and hints of another half-point cut by the year end. The dovish outcome caused the dollar to briefly hit a new low for the year, but has since steadied. Meanwhile, gold prices climbed. Stocks in Europe also rallied, while the Bank of England held the rate steady at 5% and extended its 100 billion pound bond reduction for another year. In Asia, Japan’s Nikkei posted its highest closing level in more than two weeks as a weakening yen helped exporters. China shares gained as Fed’s policy cut lifted hopes of policy easing from PBOC on Friday. The half-point rate cut also pushed oil prices higher. Later in the day, investors will parse U.S. weekly jobless claims and August existing home sales data, while FedEx and Lennar Corp are expected to report earnings after markets close.

- “Before the Bell”, Thomson Reuters Morning News Call

Sector Valuation Matrix:

September 18, 2024		S&P 500						(Column A)	(Column B)	(Column C)
Sector	Weight	P/E (FY1)*	P/E (FY2)*	P/B	P/CF	P/S	EV/EBITDA	6-Factor Avg.	Historical Avg.	Difference
Communication Services	8.8%	0.88	0.86	0.91	0.76	1.25	0.70	0.89	1.04	-0.15
Consumer Discretionary	10.0%	1.19	1.20	1.83	1.01	0.86	0.98	1.18	1.41	-0.23
Consumer Staples	6.1%	0.99	1.06	1.33	1.02	0.51	0.91	0.97	1.08	-0.11
Energy	3.4%	0.58	0.59	0.41	0.44	0.44	0.43	0.48	0.71	-0.23
Financials	13.2%	0.72	0.76	0.43	0.60	0.86	1.07	0.74	0.87	-0.13
Health Care	12.1%	0.97	0.92	1.13	1.41	0.64	1.12	1.03	1.02	0.01
Industrials	8.5%	1.04	1.03	1.31	1.08	0.84	0.96	1.04	1.05	-0.01
Information Technology	30.7%	1.36	1.30	2.45	1.72	3.02	1.52	1.90	1.39	0.51
Materials	2.2%	0.97	0.94	0.64	0.87	0.82	0.79	0.84	0.86	-0.02
Real Estate	2.4%	0.86	0.94	0.67	1.24	2.57	1.29	1.26	1.58	-0.32
Utilities	2.5%	0.83	0.88	0.46	0.56	0.96	0.78	0.74	0.84	-0.09
S&P 500	100.0%	23.36x	20.29x	4.97x	16.99x	2.90x	17.32x			

*Current Fiscal Year (FY1) and Next Fiscal Year (FY2) Consensus EPS Estimate. Ratio uses funds from operations (FFO) for Real Estate sector instead of EPS

Data Source: FactSet

Global Valuation Matrix:

September 18, 2024							(Column A)	(Column B)	(Column C)
Index	P/E (FY1)*	P/E (FY2)*	P/B	P/CF	P/S	EV/EBITDA	6-Factor Avg.	Historical Avg.	Difference
S&P 500 (SPY): Large-Cap U.S.	1.22	1.20	1.54	1.36	1.36	1.22	1.32	1.25	0.07
Russell 2000 (IWM): Small-Cap U.S.	1.62	1.31	0.65	0.75	0.59	1.06	1.00	1.13	-0.14
MSCI EAFE (EFA): Developed Int'l	0.76	0.79	0.61	0.68	0.66	0.73	0.71	0.82	-0.11
MSCI Emerging Markets (EEM)	0.68	0.67	0.59	0.62	0.67	0.72	0.66	0.75	-0.10
iShares MSCI ACWI (ACWI)	19.06x	16.84x	3.17x	12.47x	2.15x	14.23x			

*Current Fiscal Year (FY1) and Next Fiscal Year (FY2) Consensus EPS Estimate.

Data Source: FactSet

Valuation Matrix Explanation: The valuation matrices above analyze the average valuation of the eleven S&P 500 GICS sectors vs. the S&P 500 index, and four major equity asset classes vs. the global index (iShares MSCI All Country World Index (ACWI) ETF: ACWI). **Column A** calculates each sector or region *current* relative valuation to its broad index by averaging six notable ratios listed above: price/earnings (FY1 and FY2), price/book value, price/cash flow, price/sales, and enterprise value/EBITDA. **Column B** displays each sector or region 10-year average *relative* valuation to its broad index based on these factors. **Column C** on the far right calculates the difference between the *current* and *historical* relative valuations for each sector or region. A positive differential indicates that the sector/region currently trades at a **premium** vs. its 10-year average, and a negative differential indicates that the sector/region currently trades at a **discount** vs. its 10-year average. Premiums and discounts above/below 10% shown in red/green, respectively.

Technical Overview:

	Short-Term Trend (20-Day)	Intermediate Trend (20-Week)	Long-Term Trend (20-Month)
DJ Industrial Average	UPTREND	UPTREND	UPTREND
S&P 500	UPTREND	UPTREND	UPTREND
NASDAQ Composite	TRANSITION ZONE	UPTREND	UPTREND
Russell 2000	UPTREND	UPTREND	UPTREND
MSCI EAFE (EFA)	TRANSITION ZONE	UPTREND	UPTREND
Emerging Markets (VWO)	TRANSITION ZONE	UPTREND	UPTREND
	50-day Moving Avg.	200-day Moving Avg.	Current Price
DJ Industrial Average	40,511	38,974	41,503.10
S&P 500	5,514	5,189	5,618.26
NASDAQ Composite	17,464	16,403	17,573.30

Sources: FactSet, D.A. Davidson & Co

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