



**Weekly Market Update**

- Investors have navigated equity market volatility in recent weeks, characterized by fits and starts as brief periods of measurable equity index declines have given way to bounce-back rallies.** The widely followed S&P 500 equity index gained +4.0% last week (ended 9/13/24), its largest weekly gain of the year. A Friday closing level of 5,626 was less than 1% from the all-time closing high level of 5,667 set two months ago on 7/16/24. After the index moved lower by -4.2% over the first four days of September, a five-day rally recovered most of the decline, and as of 9/13/24, the S&P 500 was down -0.4% month-to-date. S&P 500 gains last week were led by a +7.3% surge in the Technology sector (Tech), which was notable as Tech stocks have underperformed the broader market for much of the third quarter (since 6/30/24). In general, equity investors have navigated mixed data in recent months as the U.S. economy appears to be slowing but not to recessionary levels. At the same time, U.S. interest rates have moved lower in anticipation of Federal Reserve Bank easing (lower interest rate targets) that is expected to begin this week (lower interest rates can stimulate economic growth). Tech stocks, which have high long-term revenue and earnings growth expectations (compared to other sectors), can benefit from low interest rates as the present value of future cash flows is higher as rates decline. But the sector also received a boost in investor sentiment last week after a few sector leaders made bullish comments at Wall Street conferences about continued capital spending for generative artificial intelligence (GenAI) projects. Despite the week's bullish tone, the S&P 500 Tech sector remained 7.1% below its mid-July high, while several other sectors have set new highs in August and September. We continue to advocate for broad sector diversification in the current environment.
- The Federal Reserve Bank (Fed) is expected to deliver an interest rate cut at its policy meeting on Wednesday (9/18/24).** From March 2022 to July 2023 (16 months), the Fed implemented a steady increase to its overnight, bank-lending fed funds interest rate target of 525 basis points, taking the target range to 5.25% to 5.50%. At the time, consumer inflation (as measured by the consumer price index, or CPI) had moved to +9.1% in June 2022 (year-over-year, Y/Y, increase vs. June 2021), which was the highest Y/Y CPI reading in four decades (since 1982). Because the fed funds target is used as a reference rate for many credit activities, an increase in the rate can restrict lending, reducing inflation pressure but also often slowing economic activity. In July 2023, the month of the final Fed rate hike in this cycle, the CPI increased +3.2%, and by August 2024 (the most recent data) CPI was +2.5%. While inflation remains above the Fed's +2.0% target level, the Fed believes (comments from Fed Chair Jerome Powell) that its restrictive policy to battle inflation was successful and that it is now appropriate to begin easing its rate target lower. Perhaps the biggest surprise has been a resilient U.S. economy in the face of elevated interest rates, although we attribute some economic upside to deficit spending by the federal government.
- All eyes on the Fed as it holds its first policy meeting after the summer break.** The central bank is expected to reduce its policy rate by -0.25% to 5.00% to 5.25%, but we also believe Fed commentary will indicate continued cuts are likely at subsequent meetings (two additional Fed meetings in 2024, November and December) and well into 2025. Because of that, we don't rule out a -0.50% move on Wednesday. Uncertainty can lead to market volatility. The Fed will also update its economic projections for the first time since June.

Major Indices (Price Returns)	Close	Last Week	YTD
S&P 500	5,626.02	+4.02%	+17.95%
Dow Jones Industrial Average	41,393.78	+2.60%	+9.83%
NASDAQ Composite	17,683.98	+5.95%	+17.80%
Russell 2000	2,182.49	+4.36%	+7.67%
MSCI EAFE	2,410.81	+1.17%	+7.81%
MSCI Emerging Markets	1,082.30	+0.69%	+5.72%
Bloomberg Commodity Index	96.18	+2.64%	-2.49%
Bloomberg U.S. Aggregate Bond	94.60	+0.50%	+3.16%

S&P 500 Sectors	Price Returns		Forward P/E* Current	10yr Avg	S&P 500 Weight
	Last Week	YTD			
Information Technology	+7.33%	+26.21%	28.4x	20.0x	31.1%
Consumer Discretionary	+6.14%	+9.08%	25.4x	26.3x	10.0%
Communication Services	+4.27%	+21.12%	18.2x	18.9x	8.7%
S&P 500	+4.02%	+17.95%	21.2x	18.3x	--
Industrials	+3.70%	+14.21%	21.7x	19.0x	8.4%
Real Estate	+3.41%	+12.34%	19.6x	18.8x	2.4%
Utilities	+3.38%	+23.18%	18.3x	17.4x	2.5%
Materials	+3.16%	+7.95%	20.0x	16.8x	2.2%
Health Care	+1.44%	+14.22%	20.0x	16.5x	12.1%
Consumer Staples	+1.11%	+17.71%	22.3x	19.6x	6.1%
Financials	+0.48%	+17.90%	15.6x	14.3x	13.0%
Energy	-0.74%	+1.83%	11.7x	15.4x	3.3%

Source: FactSet; \*Factset Consensus EPS (FFO for Real Estate)

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# Event Calendar

*Conferences, Economics, Stock Splits, IPOs, Etc.*

## GENERAL CALENDAR

### Monday, September 16

13-Week Treasury Bills [auction \(\\$76 billion\)](#)  
 26-Week Treasury Bills [auction \(\\$70 billion\)](#)  
 Amgen, Inc. [European Society for Medical Oncology Congress](#)  
 Johnson & Johnson [European Society for Medical Oncology Meeting](#)  
 Sysco Corp. [CL King Best Ideas Conference](#)  
 Pfizer Inc. [European Society for Medical Oncology Meeting](#)

### Tuesday, September 17

42-Day Treasury Bills [auction \(\\$60 billion\)](#)  
 19-Year, 11-Month Treasury Bonds [auction \(\\$13 billion\)](#)  
 Johnson & Johnson [European Society for Medical Oncology Meeting](#)

### Wednesday, September 18

17-Week Treasury Bills [auction](#)  
 Johnson & Johnson [European Society for Medical Oncology Meeting](#)  
 Novartis AG [Bank of America Global Healthcare Conference](#)  
 Sysco Corp. [Wells Fargo Consumer Conference](#)

### Thursday, September 19

4-Week Treasury Bills [auction](#)  
 8-Week Treasury Bills [auction](#)  
 9-Year, 10-Month TIPS [auction \(\\$17 billion\)](#)  
 Johnson & Johnson [European Society for Medical Oncology Meeting](#)  
 QUALCOMM, Inc. [Investor Day](#)

## ECONOMIC CALENDAR

	Consensus	Last
<b>Monday, September 16</b>		
Empire State Index (September)	-5.5	-4.7
<b>Tuesday, September 17</b>		
Retail sales ControlGroup (August, M/M%)	0.2%	0.4%
Retail sales Ex AutoFuel (August, M/M%)	0.3%	0.4%
Retail Sales ex-Auto (August, M/M%)	0.2%	0.4%
Retail Sales (August, M/M%)	-0.2%	1.0%
Retail Sales (August, Y/Y%)	—	2.7%
Johnson Redbook Retail Sales (9/14, Y/Y%)	—	6.5%
Capacity Utilization (August)	78.1%	77.8%
Industrial Production (August, M/M%)	0.3%	-0.6%
Manufacturing Production (August, M/M%)	0.0%	-0.3%
Business Inventories (July, M/M%)	0.4%	0.3%
NAHB Housing Market Index (September)	41.0	39.0
<b>Wednesday, September 18</b>		
MBA 30-Year Mortgage Rate (9/13)	—	6.3%
MBA Mortgage Applications (9/13, W/W%)	—	1.4%
Building Permits SAAR (August)	1,410K	1,406K
Housing Completions (August SAAR)	—	1,529K
Housing Starts (August, M/M%)	6.3%	-6.8%
Housing Starts (August SAAR)	1,325K	1,238K
EIA Crude Oil Stocks (9/13, W/W Chg)	—	0.83M
EIA Distillate Stocks (9/13, W/W Chg)	—	2.3M
Cushing OK Crude Inventory (9/13)	—	-1.7M
Total Fuel Ethanol Inventory (9/13)	—	23.7M
Fuel Ethanol Total Production (9/13)	—	1.1M
U.S. Refinery Utilization (9/13)	—	-0.5%
EIA Gasoline Stocks (9/13, W/W Chg)	—	2.3M
Fed Funds Target Upper Bound	5.25%	5.50%
Net Long-Term Security Purchases (July)	—	\$96.1B
Total Net TIC Flows (July)	—	\$107.5B
<b>Thursday, September 19</b>		
Current Account SA (Q2)	-\$260.0B	-\$237.6B
Continuing Jobless Claims (9/7)	1,840K	1,850K
Foreign Direct Investment (Q2)	—	\$73,296M
Initial Jobless Claims (9/14)	230.0K	230.0K
Philadelphia Fed Index (September)	2.7	-7.0
Existing Home Sales (August, SAAR)	3,890K	3,950K
Leading Indicators SA (August, M/M%)	-0.3%	-0.6%
EIA Natural Gas Stocks (9/13, W/W Chg)	—	40.0B
<b>Friday, September 20</b>		
Baker Hughes U.S. Rotary Gas Rigs (9/20)	—	97
Baker Hughes U.S. Rotary Oil Rigs (9/20)	—	488
Baker Hughes U.S. Rig Count (9/20)	—	590



# Global Index Performance

## Global Equity and Commodity Index Performance Update

U.S. Equities	Closing Price	Last Week % Change	September % Change	Q3 2024 % Change	YTD 2024 % Change	1 Year % Change	% Off 52 Week		
							High	Low	
NASDAQ Composite Index	17,683.98	5.95	-0.17	-0.27	17.80	28.02	5.29	40.98	
Russell 2000	2,182.49	4.36	-1.58	6.58	7.67	18.56	5.11	33.59	
S&P 500	5,626.02	4.02	-0.40	3.03	17.95	25.93	0.77	37.09	
Dow Jones Industrial Average	41,393.78	2.60	-0.41	5.82	9.83	19.72	0.46	28.05	
CBOE Market Volatility Index	16.56	-26.01	10.40	33.12	33.01	22.85	74.81	55.93	
S&P 500 Sectors		Sector Weight %							
Information Technology	31.09	7.33	-0.25	-1.23	26.21	41.76	7.12	51.13	
Consumer Discretionary	10.01	6.14	3.11	3.66	9.08	13.13	1.64	32.91	
Communication Services	8.71	4.27	-1.00	-3.94	21.12	29.82	7.56	40.04	
Industrials	8.42	3.70	-0.81	6.77	14.21	24.99	0.81	35.06	
Real Estate	2.45	3.41	3.57	17.19	12.34	24.59	0.00	40.09	
Utilities	2.51	3.38	2.86	14.49	23.18	22.32	0.00	39.09	
Materials	2.21	3.16	-1.83	4.68	7.95	13.98	1.83	24.27	
Health Care	12.15	1.44	-0.72	6.83	14.22	17.67	0.72	26.65	
Consumer Staples	6.13	1.11	1.67	9.45	17.71	18.63	0.00	28.21	
Financials	13.00	0.48	-2.73	7.92	17.90	28.35	2.73	41.22	
Energy	3.32	-0.74	-6.33	-6.65	1.83	-7.19	13.02	6.84	
Growth & Value		Closing Price							
Russell 1000 Growth	3,689.66	6.03	0.29	0.54	20.91	31.51	4.25	43.16	
Russell 2000 Growth	1,409.17	5.11	-1.39	5.39	9.74	19.22	4.77	36.15	
S&P Mid Cap 400 Growth	1,449.75	3.76	-1.79	1.44	12.74	20.45	4.44	32.12	
Russell 2000 Value	2,465.97	3.61	-1.78	7.80	5.70	17.90	5.77	31.31	
S&P Mid Cap 400 Value	963.92	2.68	-1.91	5.91	5.23	16.20	2.93	29.31	
Russell 1000 Value	1,825.17	1.93	-1.24	6.22	12.01	17.91	1.29	29.22	
International Equities		Closing Price							
		Last Week % Change	September % Change	Q3 2024 % Change	YTD 2024 % Change	1 Year % Change	% Off 52 Week		
							High	Low	
Regions									
MSCI The World Index	3,634.86	3.30	-0.72	3.50	14.69	22.93	0.72	33.05	
MSCI Europe	2,181.78	1.54	-1.66	4.12	7.99	16.94	1.66	25.28	
MSCI EAFE	2,410.81	1.17	-1.74	4.16	7.81	15.91	1.74	24.08	
MSCI Emerging Markets	1,082.30	0.69	-1.60	-0.36	5.72	11.06	3.78	18.81	
MSCI Pacific	3,154.79	0.44	-1.87	4.13	7.30	13.73	2.09	22.67	
MSCI Frontier Markets	534.99	-0.49	-0.86	2.22	5.52	5.79	1.32	16.12	
Countries									
MSCI Canada	2,395.97	2.84	0.04	8.80	9.40	16.96	0.00	29.14	
MSCI India	1,129.45	1.99	0.44	5.26	22.55	34.72	0.00	43.08	
MSCI Germany	2,384.03	1.83	-0.58	6.13	9.48	19.85	0.58	30.70	
MSCI Brazil	1,509.14	1.44	0.32	7.16	-16.15	-5.97	16.68	10.56	
MSCI France	2,473.62	1.28	-1.82	4.24	0.14	7.15	6.57	16.09	
MSCI Australia	973.61	0.91	-0.94	4.53	5.01	19.09	0.94	26.74	
MSCI United Kingdom	1,294.47	0.74	-1.36	5.34	10.01	15.57	1.67	22.36	
MSCI Italy	388.51	0.49	-1.95	6.26	13.26	24.11	1.95	32.16	
MSCI Japan	4,034.60	0.18	-2.52	3.63	9.09	13.75	3.20	23.91	
MSCI China	54.94	-0.50	-2.96	-4.27	-0.96	-6.84	14.32	12.99	
Commodities		Closing Price							
		Last Week % Change	September % Change	Q3 2024 % Change	YTD 2024 % Change	1 Year % Change	% Off 52 Week		
							High	Low	
Bloomberg Commodity Index	96.19	2.64	0.10	-4.76	-2.49	-10.07	10.70	3.06	
Gold (\$/ozt)	2,575.10	2.12	2.12	2.12	23.90	34.55	0.00	41.57	
Crude Oil (NYM \$/bbl)	68.65	1.45	-6.66	-15.81	-4.19	-22.45	26.72	4.41	
Natural Gas (NYM \$/btu)	2.31	1.32	8.37	-11.38	-8.31	-13.99	35.52	46.35	

Sources: FactSet, MSCI Barra, Russell Investments, Standard & Poor's

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	IR	WMR	Combined	IR	WMR	Combined
<b>BUY/ADD (Buy)</b>	60%	83%	62%	10%	0%	9%
<b>NEUTRAL (Hold)</b>	39%	13%	37%	5%	0%	4%
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U.S. economic growth: Gross domestic product (GDP) refers to the monetary measure of the market value of all final goods and services produced within a country's borders within a specific time period. Real GDP is adjusted for the impact of inflation. The most recent GDP report can be found at [www.bea.gov](http://www.bea.gov). It is reported by the U.S. Bureau of Economic Analysis (BEA). Personal consumption expenditures (PCE) measure consumer spending on goods and services during the period, and is a component of GDP.

FactSet is a data aggregation software utilized by D.A. Davidson's Wealth Management Research. The FactSet consensus refers to the aggregate of all analysts' estimates from firms that submit estimates to FactSet for a given financial metric.

The Federal Reserve Bank's Open Market Committee (FOMC) consists of twelve members – the seven members of the Board of Governors of the Federal Reserve System, the president of the Federal Reserve Bank of New York, and four of the remaining eleven Federal Reserve Bank presidents, who serve one-year terms on a rotating basis. The FOMC holds eight regularly scheduled meetings per year. At these meetings, the Committee reviews economic and financial conditions, determines the appropriate stance of monetary policy, and assesses the risks to its long-run goals of price stability and sustainable economic growth. The minutes from the most recent FOMC meeting is [here](#). On a quarterly basis the FOMC releases its Summary of Economic Projections, which shows the individual estimates, and mean estimates from Fed bank presidents and voting members for U.S. economic growth, inflation, unemployment, and fed funds targets.

The term "monetary policy" refers to the actions undertaken by a central bank, such as the Federal Reserve, to influence the availability and cost of money and credit to help promote national economic goals. The Board of Governors of the Federal Reserve System is responsible for the discount rate and reserve requirements, and the Federal Open Market Committee is responsible for open market operations. The Federal Reserve influences the demand for, and supply of, balances that depository institutions hold at Federal Reserve Banks and, in this way, alters the federal funds rate. The federal funds rate is the interest rate at which depository institutions lend balances at the Federal Reserve to other depository institutions overnight.

The Bureau of Labor Statistics (BLS) compiles U.S. labor statistics from two monthly surveys. The household survey measures labor force status by demographics, while the establishment survey measures nonfarm employment and data by industry. The nonfarm payrolls component of the establishment survey is drawn from private businesses and government entities. The nonfarm payrolls number is among the most widely used data points to assess U.S. employment trends. The unemployment rate is the percentage of the labor force that is jobless and actively willing and available to work.

The consumer price index (CPI) is a measure of average change, over time, in the prices paid by urban consumers for a market basket of goods and services. It is reported monthly by the U.S. Bureau of Labor Statistics.

The National Bureau of Economic Research (NBER) is a private non-profit research organization. The NBER is widely used as an organization that analyzes U.S. economic data and the business cycle and determines the start dates and end dates of economic recessions. The NBER defines recession as "a significant decline in economic activity that is spread across the economy and that lasts more than a few months" and also looks at the depth, diffusion, and duration of the downturn.

Generative Artificial Intelligence (GenAI): We think of artificial intelligence as using advanced computers to process large amounts of data to ultimately approach human problem solving and decision making. Early versions were often called "machine learning" and could sift through large data sets and accurately predict single outcomes. Now, generative AI goes further to utilize all forms of inputs. While still predictive models, generative AI can give detailed responses, much better than a search engine, which does a good job of telling the user where to go to find additional information. As generative AI systems access more data, they become larger and learn to make better decisions. At each iteration, the system gains knowledge, enhancing its predictive (reliable) capabilities and ability to produce original content. Generative AI systems become more robust as they are used as all new data can be trained into the system, creating new challenges and opportunities.

**For a copy of the most recent reports containing all required disclosure information for covered companies referenced in this report, please contact your D.A. Davidson & Co. representative or call 206-389-8000.**

# Wealth Management Research Contacts

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## CONTACT INFORMATION

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**James D. Ragan, CFA**

Director of WM Research  
206.389.4070  
[jragan@dadco.com](mailto:jragan@dadco.com)

**Bradley N. Stewart, CFA**

Associate Director of WM Research  
206.389.4049  
[bstewart@dadco.com](mailto:bstewart@dadco.com)

**Eli B. Sanders, CFA**

Senior Research Analyst  
985.778.6653  
[esanders@dadco.com](mailto:esanders@dadco.com)

**Joseph-Andrew L. Malach**

Research Analyst  
206.389.4082  
[jmalach@dadco.com](mailto:jmalach@dadco.com)

**Ian C. Peterson**

Senior Research Associate  
206.389.4076  
[ipeterson@dadco.com](mailto:ipeterson@dadco.com)

**Emma Lea-Biles**

Research Associate  
206.389.8007  
[elea-biles@dadco.com](mailto:elea-biles@dadco.com)