

# CAPITAL MARKETS REPORT - SEPTEMBER 16, 2024



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## Market Movers:

- Wall Street traders have revived prospects for a half-point Fed rate cut this week, spurring a rotation into stocks that would benefit the most from policy easing. Economically sensitive shares outperformed the tech mega-caps and the Russell 2000 gained 2.5%. Corners of the market outside of big tech are now barreling higher as investors grow more confident that the start of the Fed cutting will fuel the markets.
- All major groups in the S&P 500 rose Monday with the benchmark up 1.2%. This following the worst start to the month of September in history. Nvidia and Tesla led gains while the 10 year treasury yield was little changed at 3.70%.
- Traders began weighing election risks leading up to the first debate between former President Trump and V.P. Harris. Investors hoped the matchup would provide more clarity after months spent analyzing tax proposals, tariffs and other policies. The 10 year fell 6 basis points to 3.64%.
- Wednesday the S&P 500 climbed 1.1% while the NASDAQ rallied an impressive 2.2% as consumer price index (CPI) increased 0.3% from July, the most in four months, and 3.2% from a year ago, according to BLS data.
- The S&P 500 rally added over \$1.3 trillion to the index last week as the latest economic data did little to alter bets on a series of Fed rate cuts. Swap contracts priced in slightly higher odds of a half-point reduction this week after a WSJ report said policymakers were pondering both 25bp and 50bp cuts.
- The producer price index (PPI) picked up slightly in August after the previous month's numbers were revised lower. Separate data showed jobless claims ticked up. The 10 year moved up to 3.68%.
- The likelihood of a 50 basis point move climbed to 40% on Friday, up from 4% earlier this week. As of this morning odds have increased to more than 60%.

## Market Last Week

	9/6/24 Close	9/13/24 Close	Weekly Change
2 yr. Note	3.65%	3.58%	-7 bps
5 yr. Note	3.49%	3.43%	-6 bps
10 yr. Note	3.71%	3.66%	-5 bps
30 yr. Bond	4.02%	3.98%	-4bps
SOFR Rate	5.34%	5.33%	-1bp

## Data This Week

Date/Time (EDT)	Economic Data	Market Estimate	Prior Report
9/16/24 8:30 AM	Empire Manufacturing	-4.0	-4.7
9/17/24 8:30 AM	Retail Sales Advance MoM	-0.2%	1.0%
9/17/24 9:15 AM	Industrial Production MoM	0.2%	-0.6%
9/18/24 7:00 AM	MBA Mortgage Applications	n/a	1.4%
9/18/24 8:30 AM	Building Permits	1412k	1396k
9/18/24 8:30 AM	Housing Starts	1316k	1238k
9/18/24 2:00 PM	FOMC Rate Decision	5.25%	5.50%
9/19/24 8:30 AM	Philadelphia Fed Business Outlook	-1.0	-7.0
9/19/24 8:30 AM	Initial Jobless Claims	230k	230k
9/19/24 8:30 AM	Continuing Claims	1855k	1850k
9/19/24 10:00 AM	Leading Index	-0.3%	-0.6%
9/19/24 10:00 AM	Existing Home Sales	3.90m	3.95m

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