

# CAPITAL MARKETS REPORT - OCTOBER 7, 2024



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## Market Movers:

- **U.S hiring in September topped all analyst estimates; markets dialed back rate cut forecasts on stronger than expected data.**
- Stocks gained in the final minutes of trading Monday even after Fed. Chair Powell signaled he was in no hurry to make further interest-rate cuts. Powell said the central bank will lower interest rates “over time,” while emphasizing that the overall economy remains on solid footing.
- The ongoing rally in stocks stalled Tuesday as investors retreated to safety as the conflict in the Middle East intensified. WTI crude oil rose 3.2% to \$70.37.
- The ISM price index fell by the most since May 2023, while US job openings rose in August to a three-month high.
- The now-suspended longshoremen’s strike stirred up angst as traffic at major container ports were stalled. Interestingly, JPMorgan estimated the stoppage cost up to \$4.5B a day.
- Applications for US unemployment benefits rose slightly last week to a level that is consistent with limited number of layoffs. Continuing claims were little changed at 1.83 million per the Labor Department.
- Friday’s anticipated jobs report lived up to its billing in regard to its impact on the bond market. The number of workers added to payrolls was the highest in six months and far exceeded estimates. In addition, surprise improvements to the unemployment rate and wage growth indicated that the U.S. labor market remains on solid footing. Bond yields moved substantially higher as market participants pared down their cumulative forecasts for 2024 rate cuts from 75bps to 50bps.
- Treasury prices are following through on Friday’s losses with the 2-year and 10-year notes both back up to 4% and 4.02%, respectively. This week’s focus is now on Thursday’s inflation reports.

## Market Last Week

	9/27/24 Close	10/4/24 Close	Weekly Change
2 yr. Note	3.56%	3.92%	+36bps
5 yr. Note	3.48%	3.81%	+33bps
10 yr. Note	3.75%	3.97%	+22bps
30 yr. Bond	4.11%	4.25%	+14bps
SOFR Rate	4.84%	4.83%	-1bp

## Data This Week

Date/Time (EDT)	Economic Data	Market Estimate	Prior Report
10/7/24 3:00 PM	Consumer Credit	\$12.0b	\$25.5b
10/8/24 8:30 AM	Trade Balance	-\$70.5b	-\$78.8b
10/9/24 7:00 AM	MBA Mortgage Applications	n/a	-1.3%
10/9/24 10:00 AM	Wholesale Inventories MoM	0.2%	0.2%
10/10/24 8:30 AM	CPI MoM	0.1%	0.2%
10/10/24 8:30 AM	CPI Ex Food & Energy MoM	0.2%	0.3%
10/10/24 8:30 AM	CPI YoY	2.3%	2.5%
10/10/24 8:30 AM	Initial Jobless Claims	230k	225k
10/10/24 8:30 AM	Continuing Claims	1832k	1826k
10/11/24 8:30 AM	PPI Final Demand MoM	0.1%	0.2%
10/11/24 8:30 AM	PPI Ex Food & Energy MoM	0.2%	0.3%
10/11/24 10:00 AM	Univ. of Michigan Sentiment	70.5	70.1

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