SMITH SHELLNUT WILSON
AN AFFILIATE OF 61BANK

Financial Week Newsletter

Summarized by Smith Shellnut Wilson

October 7, 2024

"It isn't where you came from, it's where you're going that counts." Ella Fitzgerald

MARKETS

Macro Recap: The market was taken by surprise and became anxious about a deteriorating geopolitical situation after Iran fired missiles at Israel, prompting a vow of retaliation. This geopolitical tension led to rising oil prices, with WTI crude oil futures settling at $68.15 per barrel on Friday and reaching as high as $74.40 during the week.

Additionally, market participants were concerned about growth due to the East Coast and Gulf Coast dockworkers' strike, which was temporarily resolved by the end of the week.

On Friday, the release of the September nonfarm payrolls report showed stronger-than-expected hiring, a decrease in unemployment, and an increase in average hourly earnings. This aligned with the market's soft landing narrative, leading to a recalibration of rate cut expectations. The notion that the Fed may not need to act as aggressively as previously thought resulted in the likelihood of a 50 basis points rate cut at the November FOMC meeting dropping to 0.0% on Friday, down from 32.1% on Thursday and 53.3% a week ago, according to the CME FedWatch Tool.

Equity Recap: The three major indices ended the week slightly higher compared to last Friday, buoyed by a rally following the release of the September Employment Situation Report.

Bond/Rate Recap: Treasury yields surged significantly this week. The 10-year yield increased by 23 basis points to 3.98%, while the 2-year yield rose by 37 basis points to 3.93%.

Week Ahead: On Thursday, the September core CPI is anticipated to come in at 3.2% year-over-year, which is expected to further discourage expectations of a rate cut at the next policy meeting.

INDICES

	Oct 4 Close	Sep 30 Open	Weekly Change	Dec 31 2023	YTD Change
DJIA	42,353	42,313	0.1%	37,690	12.4%
S&P 500	5,751	5,738	0.2%	4,770	20.6%
NASDAQ	18,138	18,120	0.1%	15,011	20.8%
Russell 2000	2,213	2,225	-0.5%	2,027	9.2%
KBW Bank Indx	114.7	113.9	0.7%	96.0	19.4%
VIX	19.2	17.0	13.3%	12.5	54.3%
Oil (WTI)	$74.38	$68.18	9.1%	$72.57	2.5%
Prime	8.00	8.00	0.00	8.50	-0.50
Effective Fed Funds	4.83	4.83	0.00	5.32	-0.49
3m Tbill	4.61	4.60	0.01	5.33	-0.72
2yr UST	3.92	3.56	0.36	4.25	-0.33
10yr UST	3.97	3.75	0.22	3.88	0.09
2-10yr UST Spread	4	19	-15	-37	41
2y AAA Muni/10y UST	61.7%	67.0%	-5.3%	58.9%	2.8%
10y AAA Muni/10y UST	66.4%	70.0%	-3.7%	58.5%	7.9%
5yr Inflation Rate	2.16	2.06	0.11	2.15	0.01

Week Ahead

- **Monday:** No major reports
- **Tuesday:** No major reports
- **Wednesday:** No major reports
- **Thursday:** CPI
- **Friday:** PPI, UoM Consumer Sentiment

ALL CONTENT IS FOR INFORMATIONAL PURPOSES ONLY AND SHOULD IN NO WAY BE CONSTRUED OR INTERPRETED AS A SOLICITATION TO SELL OR AN OFFER TO SELL ADVISORY SERVICES OR PRODUCTS.

in Share
Forward

Chad McKeithen | Research Department
Smith Shellnut Wilson, LLC
661 Sunnybrook Rd., Ste 130
Ridgeland, MS 39157
601.605.1776
www.ssw1776.com
Preferences | Unsubscribe