



Wall Street Ends the Week Higher As Economic Data Boosts Confidence Of A Soft Landing, All Eyed Are On The Fed's Jackson Hole Symposium.

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The U.S. and European stock markets closed today's session with mixed results.

Wall Street closed with gains as it continues to absorb the economic data from the U.S., today the Index of Consumer Sentiment (ICS), as provided by the University of Michigan, which tracks consumer sentiment in the U.S., based on surveys rose to 67.80, and N.Y. Fed Business Leaders Survey rose to 1.80, up from -4.50 last month.

As the Federal Reserve's annual Jackson Hole Economic Symposium is next week, and the Conference held in late August each year in Jackson Hole, Wyoming, organized by the Federal Reserve Bank of Kansas City, the symposium gathers central bankers, policymakers, economists, and financial market participants from around the world to discuss critical economic issues and policy challenges.

The Conference is closely watched by markets, especially for any insights or signals regarding U.S. monetary policy, particularly the remarks made by the Federal Reserve Chair during the symposium.

European markets closed mixed while, Asian Markets surged led by Japans Nikkei that closed up 2.9%.

Overall, this week's stock market gains reflect growing confidence in the possibility of a "soft landing" for the economy, fueling market momentum in 2024.

The latest economic data has been a welcome relief for markets, calming concerns that led to last week's pullback with the exaggerated recession fears; today, the GDPNow for the third quarter reports a 2.40% GDP forecast for the third quarter, providing additional ammunition that a "Soft Landing" is within a stone's throw.

Softer inflation readings from producer and consumer price indexes have eased worries about interest rates. At the same time, strong retail sales, a decline in weekly jobless claims, and positive quarterly results from Walmart have reassured investors about consumer strength. Although the risk of a near-term recession hasn't been eliminated, recent fears were exaggerated. We expect GDP growth to slow in the coming quarters but still anticipate a sustained economic expansion, providing a solid foundation for financial markets to build upon.

The focus shifts to the Fed next week, with Chair Powell set to deliver the latest insights at the annual Jackson Hole symposium. Markets will likely respond to the Fed's analysis of the labor market and recent inflation trends, with stock prices and interest rates moving based on any hints about the Fed's plans for rate cuts in the coming months. A Fed rate cut at the September meeting is almost

inevitable; futures markets have increasingly priced in the possibility of a 50-basis-point cut to start this easing cycle. However, the Fed is likely to take a more tapered approach with a smaller 25 basis points cut, given the persistent inflation in certain areas and a labor market that, while softening, remains healthy. This approach allows the Fed to begin cutting rates while still having the flexibility to adjust based on future data without taking drastic action.

GDPNow Update:

- The GDPNow for the Third Quarter of 2024 was updated on August 15 and fell to 2.40% from 2.90%, a 17.24% decrease.

Key Economic Data:

- **U.S. Index of Consumer Sentiment:** rose to 67.80, up from 66.40 last month, increasing 2.11%.
- **U.S. Building Permits:** fell to 1.396 million, down from 1.454 million last month, decreasing -3.99%.
- **U.S. Housing Starts:** fell to 1.238 million, down from 1.329 million last month, decreasing -6.85%.
- **N.Y. Fed Business Leaders Survey Current Business Activity:** rose to 1.80, up from -4.50 last month.
- **Canada Manufacturing Shipments:** fell to 69.62 billion, down from 71.10 billion last month, decreasing -2.09%.
- **U.K. Retail Sales YoY:** rose to 1.40%, compared to -0.30% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 511.45, up 1.57 points or 0.31%.
- **FTSE 100:** Closed at 8,311.41, down 35.94 points or 0.43%.
- **DAX Index:** Closed at 18,322.40, up 139.16 points or 0.77%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 40,659.89, up 96.70 points or 0.24%.
- **S&P 500:** closed at 5,554.25, up 11.03 points or 0.20%.
- **Nasdaq Composite:** closed at 17,631.72, up 37.22 points or 0.21%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,681.61, up 53.46 points or 1.47%.
- **Birling Capital U.S. Bank Stock Index:** closed at 5,244.06, up 53.13 points or 1.02%.
- **U.S. Treasury 10-year note:** closed at 3.89%.
- **U.S. Treasury 2-year note:** closed at 4.06%.



GDPNow

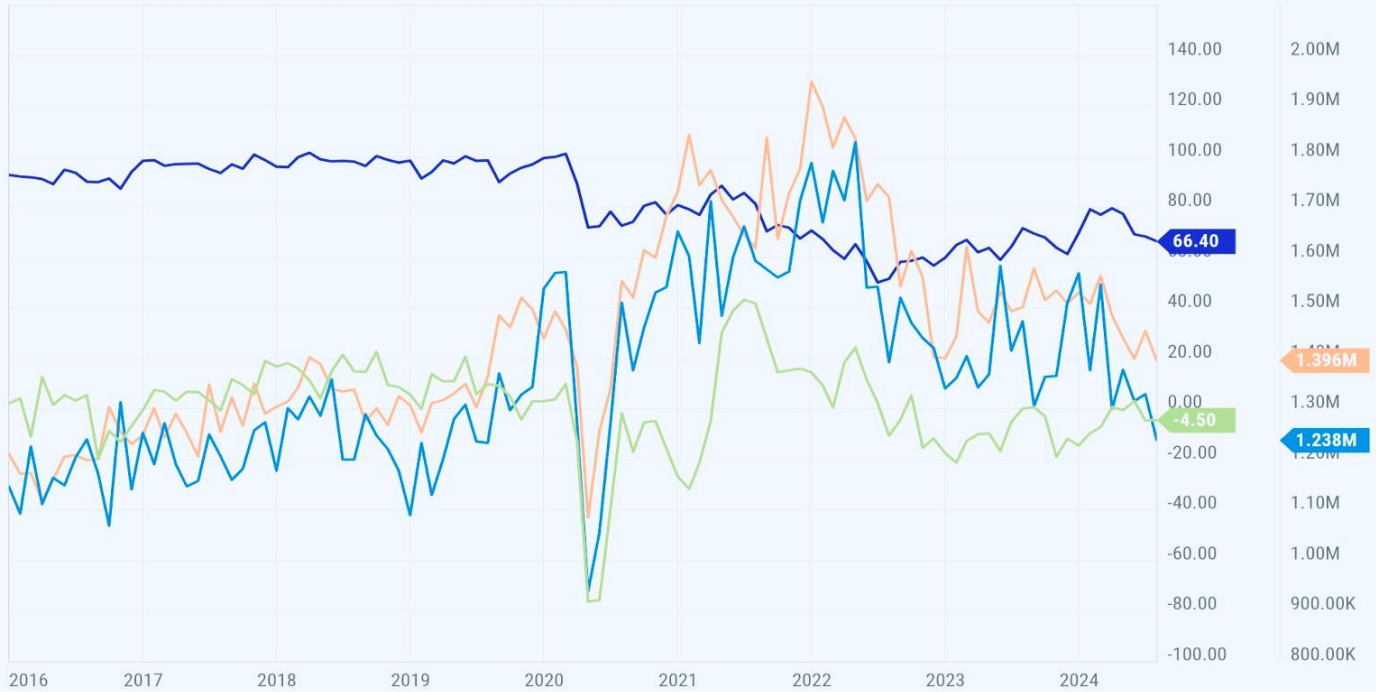
Third Quarter 2024

Date	GDPNow 3Q24	Change
7/25/24	2.80%	Initial Forecast
8/1/24	2.50%	-10.71%
8/6/24	2.90%	16.00%
8/8/24	2.90%	0.00%
8/15/24	2.40%	-17.24%



US Index of Consumer Sentiment, US Building Permits, US Housing Starts & NY Fed Business Leaders Survey

	VAL
● US Index of Consumer Sentiment	66.40
● US Building Permits	1.396M
● US Housing Starts	1.238M
● NY Fed Business Leaders Survey Current Business Activity	-4.50

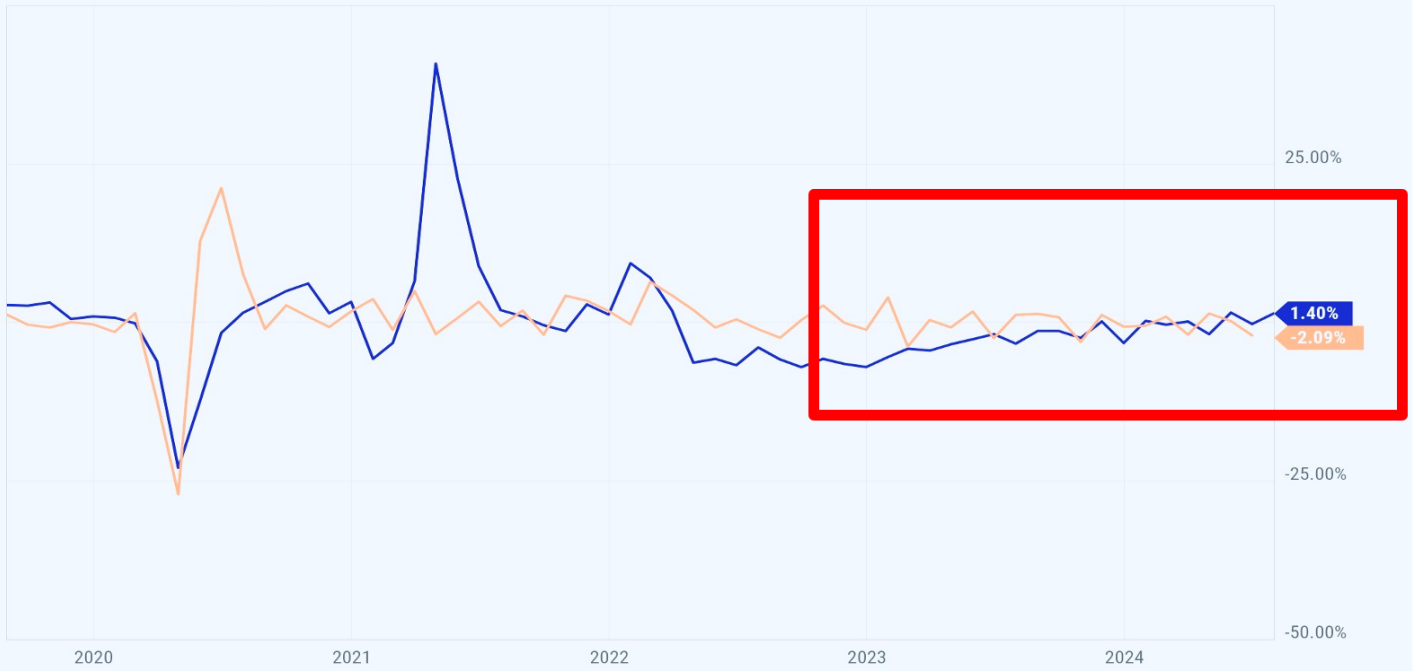




UK Retail Sales & Canada Manufacturing Shipments

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- UK Retail Sales YoY
 - Canada Manufacturing Shipments MoM
- VAL
1.40%
-2.09%





Wall Street Recap

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