

# The S&P 500 Break New Record, Global Stocks Surge as U.S. Data Confirms Economic Strength and Chinese Stimulus Fuels Optimism.

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by Francisco Rodríguez-Castro  
[frc@birlingcapital.com](mailto:frc@birlingcapital.com)

The U.S. and European stock markets closed with gains following the release of an upbeat slate of fresh data supporting a solid economy, easing fears that perhaps the Federal Reserve is cutting rates aggressively because of a potential slowdown.

The Weekly jobless claims fell more than expected, pointing to a steady labor market. Durable goods orders for August were unchanged versus economists. All these factors pushed the S&P 500 to hit a new record. Additionally, global market sentiment improved with the Chinese policymaker's announcement of a new fiscal stimulus, adding to the monetary support measures revealed earlier in the week. This news uplifted spirits, particularly as China's economy and markets have been struggling recently. As the world's second-largest economy, the prospect of further stimulus has boosted global equities. Following a solid quarterly report from Micron, the tech sector also contributed to the market rally, reinforcing confidence in the ongoing AI-driven growth. As a result, the S&P 500 is on track for its sixth positive week in the last seven.

Meanwhile, the bond market remained relatively calm, with 10-year yields seeing minimal movement.

A batch of economic data on Thursday pointed to a resilient U.S. economy. The final revisions to second-quarter GDP confirmed a solid 3% growth rate, underpinned by steady household consumption. While this reflects past performance, fresh data on durable goods and employment suggest the economy isn't facing a sharp slowdown. Core durable goods orders rose at their fastest monthly pace in eight months, while initial jobless claims declined for the third consecutive week, marking the lowest level since May. This signals that labor market conditions remain robust, helping to dispel fears of an imminent downturn. Overall, the data paints a picture of an economy shifting into a slower, steady growth phase that continues to support the recent stock market gains.

Most investors are paying attention to PCE, and Core PCE is due Friday. Inflation Nowcasting has the PCE at 2.33% inflation, down from 2.50%, while core PCE is at 2.77%, rising from 2.62% last month. Markets are currently pricing in a soft landing for the economy alongside a series of anticipated rate cuts in the year ahead. While Friday's PCE data is unlikely to disrupt this narrative, any surprises could spark volatility, given the market's expectations. Now more focused on a cooling labor market, the Fed seems unlikely to pivot dramatically on a single data point. However, inflation trends will be critical for both equity and bond markets over the coming months.

## Key Economic Data:

- **U.S. Initial Claims for Unemployment Insurance:** fell to 218,000, down from 222,000 last week, decreasing -1.80%.
- **U.S. Real GDP QoQ:** rose to 3.00%, compared to 1.60% last quarter.

- **U.S. Durable Goods New Orders MoM:** fell to 0.05%, compared to 9.87% last month.
- **US Gross Domestic Purchases Price Index QoQ:** fell to 2.40%, compared to 3.00% last quarter.
- **U.S. Pending Home Sales YoY:** fell by -8.47%, compared to -2.62% last month.
- **U.S. Total Vehicle Sales:** fell to 15.64 million, down from 16.37 million last month, decreasing -4.44%.
- **30-Year Mortgage Rate:** fell to 6.09%, compared to 6.20% last week.

#### Eurozone Summary:

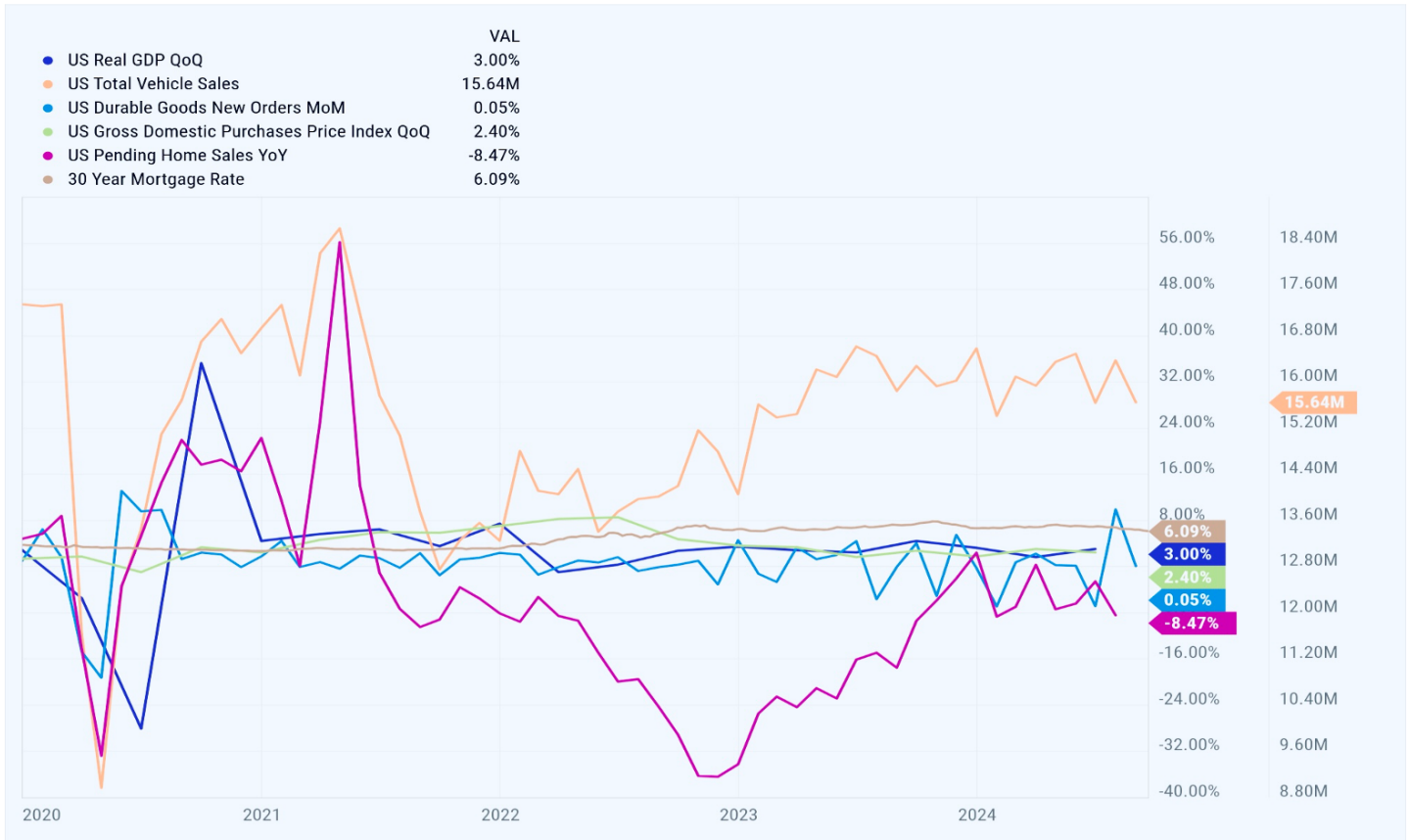
- **Stoxx 600:** Closed at 525.61, up 6.47 points or 1.25.
- **FTSE 100:** Closed at 8,284.912, up 16.21 points or 0.20%.
- **DAX Index:** Closed at 19,238.36, up 319.86 points or 1.69%.

#### Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 42,175.11, up 260.36 points or 0.62%.
- **S&P 500:** closed at 5,745.37, up 23.11 points or 0.40%.
- **Nasdaq Composite:** closed at 18,190.29, up 108.09 points or 0.60%.
- **Birling Capital Puerto Rico Stock Index:** closed at 3,764.02, down 39.02 points or 1.03%.
- **Birling Capital U.S. Bank Stock Index:** closed at 5,239.12, down 47.66 points or 0.90%.
- **U.S. Treasury 10-year note:** closed at 3.79%.
- **U.S. Treasury 2-year note:** closed at 3.60%.



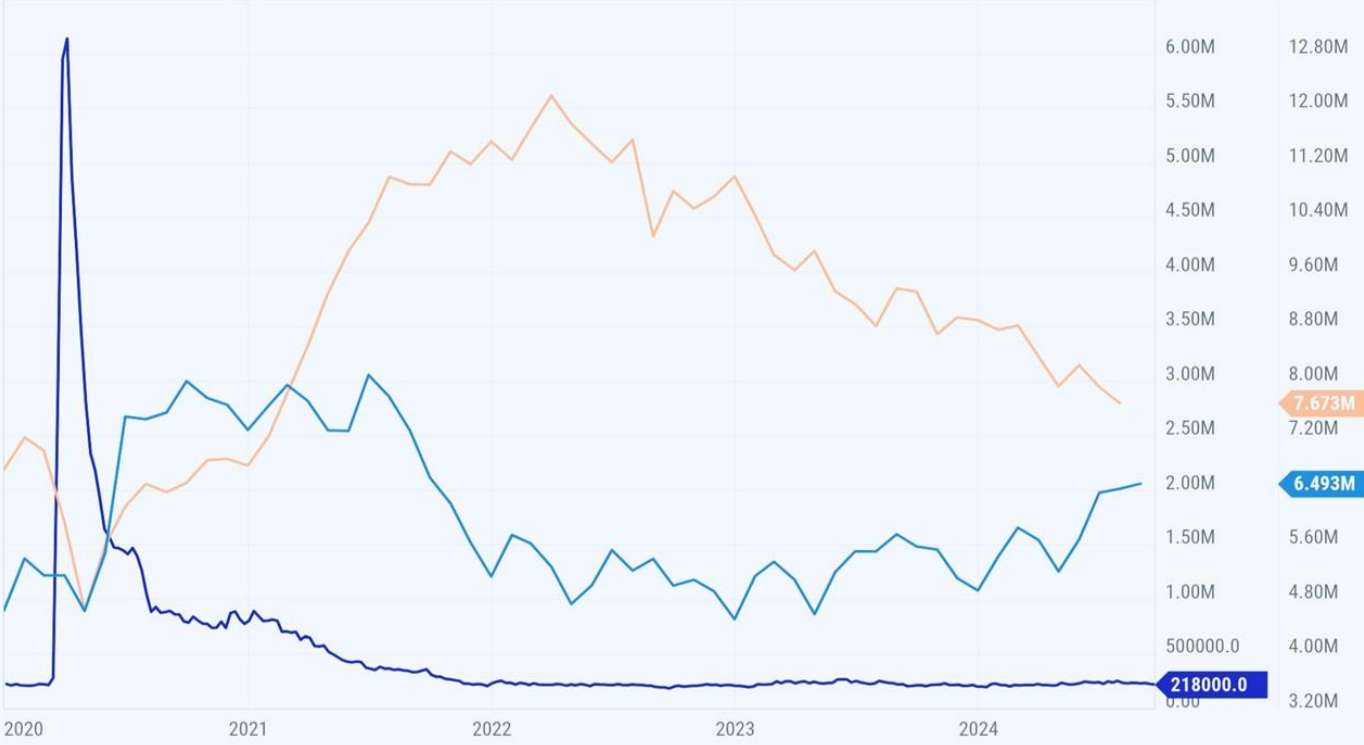
# US Real GDP, US Total Vehicle Sales, US Durable Goods New Orders, US Gross Domestic Purchases, US Pending Home Sales & 30-Year Mortgage Rate





# US Initial Claims for Unemployment, US Job Openings, and US Job Seekers

- US Initial Claims for Unemployment Insurance 218000.0
- US Job Openings: Total Nonfarm 7.673M
- US Unemployed Persons: Job Seeker 6.493M





# Wall Street Recap

## September 26, 2024



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