

Weekly Market Insights

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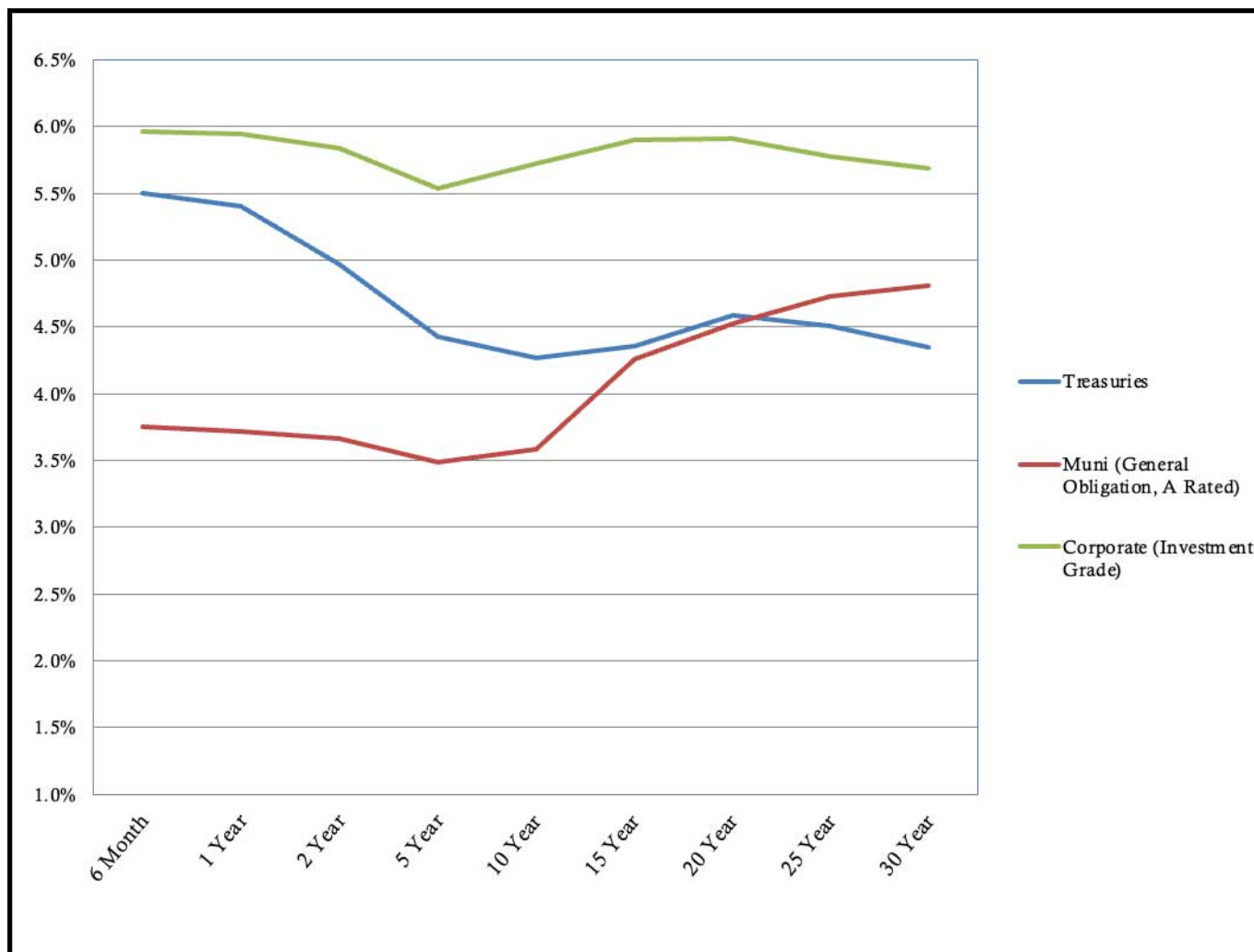
Stocks closed the first trading week of September lower, as investors worry that better-than-expected economic and employment data combined with higher gasoline prices will hamper efforts to slow inflation, forcing the Fed to keep interest rates higher for longer.

| As of 09/08/23 | | Total Returns | | | | |
|-------------------------|----------|---------------|--------|-------|--------|--------|
| Equity Markets | Closing | 1 Week | 1 Mo | 3 Mo | 6 Mo | 1 Year |
| Dow Jones | 34577.28 | -0.7% | -2.1% | 3.0% | 6.2% | 11.6% |
| S&P500 | 4457.58 | -1.3% | -0.9% | 4.7% | 12.6% | 13.7% |
| NASDAQ | 13761.53 | -1.9% | -0.8% | 5.1% | 19.8% | 17.7% |
| Styles | Closing | 1 Week | 1 Mo | 3 Mo | 6 Mo | 1 Year |
| Large Cap (Russell) | | -1.4% | -1.0% | 4.7% | 12.0% | 13.3% |
| Small Cap (Russell) | | -3.6% | -4.9% | -1.4% | -0.4% | 2.9% |
| Value (Russell) | | -1.6% | -2.7% | 2.2% | 3.0% | 6.2% |
| Growth (Russell) | | -1.5% | 0.1% | 6.3% | 19.6% | 18.9% |
| International (MSCI) | | -1.2% | -2.4% | -0.4% | 3.2% | 20.7% |
| Emerging Markets (MSCI) | | -1.2% | -3.0% | -0.9% | 0.6% | 4.9% |
| Currency/Commodities | Closing | 1 Week | 1 Mo | 3 Mo | 6 Mo | 1 Year |
| US Dollar Index | 105.08 | 1.4% | 2.5% | 1.7% | -0.5% | -4.2% |
| Gold | 1942.80 | -1.2% | -0.9% | -3.7% | 2.7% | 8.4% |
| Bitcoin | 25882.65 | -0.6% | -13.7% | -2.9% | 17.6% | 33.6% |
| Natural Gas | 2.61 | -5.6% | -8.8% | 2.0% | -19.3% | -51.8% |
| Oil | 87.33 | 4.4% | 6.0% | 23.0% | 15.6% | 14.8% |

Weekly Highlights:

- Factory activity improved again in August but remained in contraction territory for the tenth consecutive month with the ISM Manufacturing PMI climbing to a six-month high of 47.6. Index categories were mixed, but the biggest contributor to last month's PMI gain was the employment index which rebounded 4.1 points to 48.5, while production and supplier deliveries improved modestly. The ISM Prices Index also increased, jumping 5.8 points to 48.4, indicating a slower pace of decline in raw materials prices.
- Additionally, the ISM Services PMI increased 1.8 points to 54.5 in August, its highest level since February, and well above expectations. All index categories rose last month, led by a 4.0-point gain in

the employment index to 54.7, its highest level since November 2021. The ISM Services Prices Index also rose, climbing 2.1 points to a four-month high of 58.9, indicating some firming in input prices for materials which could slow down the broader disinflation process.



- Wholesale inventories fell 0.2% in July, its second consecutive decline, and slightly below expectations. Sales jumped 0.8%, pushing the inventory-to-sales ratio down to a still historically high 1.39 months. On a y/y basis, sales were down 4.2%.
- The US trade deficit widened by \$1.3 billion or 2% to \$65 billion in July, below consensus estimates of an increase to \$68.3 billion. Imports jumped 1.7% to \$316.7 billion, led by consumer goods and capital goods, while exports rose 1.6% to \$251.7 billion, led by vehicles and industrial supplies. On a y/y basis, the goods and services deficit was 21.4% lower.
- Initial claims for unemployment insurance fell by 13,000 last week to 216,000, the lowest level since February, and well below expectations. Additionally, continuing claims dropped by 40,000 to 1.679 million, as jobless claims continue to reflect a tight labor market.

| | | Historical Readings | | | | |
|-------------------------|--------|---------------------|--------|--------|--------|--------|
| Economic Data | Last | Trend | 1 Mo | 3 Mo | 6 Mo | 1 Year |
| Unemployment % | 3.8% | - | 3.5% | 3.7% | 3.6% | 3.7% |
| Jobless Claims | 216 | - | 227 | 262 | 221 | 197 |
| GDP Q/Q Annualized | 2.1% | - | N/A | 2.4% | 2.6% | -0.6% |
| Headline CPI Y/Y | 3.2% | + | 3.0% | 4.9% | 6.4% | 8.5% |
| Core CPI Y/Y | 4.7% | - | 4.8% | 5.5% | 5.6% | 5.9% |
| FHFA Price Index Y/Y | 3.1% | + | 2.9% | 3.8% | 6.8% | 16.0% |
| Existing Home Sales Y/Y | -16.6% | + | -18.9% | -23.0% | -36.9% | -19.9% |
| NAHB Homebuilder Index | 50 | - | 56 | 50 | 42 | 49 |
| Retail Sales Y/Y | 3.2% | + | 1.6% | 1.3% | 7.4% | 10.2% |
| Consumer Confidence | 106.1 | - | 114.0 | 102.5 | 103.4 | 103.6 |
| ISM Manufacturing Index | 47.6 | + | 46.4 | 46.9 | 47.7 | 52.9 |

The Week Ahead:

- Economic releases will include current readings on consumer and wholesale inflation, industrial production, retail sales, the NFIB small business index, and preliminary data on consumer sentiment.

Have a great weekend.