

# August 2, 2024



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**Unemployment:** Jobs data jolted markets on Friday with the Nonfarm Payrolls (Jul) falling well short of forecasts. Only 114k jobs were added compared to an estimated 176k. The unemployment rate rose to 4.3%.



**Consumer Goods & Materials:** The Core Personal Consumption Expenditure (PCE) Price Index (MoM)(Jun) increased slightly from 0.1 to 0.2%, meeting expectations. The YoY (Jun) reading held firm at 2.5%. Core PCE is the Federal Reserve's preferred inflation gauge, with a target of 2%.



**Retail Sales:** Core retail sales increased (excluding automobiles) (Jun) (MoM), to 0.4%, beating the forecasted number of 0.1%.



**Housing and Building:** Pending Home Sales (MoM)(Jun) rose 4.8%. This was the first positive month since April 2024. The Fed also decided to keep rates unchanged (since July 2023) at 5.50%



**Yield Curve:** 2's & 10's remain inverted but came close to normalization (where the 2 year is lower than the 10 year Treasury). 2-year yields plummeted from 4.36% to 3.88% and 10-year yields fell from 4.20% to 3.80%. Prices & rates move in opposite directions.



**M2 Money Stock:** The money supply, including time deposits, rose \$7B to \$21.03T (Jun). Money supply is running 73.4% of current GDP. 2<sup>nd</sup> Quarter GDP rose to 2.8% from 1.4% (QoQ)



**Manufacturing & Services:** ISM Manufacturing PMI (July) contracted further, falling to 46.8 from 48.8 (Jun). Manufacturing jobs, however, added 1K new jobs in July.



**S&P 500:** The S&P 500 fell -112.54 points, closing at 5,346.56 (up 12.09% YTD). Market volatility as measured by The CBOE Volatility Index (VIX) jumped to 21 from 16.5.



**U. of Michigan Consumer Sentiment:** Michigan Consumer Sentiment declined slightly to 68.2 (June) from 69.1 (May).

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