

10/21/2024

## The Week Ahead



## THINGS TO WATCH

## Transportation Sector

Results and commentary from United Parcel Service (UPS), Norfolk Southern (NSC), Southwest Airlines (LUV), and American Airlines (AAL) could illuminate the combined logistical impact of Hurricane Helene, Hurricane Milton, and the short-lived East Coast dockworker strike on goods transportation and travel demand.

## Defense Contractors

Lockheed Martin (LMT), Northrop Grumman (NOC), General Dynamics (GD), and RTX Corp. (RTX) are all expected to show slowing revenue growth when they report quarterly numbers this week. Investors' focus will likely be on guidance and demand outlook commentary from management given rising defense budgets in Europe and supplemental U.S. spending bills. Details surrounding the resumption of LMT's F-35 deliveries and the trajectory of GD's next-generation Gulfstream G700 business jet deliveries could be of particular interest.

## Bank of Canada

On Wednesday, Canada's central bankers could accelerate their pace of policy easing after a downside surprise in last week's September consumer price inflation data in the world's tenth-largest economy. An increasing number of forecasters expect the Bank of Canada's Governing Council to reduce the overnight benchmark rate by 50 basis points to 3.75%.

## Bitcoin

The world's largest digital currency approached \$70,000 at the end of last week as strong ETF inflows and building expectations of a crypto-friendly Trump or Harris administration propelled gains. The Trump campaign has been enthusiastically pursuing cryptocurrency-focused voters, while Kamala Harris vowed last week to support a clear regulatory framework for digital currencies not based solely on enforcement. Bitcoin touched an all-time of \$73,797 in March after several weeks of growing optimism about investor demand for recently-approved ETFs.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
Retail Sales (M/M)	0.4%	-0.3%	▲
Continuing Jobless Claims (Thousands)	1,867	1,860	▲
Industrial Production (M/M)	-0.3%	0.2%	▼
Housing Starts (Millions Annualized)	1.35	1.33	▲
Building Permits (Millions Annualized)	1.43	1.45	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	43275.91	0.98%	16.55%	31.12%
NASDAQ	18489.55	0.80%	23.87%	39.98%
S&P 500	5864.67	0.87%	24.31%	37.89%
MSCI EAFE	2399.63	-0.44%	10.67%	24.60%
BB U.S. Aggregate	2225.39	0.02%	3.06%	12.12%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	4.63%	4.75%	5.49%
10-Year Treasury	4.08%	3.70%	4.91%

REPORTS DUE THIS WEEK	LATEST
Existing Home Sales (Millions Annualized)	3.86
New Home Sales (Thousands Annualized)	716
S&P Global U.S. Manufacturing PMI	47.3
S&P Global U.S. Services PMI	55.2

Total returns are as of 10/18/24. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

## NUMBERS OF THE WEEK

0.7%

The monthly increase in "control group" U.S. retail sales in September, which excludes spending on cars, gasoline, food services, and building materials. A moderate pullback in online shopping was more than offset by purchases at clothing stores, sporting goods stores, and miscellaneous retailers. The reading suggests consumer spending remained resilient last month amid solid income growth and expanding credit.

16%

Morgan Stanley's (MS) year-over-year net revenue growth in 3Q24, the highest annual top-line growth rate in three years. Growth was broad-based across the investment banking, trading, and asset management business lines. Following the company's earnings release, CEO Ted Pick said, "I am bullish on IPOs and M&A coming back." Pick, who took over from long-time CEO James Gorman earlier this year, emphasized his goal of growing the firm's wealth management assets to over \$10 trillion in coming years.

## DISCLOSURES



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