

11/18/2024

The Week Ahead



THINGS TO WATCH

Walmart (WMT)

Pre-market tomorrow, Walmart's (WMT) quarterly results could show the hypermarket retailer continues to benefit from value-seeking consumers across its expanding omni-channel platform. Improved inventory management, a focus on controlling costs, and AI-related efficiencies have boosted WMT's operating margin from a 30-year low of 1.8% in its October 2022 quarter to 4.7% in its July 2024 quarter. Any commentary from management on expectations for holiday sales ten days ahead of Black Friday will likely be closely scrutinized.

NVIDIA (NVDA) and Blackwell

Optimism is building for a strong set of results and guidance from AI chip colossus NVDA when the company reports its fiscal 4Q24 results after the market closes Wednesday. The August-to-October period is the first quarter which includes full production of its next-generation Blackwell chip after several engineering delays. NVDA's sales in the quarter ended October 31 are expected to be \$33.2 billion, up 10% sequentially from the prior quarter and more than double \$16.09 billion in the same period a year ago. Analysts expect NVDA's January-quarter revenue guidance to be \$37.04 billion, which would be an acceleration in sequential growth to 12%.

Existing Home Sales

Data from the National Association of Realtors on Thursday is expected to show sales of previously owned homes rose slightly in October to an annualized rate of 3.92 million units after hitting a 14-year low in September. A backup in the average contract rate on 30-year fixed mortgages above 6.8% in recent weeks could constrain the existing housing market to close out the year.

Other Retailers

Earnings releases this week from Lowe's (LOW), Target (TGT), TJX Cos. (TJX), BJ's Wholesale (BJ), and Gap (GAP) should give investors an updated look at trends in consumer spending across different income groups and categories.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
NFIB Small Business Optimism	93.7	93.6	▲
Consumer Price Index (Y/Y)	2.6%	2.9%	▼
Core Consumer Price Index (Y/Y)	3.3%	3.2%	▲
Producer Price Index (Y/Y)	2.4%	2.4%	-
Retail Sales (M/M)	0.4%	1.2%	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	43444.99	-1.17%	17.11%	26.59%
NASDAQ	18680.12	-3.13%	25.21%	33.45%
S&P 500	5870.62	-2.05%	24.55%	32.19%
MSCI EAFE	2286.26	-2.56%	4.17%	12.05%
BB U.S. Aggregate	2191.42	-0.85%	1.45%	7.11%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	4.50%	4.62%	5.41%
10-Year Treasury	4.44%	4.03%	4.53%

REPORTS DUE THIS WEEK	LATEST
Housing Starts (Millions Annualized)	1.35
Building Permits (Millions Annualized)	1.43
Existing Home Sales (Millions Annualized)	3.84
S&P Global U.S. Manufacturing PMI	48.5
S&P Global U.S. Services PMI	55.0

Total returns are as of 11/15/24. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

5,772

The S&P 500's fifty-day moving average, a key short-term technical level that sits 1.7% below its 5,870.62 close on Friday. A test of 5,772 and a successful bounce higher by the of the week could foretell further gains for the index over the final six weeks of the year. If the index breaks below 5,772 for a couple of days, one of the next potential support levels to watch would be the current 100-day moving average of 5,638, about 4% below Friday's close.

\$321 million

The profit in Disney's (DIS) direct-to-consumer (DTC) segment during the third quarter, above the consensus analyst estimate of \$203 million. The DTC division, which includes the Disney+, Hulu, and ESPN+ streaming services, had been a substantial drag on the entertainment's profitability trajectory for most of the last three years. DIS (+16.2%) was the strongest performing stock in the S&P 500 last week after underperforming the index by 17% on a year-to-date basis through November 8.

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