

12/9/2024

The Week Ahead



THINGS TO WATCH

November CPI

Although expectations are high for another 0.25% Fed rate cut at the central bank's December 17-18 policy-setting meeting, a hotter-than-expected November consumer price index (CPI) reading Wednesday morning could make Chair Powell and his colleagues think twice. According to a Bloomberg survey's median forecast, monthly CPI is expected to have ticked up to 0.3% in November after four straight monthly readings of 0.2%. On a year-over-year basis, CPI is projected to have risen 2.7% over the twelve months spanning December 2023 through November 2024, which would mark the highest annual reading since July.

Broadcom (AVGO)

Broadcom's fiscal 4Q24 results on Thursday should receive a substantial bump from the long-awaited integration of cloud integration software maker VMware into its financial statements. Investors will be watching closely for signs of re-acceleration in AVGO's AI semiconductor business and a cyclical recovery in its non-AI segments (traditional networking, wireless handsets). The chip giant is expected to announce a 14% increase in its quarterly dividend according to a Bloomberg projection.

Middle East

Over the weekend, rebel forces led by Islamist militant group Hayat Tahrir Al-Sham, appeared to topple Bashar Assad's government in Syria. Almost simultaneously, Israeli ground forces crossed over a demilitarized zone on its northern border with Syria to establish control of part of the Golan Heights for the first time since the 1973 October War. U.S. Central Command confirmed dozens of airstrikes against ISIS targets in central Syria yesterday. Action in oil and gold prices this week will likely provide clues about how serious of a threat the political vacuum in Syria will pose to the global economy and markets.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
ISM Manufacturing PMI	48.4	47.2	▲
ISM Services PMI	52.1	51.5	▲
JOLTS Job Openings (Millions)	7.74	7.71	▲
Non-Farm Payrolls (Thousands)	227	78	▲
Unemployment Rate	4.2%	4.2%	-
Average Hourly Earnings (Y/Y)	4.0%	3.9%	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	44642.52	-0.52%	20.58%	26.11%
NASDAQ	19859.77	3.09%	32.86%	41.10%
S&P 500	6090.27	0.94%	29.27%	35.65%
MSCI EAFE	2358.26	1.31%	8.05%	13.61%
BB U.S. Aggregate	2230.63	0.35%	3.41%	5.73%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	4.40%	4.53%	5.39%
10-Year Treasury	4.15%	4.43%	4.10%

REPORTS DUE THIS WEEK	LATEST
NFIB Small Business Optimism	93.7
Consumer Price Index (Y/Y)	2.6%
Core Consumer Price Index (Y/Y)	3.3%
Producer Price Index (Y/Y)	2.4%

Total returns are as of 12/6/24. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

17%

According to a recent Pew Research survey, the proportion of adults in the U.S. that regularly receive news from TikTok, the short-form video app owned by Chinese technology company ByteDance. Last Friday, a three-judge U.S. Appeals court panel in the District of Columbia upheld a new federal law that would force ByteDance to sell TikTok by January 19 or be banned in the U.S. on national security grounds. According to the Pew survey, only 32% of U.S. adults support a ban of TikTok.

247%

The gain in MicroStrategy (MSTR) shares from September 6 through last Friday, boosted by its increasingly large holdings in Bitcoin, which now total nearly \$40 billion. MSTR co-founder and CEO Michael Saylor has shifted the enterprise software maker's core business into establishing a "Bitcoin Treasury" by funding purchases of the cryptocurrency with convertible debt and secondary equity issuance. MSTR, which had only \$496 million of sales in 2023, plans to issue \$21 billion of debt by 2027 to fund more Bitcoin purchases.

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