

Market Update – October 15, 2024

The Weekly Briefing

The S&P 500 Index continued to grind higher, ending last week up 23% on a total return basis year-to-date. This year's return has been jointly driven by multiple expansion and positive earnings revisions, with multiple expansion doing most of the heavy lifting. According to Bloomberg, the index's price-to-earnings ratio, or P/E, ended the week at 22.9x on a next twelve month basis, up from 19.5x at the beginning of the year. Next twelve month earnings estimates for S&P 500 companies are up 9% over the same time frame.

Third quarter earnings season began last week and investors and analysts will refine their estimates in the coming weeks. Market participants will get a first glimpse of companies' expectations for 2025, as management teams often give qualitative color on their outlook for the next calendar year during third quarter earnings calls.

Pepsi, Domino's Pizza and large banks JP Morgan and Wells Fargo highlighted last week's reports. Pepsi and Domino's Pizza provided mixed reads on the consumer. Pepsi reported modest like-for-like revenue growth and described a cost-conscious consumer as the cumulative effects of inflation and high borrowing costs are putting pressure on spending. Domino's echoed this sentiment, and management expects increased competitiveness around pricing in the quick service restaurant space.

In contrast, JP Morgan's executive team characterized the consumer as healthy and has seen solid spending amongst its customers. Wells Fargo shared its competitor's sentiment on the consumer; the bank continues to see solid spending and believes the economy remains strong.

On the economic front, the Consumer Price Index came in slightly higher than expected on both a core and headline basis, further tempering rate cut expectations for the balance of the year. Core CPI rose 0.3% month-over-month, ahead of the 0.2% expected. Services were a major contributor to the month-over-month increase. Futures markets now expect an additional 50 basis points of cuts this year, down from 100 basis points after the September meeting.

The Week Ahead

Monday	Tuesday	Wednesday	Thursday	Friday
	BAC	ASML	Jobless Claims	Housing Starts
	C	ABT	Retail Sales	
	GS	CCI	Industrial Production	AXP
	JNJ	CSX		CMA
	SCHW	KMI	BX	PG
	UNH	MS	ISRG	SLB
			TSM	
			NFLX	

Market Snapshot

	Last Week	YTD	1yr
S&P 500	1.9%	23.3%	37.4%
DJIA	2.7%	16.0%	30.4%
Nasdaq 100	1.6%	22.3%	37.4%
Russell 2000	2.5%	12.1%	32.7%
S&P 500 E/W	2.0%	16.4%	31.5%
2yr Yield	3.96%	-0.29%	-1.10%
10yr Yield	4.10%	0.22%	-0.51%
VIX	19.7	7.3	0.4
WTI Crude	\$73.8	3.0%	-15.8%
Gold	\$2,649	28.4%	37.9%
Bitcoin	\$65,906	57.2%	142.2%

Economic Summary

	Actual	Expected	Prior (r)
CPI - m/m	0.2%	0.1%	0.2%
CPI - y/y	2.4%	2.3%	2.5%
Core CPI - m/m	0.3%	0.2%	0.3%
Core CPI - y/y	3.3%	3.2%	3.2%
Initial Jobless Claims	258k	230k	225k
Continuing Claims	1,861k	1,830k	1,819k
PPI - m/m	0.0%	0.1%	0.2%
PPI - y/y	1.8%	1.6%	1.9%

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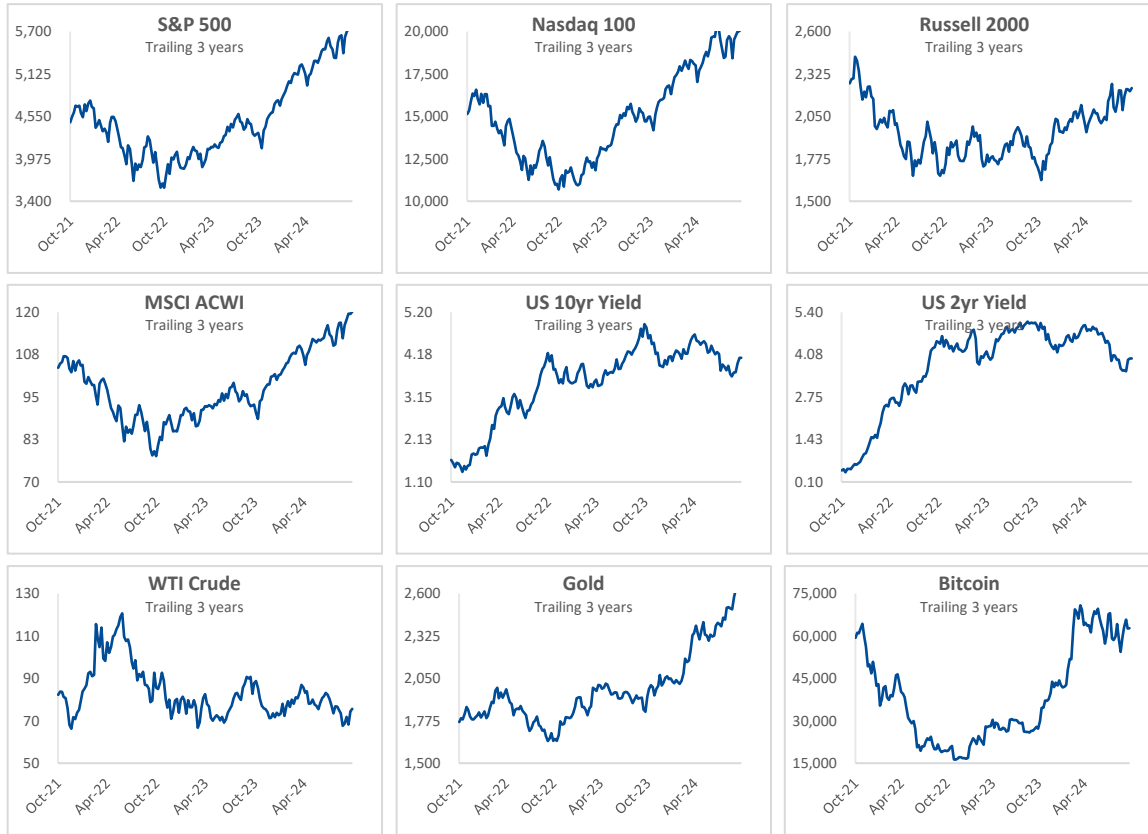
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WEALTH MANAGEMENT

Markets Monitor



S&P 500 Sector Heatmap Total Return YTD

S&P 500	Comm. Services	Cons. Discretionary	Cons. Staples
23.3%	26.4%	11.4%	17.4%
Energy	Financials	Healthcare	Industrials
10.8%	26.9%	14.2%	23.2%
Materials	Real Estate	Technology	Utilities
14.7%	13.6%	20.2%	30.7%

Last Week in Earnings

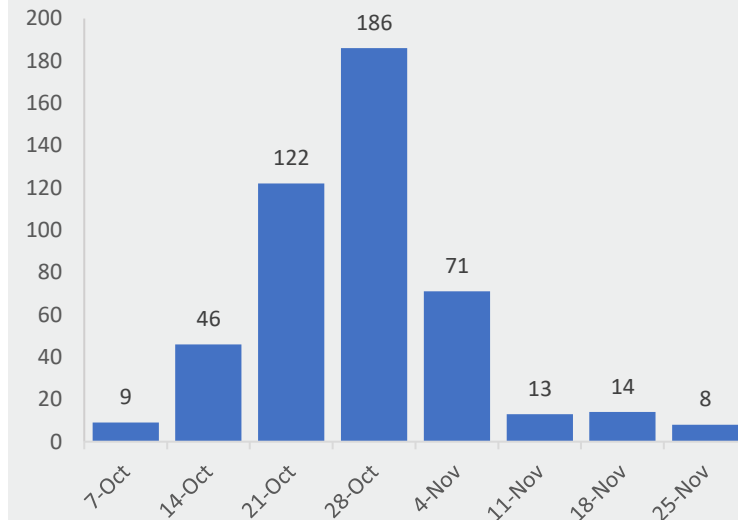
Date	Ticker	EPS	Revenue	Price chg
8-Oct	PEP	Beat	Miss	1.9%
10-Oct	DAL	Miss	Miss	-1.4%
	DPZ	Beat	Miss	-1.1%
11-Oct	BLK	Beat	Beat	3.6%
	FAST	Beat	Beat	9.8%
	JPM	Beat	Beat	4.4%
	WFC	Beat	Miss	5.6%

World Watch

	Last Week	YTD	1yr
MSCI ACWI	1.5%	19.4%	32.2%
MSCI Europe	1.1%	10.8%	24.1%
MSCI APAC	0.2%	15.9%	25.3%
DXY Index	103.2	1.9%	-3.2%
EUR / USD	\$1.09	-2.5%	1.9%
GBP / USD	\$1.31	2.6%	6.9%
USD / JPY	149.7	6.1%	0.1%
USD / CNY	7.11	0.1%	-2.8%

Earnings Reports Will Ramp Up Significantly in the Coming Weeks

Number of S&P 500 Companies Reporting by Week



Sources: thetranscript.substack.com, S&P Global, Logia Portfolio Management.



WEALTH MANAGEMENT

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