

Market Update – October 21, 2024

The Weekly Briefing

The S&P 500 Index ended the week roughly unchanged in a busy week of earnings and economic data. High profile earnings reports included Netflix and semi manufacturers ASML and TSMC. Retail sales and industrial production headlined the economic data.

Netflix stock gained 11% after it beat expectations on both the top and bottom line and raised its guidance. The company continues to benefit from its restriction on account sharing. ASML fell -16% after the company mistakenly released its third quarter results a day early. The company's revenue guidance for next quarter came in lower than expected. The chipmaker touted strong growth in AI-related chips but described the rest of the semiconductor market as sluggish. ASML expects the non-AI portion of the market to recover gradually and expects cautious customer behavior to continue into 2025. The Philadelphia Semiconductor Index fell 5% on the day. However, pessimism in the semiconductor space did not last long. Two days later, TSMC rose 9% after beating estimates and issuing strong revenue guidance for next quarter. The company continues to see very strong growth in its most advanced chips. Similar to its peer, TSMC called out very strong demand in AI-related verticals, which it expects to continue. Earnings season ramps up further this week, with more than 120 S&P 500 companies scheduled to report.

Turning to the macro, September retail sales came in better than expected, growing 0.4% month-over-month and 1.7% over the year-ago period. Core retail sales, also referred to as the control group, were especially strong. This metric, which is included in the calculation of GDP, grew 0.7% month-over-month and 3.7% year-over-year; US consumers continue to spend at a robust pace. While consumer spending was strong in September, industrial production declined month-over-month and year-over-year. However the September data was largely impacted by the Boeing strike and hurricanes Helene and Milton. The Federal Reserve estimates that industrial production would have grown absent these exogenous events. Despite the soft industrial production data, the Atlanta Fed's GDP forecasting model estimates that third quarter GDP grew at a strong 3.4% pace. The US economy continues to remain resilient in the face of multiple headwinds.

The Week Ahead

Monday	Tuesday	Wednesday	Thursday	Friday
SAP	GE DHR PM VZ TXN RTX LMT FI	Existing Home Sales TSLA KO TMUS TMO IBM NOW NEE T	Jobless Claims SPGI UL UNP HON KKR UPS NOC CARR	Durable Goods HCA CL

Market Snapshot

	Last Week	YTD	1yr
S&P 500	0.1%	24.3%	40.9%
DJIA	1.0%	16.5%	33.2%
Nasdaq 100	-0.6%	21.6%	40.7%
Russell 2000	1.2%	13.5%	37.4%
S&P 500 E/W	0.4%	16.9%	35.2%
2yr Yield	3.95%	-0.30%	-1.27%
10yr Yield	4.08%	0.20%	-0.83%
VIX	18.0	5.6	(3.7)
WTI Crude	\$69.2	-3.4%	-22.0%
Gold	\$2,721	31.9%	37.9%
Bitcoin	\$68,758	64.0%	129.0%

Economic Summary

	Actual	Expected	Prior (r)
Retail Sales - m/m	0.4%	0.3%	0.1%
Retail Sales - y/y	1.7%		2.2%
Core Retail Sales - m/m	0.7%	0.3%	0.3%
Core Retail Sales - y/y	3.7%		3.5%
Initial Jobless Claims	241k	259k	260k
Continuing Claims	1,867k	1,865k	1,858k
Industrial Production - m/m	-0.3%	-0.2%	0.3%
Industrial Production - y/y	-0.6%		0.0%

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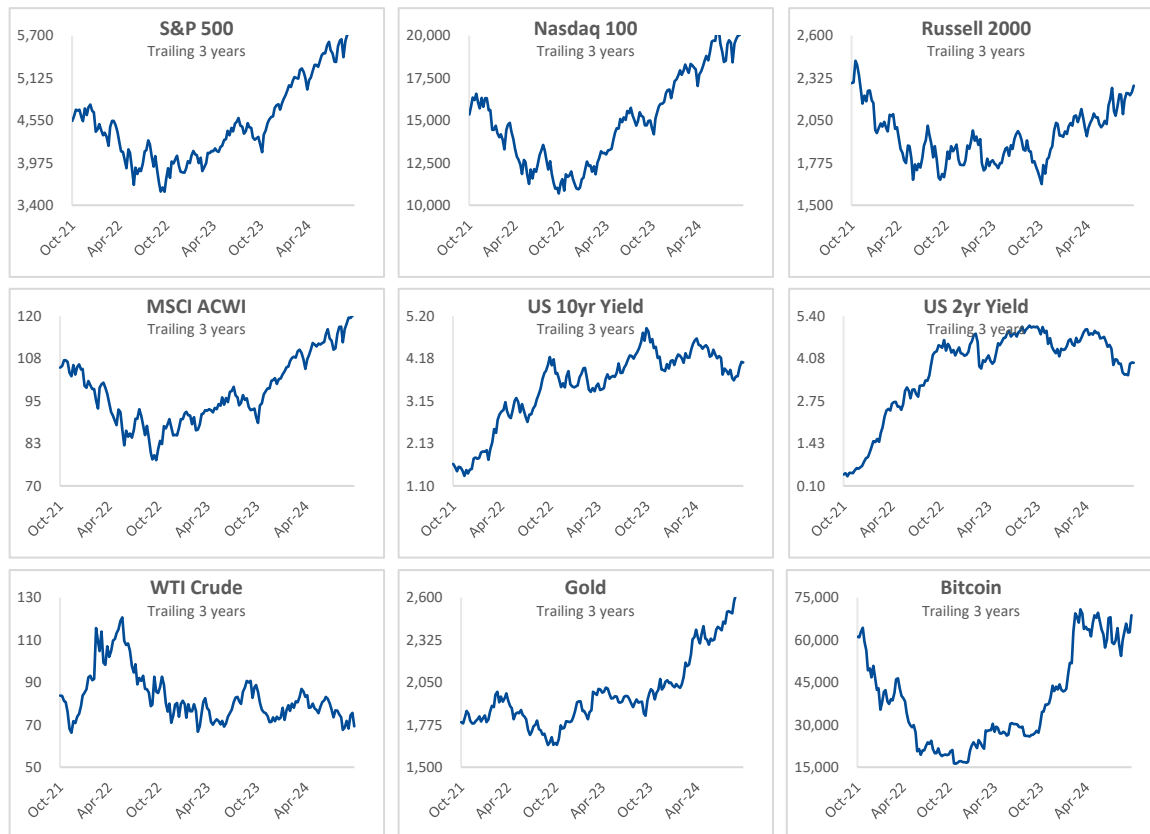
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WEALTH MANAGEMENT

Markets Monitor



S&P 500 Sector Heatmap Total Return YTD

S&P 500	Comm. Services	Cons. Discretionary	Cons. Staples
24.3%	26.6%	12.3%	16.5%
Energy	Financials	Healthcare	Industrials
10.4%	28.1%	13.5%	23.4%
Materials	Real Estate	Technology	Utilities
15.6%	14.4%	20.6%	32.4%



WEALTH MANAGEMENT

Last Week in Earnings

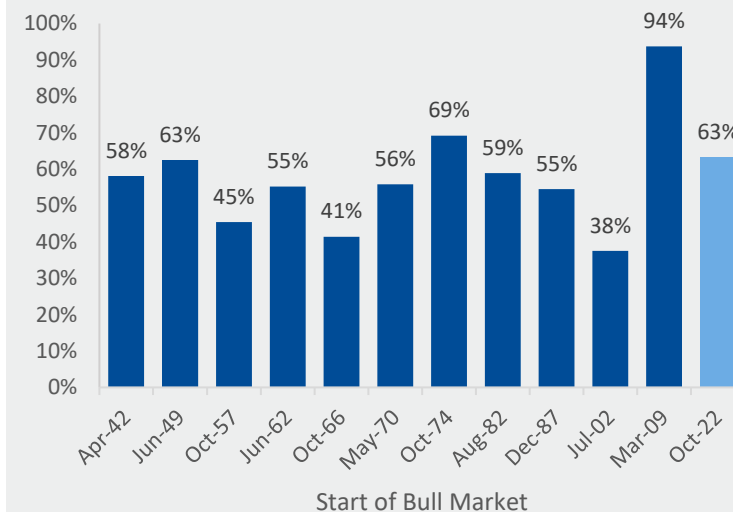
Date	Ticker	EPS	Revenue	Price chg
	C	Beat	Beat	-5.1%
	UNH	Beat	Beat	-8.1%
	UAL	Beat	Beat	12.4%
	ASML	Beat	Beat	-16.2%
	MS	Beat	Beat	6.5%
	TSMC	Beat	Beat	9.8%
	NFLX	Beat	Miss	11.1%
	ISRG	Beat	Beat	10.1%

World Watch

	Last Week	YTD	1yr
MSCI ACWI	0.0%	19.4%	35.6%
MSCI Europe	-0.5%	10.2%	26.8%
MSCI APAC	-0.5%	15.3%	28.1%
DXY Index	103.5	2.1%	-2.5%
EUR / USD	\$1.09	-2.8%	0.9%
GBP / USD	\$1.31	2.5%	6.5%
USD / JPY	149.5	6.0%	-0.1%
USD / CNY	7.10	0.0%	-2.9%

The Current S&P 500 Bull Market is the Third Best Performing Ever at the 2-Year Point

Percent Chg of S&P 500 Bull Markets at 2-Year Point



Sources: Bespoke Investment Group, Logia Portfolio Management, Sunflower Bank.

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