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| **RESOURCE LOG – September 2024** | | | | |
| **Article Title** | **Detail** | **Publication** | **Date** | **Author** |
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| Stock Indexes Mainly Bruch Off Disappointing Nvidia Results | The Nvidia-less Dow Jonoes Industrial Average gained 0.6%, or 244 points, notching its 25th record of the year. The S&P 500 finished roughly flat, while the tech-heavy Nasdaq composite fell just 0.2%.  If Nvidia’s results fore-shadow a slowdown I the AI craze, tech investors haven’t totally gotten the message. Most of the other big-name firms in the AI supply chain finished Thursday in the green. | The Wall Street Journal | 08/30/2024 | David Uberti and Joe Wallace |
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| Volatile Month In Stocks Ends on High Note | Major U.S. stock indexes closed the books on a tumultuous august with monthly gains, riding a string of encouraging economic data to overcome concerns about the health of the labor market.  For all the intervening volatility, stocks rallied Friday to finish the month not far from where they started. The S&P 500 climbed 2.3% from the end of July, leaving it just shy of its record close. The Dow Jones Industrial Average rose 1.8% for the month, and the tech-heavy Nasdaq composite ticked up 0.6%. | The Wall Street Journal | 08/31-09/01/2024 | Sam Goldfarb |
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| Real-Estate Investors Bet On Higher Apartment Rents | Now, big investors are betting that downward pressure on rents from new supply is coming to an end and the market is shifting back in landlords’ favor.  In July, the annual pace of multifamily-building starts was down 22% from the same month a year earlier.  Some of the largest investment firms I the country are buying billion-dollar portfolios, partly betting that slower times for rental builders will mean better times for companies that own existing properties.  …Matt Sharp, co-founder and managing principal of Hamilton Point.  “Our view is all the new construction is going to finish in the next few months, and nothing new is going to come on line for the next two or three years,” Sharp said.  Lower numbers of new buildings going up re expected to give a boost to rents and lagging property values. | The Wall Street Journal | 09/04/2024 | Will Parker |
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| Oil, copper Fall as Goldman Warns Of Weakening Demand in China | Oil and copper prices slid after Goldman Sachs warned of flagging Chinese commodity demand and sliced its forecast for the metal.  Benchmark U.S. crude futures slid at their steepest rate since November, dropping 4.4% to $70.34 a barrel. That is the cheapest oil has been all year.  Copper prices dropped 2.7%.  Also weighing on oil prices are expectations that the OPEC+ cartel may begin to gradually increase supplies. | The Wall Street Journal | 09/04/2024 | Anna Hirtenstein |
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| Stocks Sell Off On Fears Economy Is Cooling | Stocks tumbled Tuesday on renewed worries about a slowing economy, echoing a sharp selloff a month ago, with chip maker Nvidia posting a record one-day decline in market value for a U.S. company.  Major U.S. indexes notched their worst day since Aug. 5. The S&P 500 shed 2.1% and the Nasdaq composite fell 3.3%. The Dow Jones Industrial Average lost about 626 points, or 1.5%.  Traders returned from the Labor Day holiday to data suggesting continuing gloom in the manufacturing sector, rekindling concerns about the health of the economy. The benchmark 10-year U.S. Treasury yield dropped to 3.843%, from 3.910% on Friday.  Investors have been bullish about stocks after nearly two years of double-digit percentage gains for the S&P 500, leaving the market vulnerable to sudden reversals. | The Wall Street Journal | 09/04/2024 | Hannah Miao |
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| What’s News | ♦ U.S. factories saw continued weakness in demand in August, suggesting ongoing gloom in the manufacturing sector. | The Vall Street Journal | 09/04/2024 |  |
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| Drop in Fuel Prices helps Drag Down Oil Market | The weakness reflect the pending conclusion of summer driving season when more Americans tend to hit the road. This year, however, analysts say fuel demand has been roughly flat-and at times shaky-thanks in part to more electric vehicles and hybrids. | The Wall Street Journal | 09/05/2024 | David Uberti |
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| S&P 500, Nasdaq Extend Declines | Worries about a softening labor market pushed the S&P 500 lower for a second consecutive day ahead of a key jobs report.  Wednesday’s moves came after the indexes notched their worst session since the global market rout in early August.  Adding to slowdown fears, the Labor Department on Wednesday said U.S. job openings fell in July to 7.7 million.  **ELSEWHERE:**  **♦ Benchmark 10-year Treasury yields declined to 3.768%,…** | The Wall Street Journal | 09/05/2024 | Hannah Miao and Angus Berwick |
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| Stocks close Out Year’s Worst Week | Stocks indexes posted steep weekly losses after weaker-than-expected data reignited fears about the health of the U.S. economy.  The tech-heavy Nasdaq composite tumbled 5.8% on the week, its worst performance since January 2022. For the week, the S&P 500 fell 4.2% and the D ow Jones Industrial Average 2.9%, both the worst since March 2023. All three major indexes extended their losses Friday. | The Wall Street Journal | 09/07-08/2024 | Jack Pitcher |
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| Industrials and S&P 500 Increase More Than 1% to Start the Week | U.S. stocks rallied Monday, recouping some of last week’s losses as investors looked ahead to fresh inflation data.  **ELSEWHERE:**  **♦ The 10-year Treasury yield slipped to 3.698%, its lowest 3 p.m. yield since June 2023, from 3.710% on Friday.** | The Wall Street Journal | 09/10/2024 | Karen Langley and Caitlin McCabe |
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| Inflation Slows to 3-Year Low  *August’s 2.5% rate extends cooling and keeps Fed on track to cut next week* | The consumer-price index climbed 2.5% from a year earlier, according to the Labor Department, decreasing from 2.9% in July and extending its cooling streak to five months. Core inflation, a measure that excludes volatile food and energy costs, held about steady at 3.2%.  The report likely cemented a shift in focus by the Fed from inflation, which has receded from 40-year-highs, and toward a cooling labor market, where softer hiring has sparked concerns of broader deterioration in the economy.  Major stock indexes swung between gains and losses Wednesday…  The yield on 10-year Treasurys inched upward, to 3.653%, but remained near its lowest level of the year. | The Wall Street Journal | 09/12/2024 | David Uberti and Nick Timiraos |
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| Western Companies Cool on China  *Slower growth plus difficulty of doing business there have firms pulling back* | The gloomy investment trend was the focus of twin reports this week from the European Union chamber of commerce in China and the American chamber of commerce in Shanghai.  “the risk of doing business in China has gone up in the past few years and at the same time the market is slowing down,” said Eric Zheng, president of the U.S. group.  Business in China no longer outshine other markets.  Last year, foreign investment into China fell 8% from the previous year in yuan terms. | The Wall Street Journal | 09/12/2024 | Yoko Kubota and Liza Lin |
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| Size of Fed’s Expected Rate cut Remains Close Call Before Vote | The central bank is set to reduce rates for the first time since 2020 at its meeting on Sept. 17-18.  Powell kept all his options on the table in a speech last month in Jackson Hole, Wyo.,…  “The direction of travel is clear, and the timing and pace of rate cuts will depend on incoming data, the evolving outlook and the balance of risks,” he said then.  They are nervous about keeping interest rates too high for loo long amid evidence that higher borrowing costs are working as intended to slow inflation by cooling spending, investment and hiring. | The Wall Street Journal | 09/13/2024 | Nick Timiraos |
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| What’s News | ♦ The ECB lowered interest rates by a quarter point, its second cut in three months, widening a policy gap with the Federal Reserve. | The Wall Street Journal | 09/13/2024 |  |
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| Lenders See Rise in Late Payments  *Consumers are falling behind on paying their credit cards and auto loans* | Dour remarks from banking executives at the Barclays banking conference rattled investors, who were already on edge about the health of the U.S. economy. | The Wall Street Journal | 09/16/2024 | Angel Au-Yeung |
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| China Riska a Deflationary Spiral | While much of the West has been combating inflation over the past couple of years, China is facing the opposite. Deflationary pressure is building up in the country.  The implosion of the housing market has put a drag on the whole economy.  Lower consumer spending has pushed prices down, which puts pressure on corporate profits and, in turn, wages. That risks creating a vicious cycle, making deflation more entrenched.  Instead of directly providing stimulus to households to boost consumption, Beijing has opted to support the manufacturing sector.  China’s export surge has caused concerns in many countries, triggering trade barriers in sectors like electric vehicles.  At some point, Beijing is likely to hit a pain threshold in the economy that forces it to take more-decisive action. | The Wall Street Journal | 09/16/2024 | Jacky Wong |
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| What’s News | Stocks closed mixed ahead of the Fed’s decision with the Dow falling 0.04% while the S&P and Nasdaq rose 0.3% and 0.2%, respectively. | The Wall Street Journal | 09/18/2024 |  |
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| Harris and Trump Proposals Add to Soaring Federal Debt | This year’s budget deficit is on track to top $1.9 trillion, or more than 6% of economic output, a threshold reached only around World War II, the 2008 financial crisis and the Covid-19 pandemic. Publicly held federal debt-the sum of all deficits-just passed $28 trillion or almost 100% of GDP.  Interest costs alone are poised to exceed annual defense spending.  Economists and policymakers already worry that the growing debt pile could put upward pressure on interest rates, restraining economic growth, crowding out other priorities and potentially impairing Washington’s ability to borrow in case of a war or another crisis. | The Wall Street Journal | 09/18/2024 | Richard Rubin |
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| Stocks End Lower After Rate Cuts | Faced with a cooling labor market and easing inflation, the Fed chose to lower its benchmark interest rate to a range between 4.75% to 5%. Most officials anticipate cuts that would lower rates by at least a quarter point each a meetings in November and December, according to quarterly projections.  The Dow Jones Industrial Average finished the day down 0.2%, or roughly 103 points, backing further away from Monday’s record close. The S&P 500 and Nasdaq Composite both slipped 0.3%.  “I view it as a very, very positive first cut and not one that should imply some sort of worry or dramatic weakening of the economy,” said Michael Antonelli, a managing director at Baird.  Wednesday’s rate cut is “a welcome development” and should put the stock market on good footing going forward, said Yung-Yu Ma, chief investment officer at BMO Wealth Management.  The yield on the benchmark 10-year U.S. Treasury note settled at 3.685% Wednesday, up from 3.641% Tuesday butt still roughly a percentage point lower than where it stook in April. | The Wall Street Journal | 09/19/2024 | Sam Goldfarb |
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| Fed Goes Big With Half-Point Rate Cut | The Federal Reserve voted to lower interest rates by a half percentage point, opting for a bolder start in making its first reduction since 2020.  Eleven of 12 Fed voters backed the cut, which brings the benchmark federal-funds rate to a range between 4.75% and 5%.  It is now trying to prevent past rate increases, which last year took borrowing costs to a two-decade high, from further weakening the U.S. labor market.  Stocks rose immediately after the announcement, then ended the day lower. The S&P 500 fell 0.3%, and the Dow Jones Industrial Average ended down 0.2%, or about 103 points. Anticipation of rate cuts had buoyed Wall Street in the run-up to the meeting, with the Dow hitting a fresh record on Monday. | The Wall Street Journal | 09/19/2024 | Nick Timiraos |
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| Fed, After Big Rate Cut, Faces Fresh Hurdles to Stick Landing | Where is the Fed taking rates and how fast will it get there?  The Fed doesn’t know on either front. Officials often set policy with an eye toward figuring out where their interest rate is relative to a so-called neutral rate that neither spurs nor slows growth.  Officials will have two more months of labor-market data before the Nov. 6-7 meeting, including one report less than a week before their meeting.  Fed officials are trying to balance two risks: One is that they drag their heels on reducing rates in a way that gives rise to rising joblessness and makes officials rush into bigger cuts.  The other risk is that they move too fast in dialing back rate hikes. | The Wall Street Journal | 09/20/2024 | Nick Timiraos |
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| Home Prices Squeeze Sales | Home sales in August fell as a drop in mortgage rates failed to offset high prices. | The Wall Street Journal | 09/20/2024 | Source: National Association of Realtors |
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| Key Borrowing-Cost Gauge Rises  *U.S. Treasury yields are a reminder that an interest-rate cut can do only so much* | Yields on longer-term U.S. Treasurys have ticked higher since the Fed approved a 0.5-percentage-point rate cut last week. The yield on the benchmark 10-year U.S. Treasury note, which helps set interest rates on everything from mortgages to corporate bonds, settled Friday at about 3.73%, up from 3.64% the day before the Fed’s move.  The central bank manages short-term rates that banks charge each other for overnight loans…  But rates on a lot more debt are driven primarily by swings in Treasury yields. | The Wall Street Journal | 09/23/2024 | Sam Goldfarb |
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| Fed Flies Blin, Investors are Mah | The basic question is whether half-percentage-point cuts are the new normal. Fed policymakers say not: Only one official predicted cuts or more than a quarter point at the two meetings between now and the end of the year.  It’s even worse if you try to look further out. Much of what matters when assessing how the Fed will react to any given economic development is where it thinks rates will land in a balanced economy-what economists call the neutral rate, or r-star. Unfortunately policymakers are showing their confusion about where it lies, with their estimates ranging from 2.4% to 3.8%, and much higher than before the pandemic. | The Wall Street Journal | 09/23/2024 | James Mackintosh |
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| What’s News | ♦ The Fed is finally cutting interest rates, but one key gauge of borrowing costs, yields on longer-term U.S. Treasury, has been going up anyway, a reminder that the central bank doesn’t have complete control over borrowing costs. | The Wall Street Journal | 09/23/2024 |  |
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| Key Rate Up After Fed Cut | Rising 10-year Treasury yields are a reminder that an interest-rate cut-even a large one like the central bank did last week-can do only so much to lower overall U.S. interest rates. The yield on the benchmark 10-year Treasury note helps set interest rates on everything from mortgages to corporate bonds. | The Wall Street Journal | 09/23/2024 | Source: Tullett Prebon |
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| Sorry, the Fed Can’t Save Us From a Bear Market | Stocks’ reaction to Wednesday’s cut was exuberant. That often proves to be a head fake – we still don’t know how this movie ends.  The Fed chairman doesn’t have a magic wand to levitate an economy that is stumbling or a stock market about to do the same. Goldman Sachs strategist David Kostin notes recently that “the trajectory of growth is a more important driver for stocks than the speed of rate cuts.”  Claims that the U.S. economy could soon contract aren’t convincing, and a pullback of a third or more in stocks would be unusual unless the economy stalls.  U.S. stocks have rarely been so expensive, concentrated or dependent on the promise of AI. | The Wall Street Journal | 09/23/2024 | Spencer Jakab |
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| Stock Indexes Reach New Heights  *U.S. consumer data and People’s Bank of China stimulus send shares higher* | The S&P 500 added 0.3%, closing at a record for the second straight session and 41st time this year. The Dow Jones Industrial Average ticked up 0.2%, or roughly 84 points-also hitting a record-while the Nasdaq composite advanced 0.6%.  Investors generally are optimistic that the U.S. economy can avoid a recession, despite a recent uptick in the unemployment rate.  **Elsewhere:**  **♦ U.S. Treasury yields declined after the soft consumer-confidence data. The 10-year yield settled at 3.736%, down from 3.740% Monday, after climbing as high as 3.804% earlier in the session.**  **♦ Oil prices climbed on hopes for increased Chinese demand. U.S. crude added 1.7% to close at $71.56 a barrel.** | The Wall Street Journal | 09/25/2024 | Chelsey Dulaney and Sam Goldfarb |
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| China’s Support Package Spurs Ripples Through Markets | China’s central bank unveiled a blitz of measures to support a weakening economy and energize the stock market.  Here’s how the moves affected world markets.  **Currencies & bonds:**  **♦ Yields on Chinese government bonds, which move inversely to prices, climbed as investors rushed to buy stocks instead.** | The Wall Street Journal | 09/25/2024 | WSJ Staff |
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| Bond Investing Strategy Changes as Rates Fall | Once considered a boring safe play, bonds have lately felt like anything but. Rising interest rates drove returns to their worst year on record in 2022.  Now, with rates coming down, many investors have had gains instead.  ♦ **Why bonds now?**  Interest rates are a key factor in any bond’s value. When rates fall, prices for existing bonds tend to rise, because they carry higher interest payment than newer bonds.  **♦ Buying a la carte**  Bonds are effectively a loan from investors to a company or government. The borrower makes interest payments, usually in twice-yearly fixed amounts, until the issuer pays back the principal.  Bonds from companies are considered a little riskier than Treasurys or municipal bonds because the issuer might run into financial trouble, so the buyer often pays a little more.  Many prefer to buy individual bonds and hold them until maturity. That way, it doesn’t matter what happens to the price of the bond: You can lock in today’s rate and get back what you put in.  **♦ Climbing the ladder**  To ensure regular income, many people assemble a so-called ladder of bonds, with some maturing each year: say, $100,000 with $10,000 maturing each year for the next decade.  But the strategy does have disadvantages. Investors still need to scrutinize other aspects of the bond, such as its credit rating, because companies don’t always repay their debt.  **♦ Bundled for safety**  Bond funds hold hundreds to thousands of bonds, with investors owning a tiny share of each, so the occasional default from a company or government isn’t usually a big deal.  Instead of interest payments, mutual funds and ETF’s generally pay regular dividends to investors. | The Wall Street Journal | 09/26/2024 | Vicky Ge Huang and Heather Gillers |
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| U.S. New-Homes Sales Declined 4.7% in August | Sales of new homes in the U.S. fell less than expected in August.  The lower-than-expected decrease “is a welcome development for builders, who were sitting on bloated inventories after a disappointing spring selling season,” Santander’s Stephen Stanley said in a note.  Inventories at a 7.8 months’ supply are “still elevated but down from the peak… | The Wall Street Journal | 09/26/2024 | Paulo Trevisani |
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| Used-Car Retailer CarMax Flashes Auto-Loan Warning | CarMax said it lifted its estimate of lifetime losses on existing loans by $52.2 million, a nearly 11% increase from prior loss expectations.  In particular, the customers concentrated at the lower end of its highest credit tier that were of its highest credit tier that were “of noticeably higher risk.” This follows a warning from Ally Financial earlier this month. It said the bank’s auto-loan delinquencies rose in July and August.  Federal Reserve rates cuts could help the auto-finance business’s profitability. Lenders are often able to capture some extra margin because the rates they charge borrowers can be sticky. | The Wall Street Journal | 09/27/2024 | Jinjoo Lee |
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| Rate Cuts Don’t Guarantee An Economic Soft Landing | A soft landing that brings inflation down to the Fed’s goal without major deterioration in the labor market could still be tricky to achieve because it eventually requires growth in new lending to pick up. Bank lending has slowed to a crawl over the past year, something not usually seen outside of recessions.  If those borrowers or businesses are reluctant to obtain new borrowing, rate cuts might do little to boost the economy. | The Wall Street Journal | 09/28-29/2024 | Nick Timiraos |
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| Dow rises to Record on Inflation Data | The blue-chip index on Friday logged a record high for the 32nd time this year after the Federal Reserve’s preferred inflation gauge showed price pressures continued cooling last month. | The Wall Street Journal | 09/28-29/2024 | Joe Wallace and David Uberti |

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