

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	4.613 (1.1 bps)	Bond Buyer 40 Yield:	4.24 (3 bps)
6 Mo. T-Bill:	4.441 (5.8 bps)	Crude Oil Futures:	74.38 (6.20)
1 Yr. T-Bill:	4.171 (24.9 bps)	Gold Spot:	2,653.60 (-4.64)
2 Yr. T-Note:	3.922 (36.3 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.831 (35.3 bps)	US High Yield:	7.28 (4 bps)
5 Yr. T-Note:	3.804 (29.9 bps)	BB:	6.11 (13 bps)
10 Yr. T-Note:	3.967 (21.7 bps)	B:	7.35 (6 bps)
30 Yr. T-Bond:	4.250 (14.6 bps)		

The jobs market surged past expectations in September, with an unexpected decline in the unemployment rate and accelerating wage growth, defying concerns of a cooling labor market. Jobs data released Friday showed the US added 254,000 jobs in September, with upward revisions to the prior two months, and the unemployment rate fell from 4.2% to 4.1%. Expectations were for 150,000 new jobs in September. Treasury yields rose significantly on the report as the market dialed back expectations for Fed rate cuts, but it still expects significant cutting in the coming months. That marked a reversal from earlier in the week when bonds rallied, sending yields lower, on rapidly escalating geopolitical risks in the Middle East. The US warned on Tuesday morning that Iran was preparing to attack Israel, which later came to fruition. The question now is how large the scope of Israel's response will be. Oil prices surged higher on Thursday in one of the largest daily moves of the year due to the possibility that Israel could strike oil facilities in Iran in response to Iran's attack. Other economic data released last week showed that US manufacturing activity, measured by the ISM Manufacturing Index, contracted for the sixth straight month in September. Services, on the other hand, easily beat expectations in September and remained in expansion. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Tuesday: August Trade Balance (-\$70.5b, -\$78.8b); Wednesday: October 4 MBA Mortgage Applications (N/A, -1.3%); Thursday: October 5 Initial Jobless Claims (229k, 225k), September CPI MoM (0.1%, 0.2%), September CPI YoY (2.3%, 2.5%); Friday: October Preliminary U. of Mich. Sentiment (70.5, 70.1), September PPI Final Demand MoM (0.1%, 0.2%).

US Equities			
Weekly Index Performance:		Market Indicators:	
The Dow [®] :	42,352.75 (0.13%)	Strong Sectors:	Energy, Financials, Communication Services
S&P 500 [®] :	5,751.07 (0.26%)	Weak Sectors:	Materials, Real Estate, Consumer Staples
S&P MidCap 400 [®] :	3,118.26 (0.03%)	NYSE Advance/Decline:	1,238 / 1,632
S&P SmallCap 600 [®] :	1,407.46 (-0.68%)	NYSE New Highs/New Lows:	453 / 62
Nasdaq Composite [®] :	18,137.85 (0.12%)	AAll Bulls/Bears:	45.5% / 27.3%
Russell 2000 [®] :	2,212.80 (-0.48%)		

The S&P 500 Index returned 0.26% last week, marking its fourth straight week of positive returns. Monday closed the third quarter with the index locking in a 22.08% return for the first three quarters of 2024. Though stocks were up on Monday, much of the week appeared to be headed for negative performance as concerns increased over the escalation in the Middle East. The energy sector showed the best performance in the index returning 7.01% as crude oil prices climbed 9.09% last week after the Iranian missile attack on Israel. Energy names represented eight of the top ten performers in the index which included **EOG Resources Inc.**, **Devon Energy Corp**, **ConocoPhillips**, **APA Corp**, and others, all returning over 8.50%, with a 14.05% return for the best performing energy name, **Diamondback Energy Inc.** Equities jumped 0.91% on Friday, pushing the index into positive territory for the week. Jobs data was the catalyst for the rally as 254K jobs appeared to be added in September, eclipsing the 150K expected. Upward revisions were also released for July and August, painting a stronger jobs market than expected. The unemployment rate also provided positive news with September showing 4.1%, a decline from 4.2% the previous month. Financials and the consumer discretionary sectors benefited the most on Friday's data as they led all other sector performances in the index. Strong performances were posted by financials such as **Discover Financial Services**, **Capital One Financial Corp**, and **American International Group**, all gaining over 5.00%, and **Deckers Outdoor Corp**, **Norwegian Cruise Line Holdings**, **Carnival Corp**, and **Tesla Inc.**, all returning above 3.90%. Utilities name **Vistra Corp** posted the best performance in the S&P 500 Index, returning 17.58% last week. The power generating company's stock saw its price target raised by multiple analysts and has benefited all year from the AI euphoria as demand for power is expected to surge. The stock is the best performer in the S&P 500 Index YTD with a 262% return, followed by **NVIDIA Corp** and utilities name **Constellation Energy Corp**. Earnings announcements expected this week include financials **JPMorgan Chase & Company**, **Wells Fargo & Company**, **Blackrock Inc.**, **The Bank of New York Mellon Corp**, along with **PepsiCo Inc.**, **Fastenal Company**, **Delta Air Line Inc.**, and **Domino's Pizza Inc.**

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