

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	5.129 (-8.1 bps)	Bond Buyer 40 Yield:	4.32 (-1 bps)
6 Mo. T-Bill:	4.887 (-8.2 bps)	Crude Oil Futures:	74.83 (-1.82)
1 Yr. T-Bill:	4.370 (-10.5 bps)	Gold Spot:	2,512.59 (4.58)
2 Yr. T-Note:	3.915 (-13.4 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.724 (-12.9 bps)	U.S. High Yield:	7.49 (-15 bps)
5 Yr. T-Note:	3.649 (-12.9 bps)	BB:	6.14 (-14 bps)
10 Yr. T-Note:	3.799 (-8.4 bps)	B:	7.37 (-16 bps)
30 Yr. T-Bond:	4.091 (-4.9 bps)		

Treasury yields were down across the board last week as the Fed Chair Jerome Powell acknowledged the recent progress on inflation and stated that the time has come for the Fed to cut rates. Yields were also impacted after The Bureau of Labor Statistics annual review of employment data showed job growth was far weaker than previously estimated. Job growth was revised down by 818k jobs from March 2023 to March 2024, lowering the monthly average growth from 242k to 174k and solidifying expectations of rate cuts in September. Existing home sales rose for the first time in five months in July, increasing 1.3% to a 3.950 million annual rate, but remain near the slowest pace since the aftermath of the 2008 Financial Crisis, primarily due to tight inventory and elevated home prices. On Friday, new single-family home sales increased 10.6% in July to a 0.739 million annual rate, easily beating the consensus expected 0.623 million. Sales are up 5.6% from a year ago. With Fed Chair Jerome Powell all but confirming Friday morning that rate cuts will begin next month, a new upward trend may be starting for sales. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: July Preliminary Durable Goods Orders (4.9%, -6.7%); Tuesday: August Conference Board Consumer Confidence (100.6, 100.3); Wednesday: August 23rd MBA Mortgage Applications (N/A, -10.1%); Thursday: 2Q S GDP Annualized QoQ (2.8%, 2.8%), August 24th Initial Jobless Claims (230k, 232k); Friday: July Personal Income (0.2%, 0.2%), July Personal Spending (0.5%, 0.3%), August MNI Chicago PMI (45.1, 45.3), August Final University of Michigan Sentiment (68.0, 67.8).

US Equities			
Weekly Index Performance:		Market Indicators:	
The Dow®	41,175.08 (1.29%)	Strong Sectors:	Real Estate, Materials, Consumer Discretionary
S&P 500®	5,634.61 (1.47%)	Weak Sectors:	Energy, Info Tech, Communication Services
S&P MidCap 400®	3,096.25 (2.85%)		
S&P SmallCap 600®	1,412.16 (3.08%)		
Nasdaq Composite®	17,877.79 (1.41%)	NYSE Advance/Decline:	2,303 / 584
Russell 2000®	2,218.70 (3.61%)	NYSE New Highs/New Lows:	435 / 52
		AAll Bulls/Bears:	51.6% / 23.7%

Bolstered by Federal Reserve Chairman Jerome Powell's comments in Jackson Hole, stocks climbed on Friday to close out the week up 1.47% measured by the S&P 500. Chairman Powell said that the "time has come" for policy easing, supporting most investors' views of a September rate cut. Stocks reacted positively across the board as the megacap 'Mag 7' rose by an average of 1.14%, while mid-cap and small-cap stocks outperformed, with the S&P MidCap 400 index gaining 2.85% and the Russell 2000 advancing by 3.61%. Across the world, global equities rallied with the MSCI ACWI Index hovering near an all-time high. From a sector view, ten of eleven sectors traded higher last week, with only Energy names posting a negative return. Real estate stocks, particularly those sensitive to interest rates, led the S&P last week. **Public Storage** and **Extra Space Storage** were among the top performers, each gaining over 6%. Apple Inc. announced its biggest product launch of the year will take place on September 10. The company is looking for growth after hardware sales have slowed for the iPhone maker and the company looks for its next blockbuster product. In healthcare, drug distributor **McKesson** is in advanced talks to acquire a controlling stake in Florida Cancer Specialists & Research Institute, a privately held oncology clinic operator, for a reported \$3.5 billion dollars. Rivals **Cencora** and **Cardinal Health** were also interested in buying the Florida-based company to strengthen the distribution of specialty drugs. On the political front, the Democratic National Convention wrapped up last week and the party delegates selected Vice President Kamala Harris as the Democratic nominee. Looking ahead to next week, economic releases on durable goods, home prices, personal consumption, and GDP are all set for release.

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