



Week of July 29, 2024

Core PCE Reassures Expectations of a Fed Rate Cut In September

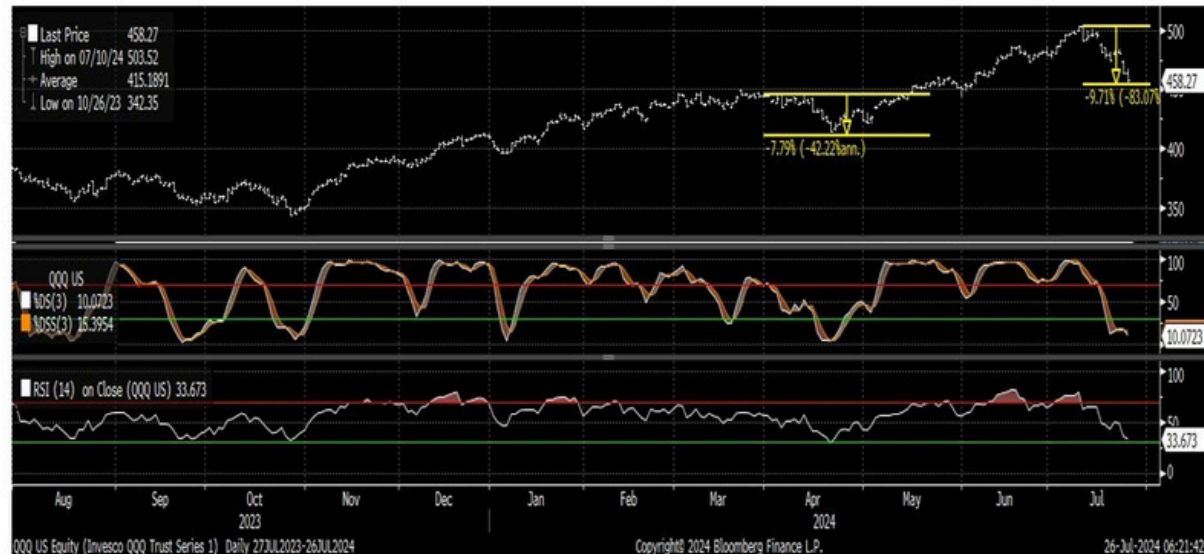
The Core Personal Consumption Expenditures Price Index (PCE) came in 0.1 higher than expected on a year-to-year basis, but this should not stop the Federal Reserve (Fed) from cutting interest rates by 25 basis points in September.

Consumers have been slowing down their spending, manufacturing is showing weakness – and so are durable capital goods. And let's not forget that the unemployment rate has been rising. GDP for 2Q24 came in stronger than expected with a healthy print of 2.8%, but we are seeing a bit of a slowing here as well. So, net-net, the economy is in good enough shape for earnings this year. As a result, the market will begin to question what economic growth and earnings will be like next year – and those expectations are starting to get priced in now. The key indicator to watch will be the 2-year Treasury yield. We see it trading down to 4.0% and possibly 3.5%. But a break of 3.5% will signal to us that the market is beginning to price in a recession.

Stocks Have Bucked And Can Rally

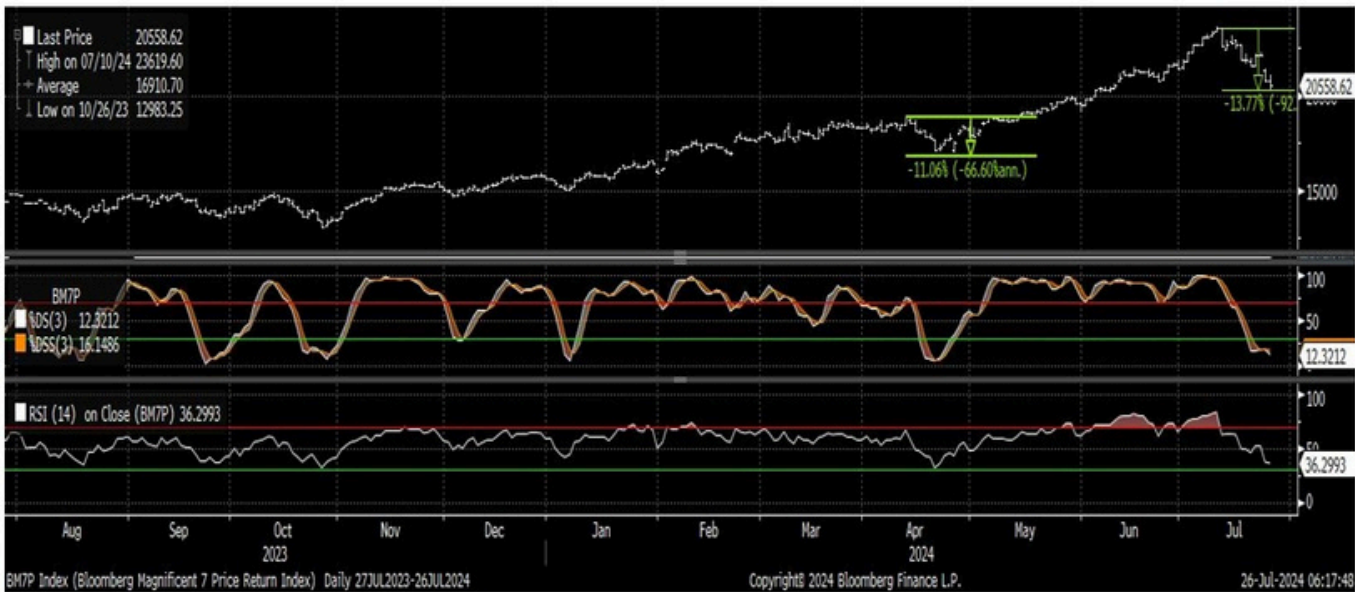
The Nasdaq 100, Magnificent 7 and S&P 500 have sold off sharply, creating a very oversold situation. Both the 14-Day Stochastic and the Relative Strength Index (RSI) are at oversold levels that we saw after the pullback in stocks in April. We think the market is primed to rally. *What could be the catalyst?* This is a big week for the Magnificent 7 with Microsoft (MSFT), Meta (META), Apple (AAPL) and Amazon (AMZN) all reporting earnings. If the market likes these earnings reports and their outlook going forward, it could ignite the rally. BUT – we expect the second half of the year to continue to have periods of volatility. This Bull will Buck! The months of September and October are notorious for volatility. We think the fall of 2024 will be no different. And with the Fed expected to begin cutting interest rates in September, this could be a “buy the rumor, sell the news” scenario.

Nasdaq 100 With 14-Day Stochastic: Approaching Oversold Quickly

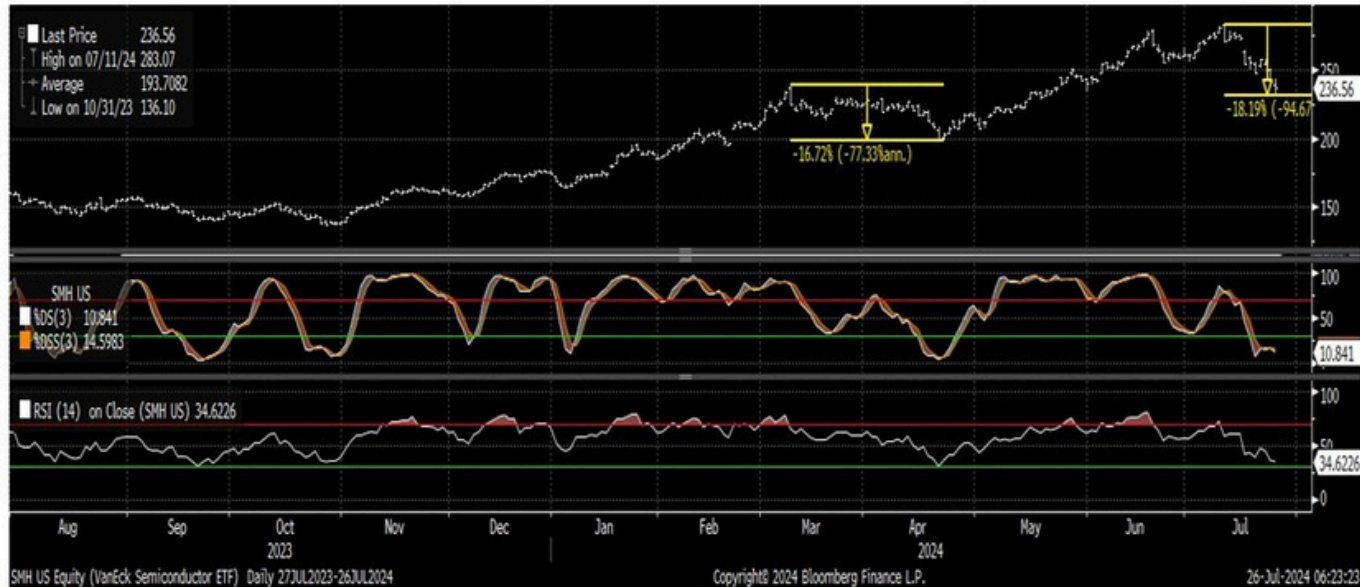


 Week of July 29, 2024

Magnificent 7 With 14-Day Stochastic And RSI: At Oversold Levels Where We Have Rallies

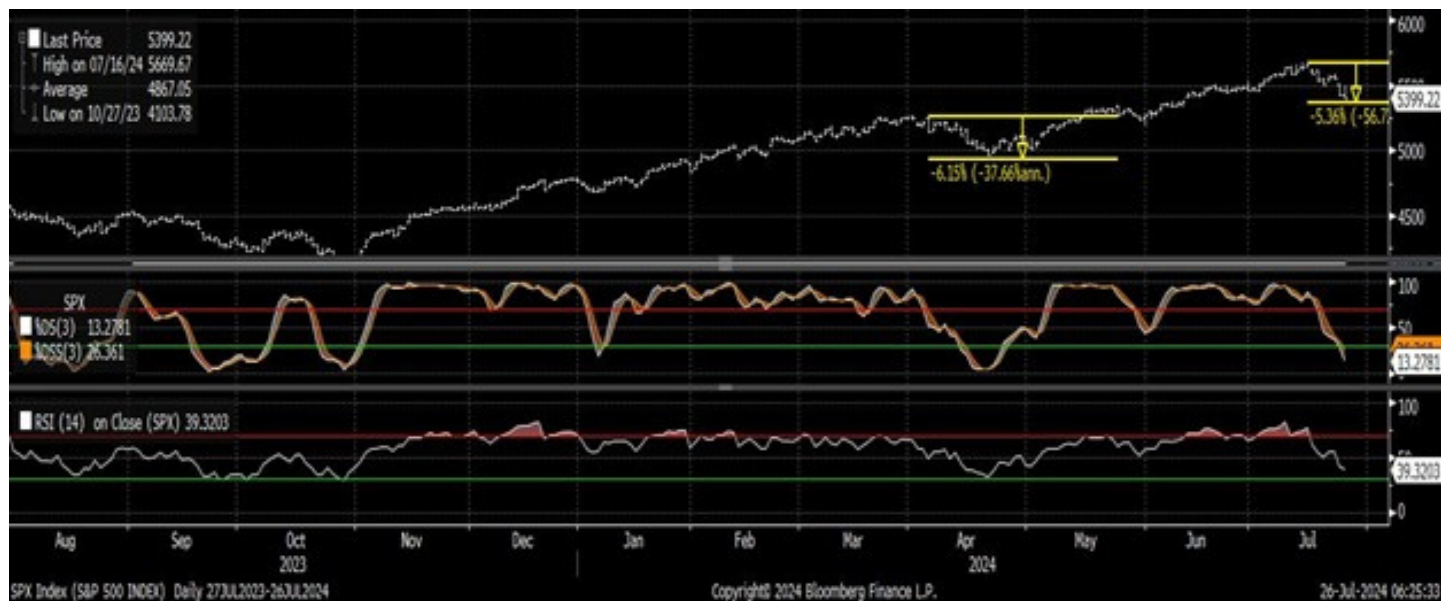


VanEck Semiconductor ETF With 14-Day Stochastic And RSI : Oversold & Positioned To Rally



📅 Week of July 29, 2024

S&P 500 With 14-Day Stochastic And RSI: At Oversold Levels Where We Have Rallies



The Consumer Is Showing Pockets Of Slowing Spending – Total Card Spend Down 0.3% Y/Y

Exhibit 1: Aggregated daily card spending growth per household (HH) by major category, July 13-July 20, year-over-year (y/y) % change of the 7-day moving average (ma) of spending levels
 Total card spending per HH was down 0.3% y/y in the week ending July 20

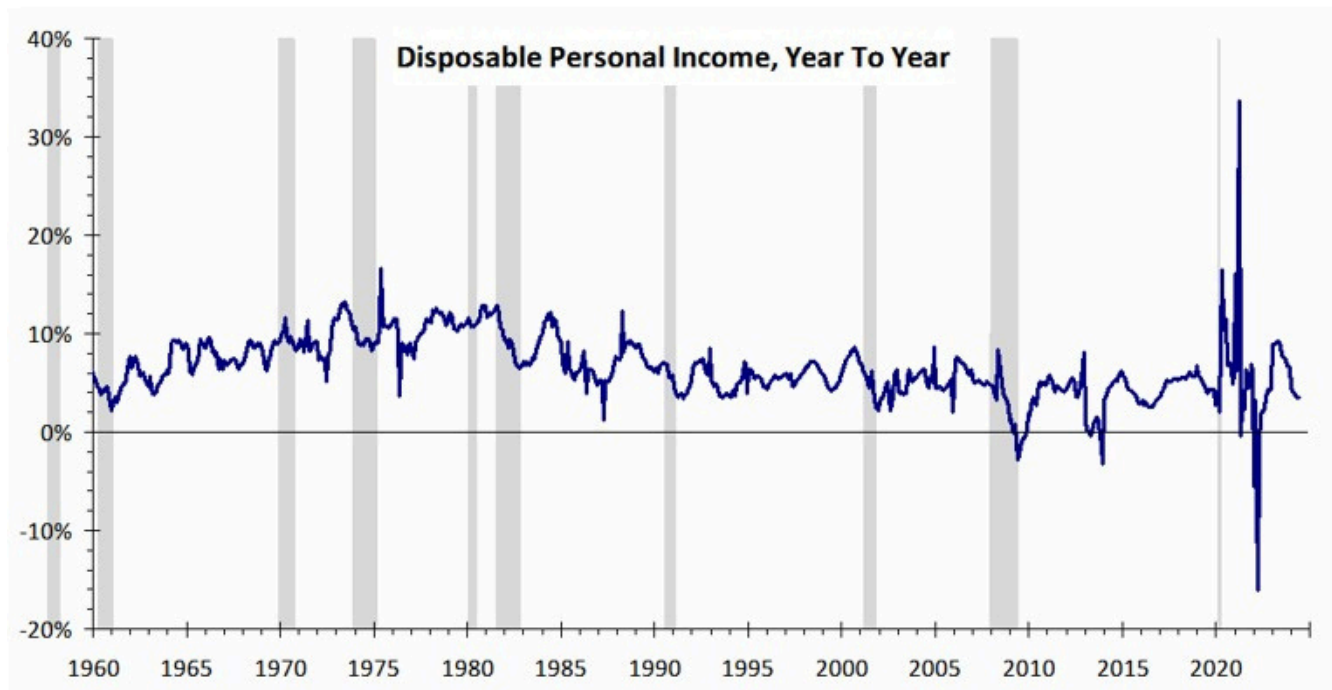
	7/20	7/19	7/18	7/17	7/16	7/15	7/14	7/13
Total card spending	-0.3%	-0.8%	-1.4%	-1.8%	-1.8%	-2.0%	-1.8%	-1.6%
Retail ex auto	-0.8%	-1.7%	-2.8%	-3.7%	-4.0%	-4.0%	-3.5%	-3.0%
Airlines	-4.4%	-6.0%	-6.0%	-5.8%	-6.1%	-5.6%	-5.3%	-5.3%
Lodging	-4.4%	-4.2%	-4.0%	-3.3%	-3.1%	-2.5%	-2.7%	-1.3%
Entertainment	-10.7%	-10.1%	-10.3%	-9.5%	-9.0%	-9.6%	-9.3%	-7.7%
Restaurants & bars	-0.6%	-0.7%	-0.9%	-0.8%	-0.6%	-0.6%	-0.6%	-0.8%
Transit	2.1%	1.8%	2.2%	1.4%	1.7%	0.1%	-1.1%	-1.4%
Gas	-3.7%	-3.6%	-3.5%	-3.3%	-2.7%	-2.6%	-2.4%	-1.4%
Clothing	-5.7%	-5.4%	-5.0%	-5.1%	-5.3%	-5.2%	-4.7%	-4.2%
Furniture	-11.3%	-11.4%	-11.3%	-11.6%	-11.7%	-11.9%	-10.5%	-8.5%
Department store	-7.2%	-7.1%	-5.8%	-5.5%	-5.3%	-6.6%	-7.6%	-6.7%
Home improvement	-7.3%	-7.5%	-7.6%	-7.1%	-7.2%	-7.4%	-7.6%	-7.5%
Online electronics	5.8%	3.6%	0.6%	-3.4%	-5.6%	-6.3%	-6.1%	-5.6%
Grocery	-1.1%	-1.1%	-1.1%	-1.0%	-0.8%	-0.6%	-0.3%	-0.7%
General Merchandise	0.3%	0.8%	0.3%	0.6%	0.8%	1.0%	1.4%	1.6%
Total B&M retail	-3.0%	-2.9%	-2.9%	-2.9%	-2.6%	-2.7%	-2.5%	-2.4%
Total online retail	4.5%	1.1%	-2.4%	-5.6%	-7.3%	-7.2%	-6.0%	-4.4%
Total card debit	0.3%	0.0%	-0.6%	-0.8%	-0.8%	-1.1%	-0.9%	-0.9%
Total card credit	-1.1%	-1.8%	-2.4%	-3.0%	-3.0%	-3.2%	-2.9%	-2.4%

Source: BAC internal data. Note: The 1-yr % change shows the change between the current date at the head of the table column and its comparable date a year ago. Total card spending includes total BAC card activity, which captures retail sales and services that are paid with cards. Does not include ACH payments. B&M (Brick & Mortar) retail means retail purchases at the store. Online electronics and total online retail correspond to purchases in which the card was not present. These are largely online purchases but could include purchases made over the phone.

BofA GLOBAL RESEARCH

 Week of July 29, 2024

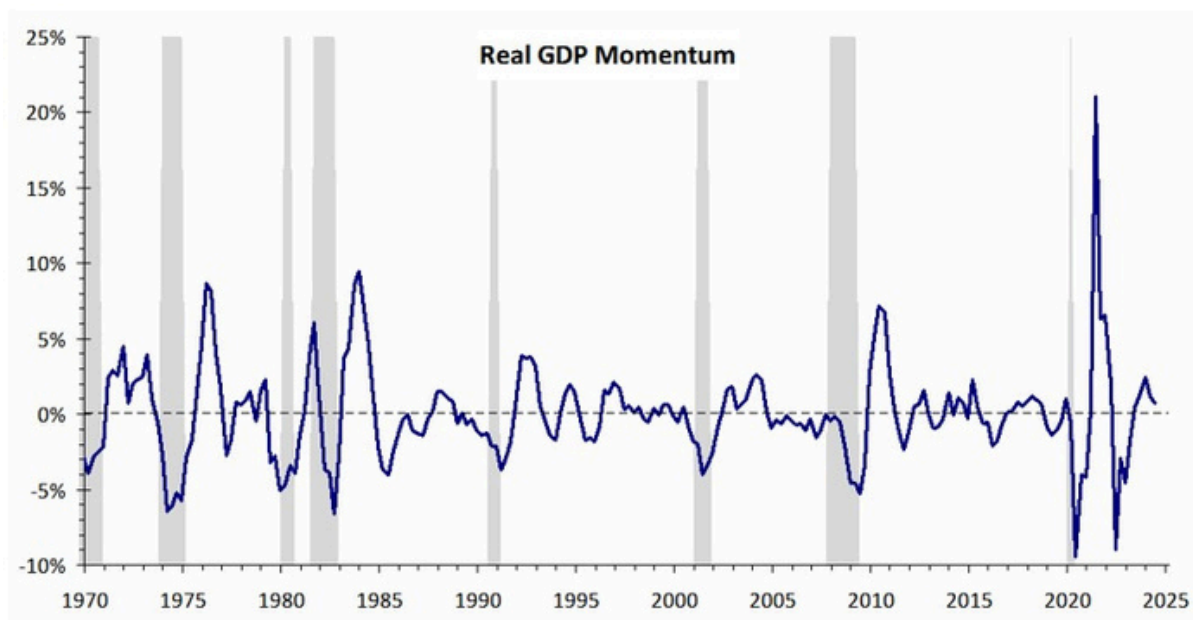
Disposable Personal Income Is Falling



Source: Bureau of Economic Analysis, Sanctuary Wealth, July 26, 2024

GDP Growth Appear To Be Slowing

Rate of Change in the Rate of Change of Real GDP



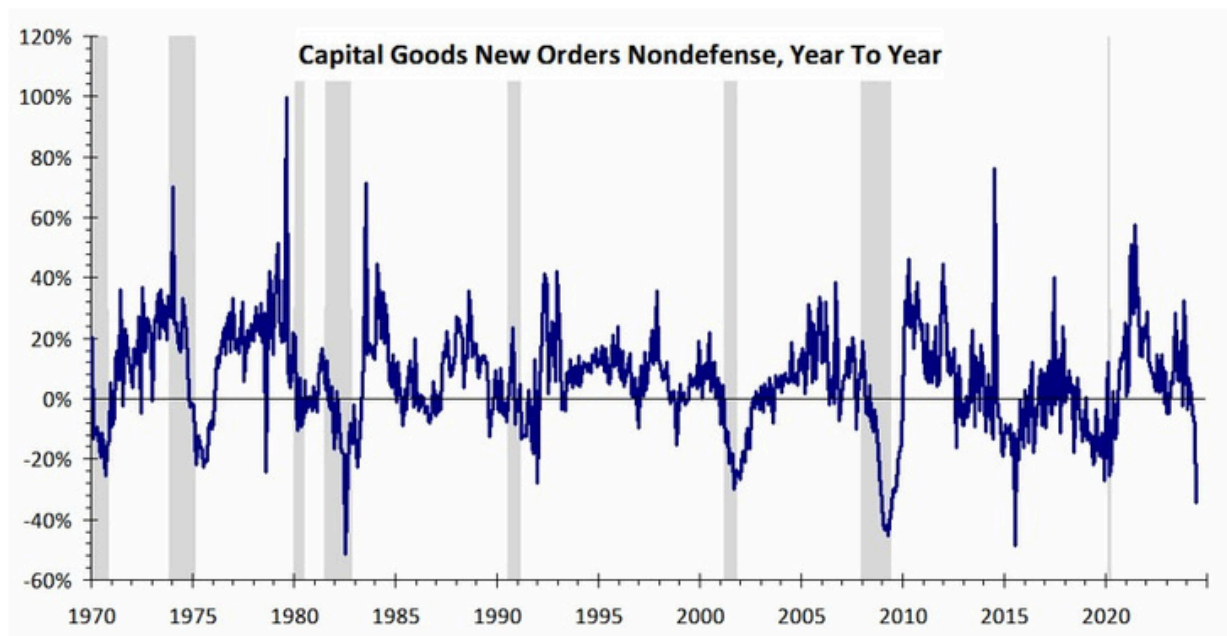
Source: Bureau of Economic Analysis, Sanctuary Wealth, July 26, 2024

📅 Week of July 29, 2024

2-Year Treasury Pricing In Fed Cut And Weaker Economic Data – 4% Here We Come 2-Year Treasury Yields Below 50-and 100-Day Moving Averages And A Broken Trendline



A Collapse In Capital Goods New Orders



Source: Bureau of the Census, Sanctuary Wealth, July 26, 2024

 Week of July 29, 2024

Tight Race Again – RealClear Polling Average As Trump With Slight Lead



RealClearPolitics Poll Average

General Election: Trump vs. Harris



Source: As of Friday, July 26, 2024 at 9:40am ET

 Week of July 29, 2024

Market Performance

	Last 7/26/2024	Month End 6/28/2024	Month to Date	Quarter End 6/28/2024	Quarter to Date	Year End 12/29/2023	Year to Date	Year Ago 7/27/2023	Year To Year
S&P 500	5459.10	5460.48	0.0%	5460.48	0.0%	4769.83	14.5%	4537.41	20.3%
NASDAQ Composite	17357.88	17732.60	-2.1%	17732.60	-2.1%	15011.35	15.6%	14050.11	23.5%
NASDAQ 100	462.97	479.11	-3.4%	479.11	-3.4%	409.52	13.1%	376.62	22.9%
Russell 2000	2260.07	2047.69	10.4%	2047.69	10.4%	2027.07	11.5%	1954.90	15.6%
S&P Consumer Discretionary Sector	1477.22	1492.14	-1.0%	1492.14	-1.0%	1418.09	4.2%	1330.34	11.0%
S&P Consumer Staples Sector	840.98	819.86	2.6%	819.86	2.6%	762.32	10.3%	790.16	6.4%
S&P Energy Sector	704.80	698.23	0.9%	698.23	0.9%	640.05	10.1%	655.25	7.6%
S&P Financial Sector	721.84	684.26	5.5%	684.26	5.5%	626.35	15.2%	584.11	23.6%
S&P Health Care Sector	1745.98	1700.33	2.7%	1700.33	2.7%	1590.36	9.8%	1569.73	11.2%
S&P Industrials Sector	1068.60	1031.96	3.6%	1031.96	3.6%	964.73	10.8%	926.15	15.4%
S&P Information Technology Sector	4193.42	4341.09	-3.4%	4341.09	-3.4%	3397.16	23.4%	3117.01	34.5%
S&P Materials Sector	575.56	556.50	3.4%	556.50	3.4%	539.62	6.7%	533.01	8.0%
S&P Real Estate Sector	255.56	241.17	6.0%	241.17	6.0%	251.58	1.6%	238.42	7.2%
S&P Communications Sector	290.52	310.19	-6.3%	310.19	-6.3%	246.00	18.1%	225.52	28.8%
S&P Utilities Sector	361.49	346.33	4.4%	346.33	4.4%	321.92	12.3%	341.41	5.9%
S&P 500 Total Return	11913.04	11907.15	0.0%	11907.15	0.0%	10327.83	15.3%	9754.72	22.1%
3 month Treasury Bill Price	98.67	98.66	0.0%	98.66	0.0%	98.66	0.0%	98.64	0.0%
3 month Treasury Bill Total Return	251.55	250.53	0.4%	250.53	0.4%	243.98	3.1%	238.35	5.5%
10 Year Treasury Bond Future	111.20	109.98	1.1%	109.98	1.1%	112.89	-1.5%	111.02	0.2%
10 Year Treasury Note Total Return	296.48	292.03	1.5%	292.03	1.5%	294.12	0.8%	284.89	4.1%
iShares 20+ Year Treasury Bond ETF	92.99	91.78	1.3%	91.78	1.3%	98.88	-6.0%	99.30	-6.4%
S&P Municipal Bond Total Return	275.40	273.41	0.7%	273.41	0.7%	272.94	0.9%	265.10	3.9%
iShares S&P National Municipal Bond NAV	107.17	106.67	0.5%	106.67	0.5%	108.42	-1.2%	106.82	0.3%
S&P 500 Investment Grade Corporate Bond Total Return	459.49	453.34	1.4%	453.34	1.4%	455.89	0.8%	433.99	5.9%
S&P Investment Grade Corporate Bond	90.72	89.77	1.1%	89.77	1.1%	91.76	-1.1%	88.97	2.0%
S&P Investment Grade Corporate Bond Total Return	489.06	482.45	1.4%	482.45	1.4%	482.66	1.3%	459.53	6.4%
SPDR Bloomberg High Yield Bond ETF	95.54	94.27	1.3%	94.27	1.3%	94.73	0.9%	91.93	3.9%
iShares iBoxx High Yield Corporate Bond ETF	78.29	77.14	1.5%	77.14	1.5%	77.39	1.2%	74.89	4.5%
Gold	2387.19	2326.75	2.6%	2326.75	2.6%	2062.98	15.7%	1946.00	22.7%
Bitcoin	67448.64	60118.16	12.2%	60118.16	12.2%	41935.34	60.8%	29143.93	131.4%

Source: Bloomberg, Sanctuary Wealth, July 26, 2024

Week of Alphabet Soup: FOMC, ADP, JOLTs And More

This is the rare week when an FOMC announcement will be overshadowed by economic data and earnings announcements.

An Olympic size download of data will be coming our way this week. There will be a lot of information that the market will need to process. ADP employment data, Job Openings and Labor Turnover Survey (JOLTs), jobless claims, unemployment, ISM manufacturing report, productivity data... it will be quite a parade. Of course, earnings will continue to spark headlines throughout the week. Given how oversold equities are, we would expect to see stocks try to rally. Perhaps the "non-event" of the week will be the Federal Open Market Committee meeting – since absolutely no one expects a rate cut when the Fed announces its rate decision on Wednesday. But of course, we will all be listening for any Fed comments about the economy and the future state of rates.



Calendar

Mon.

Earnings: Affiliated Managers, Amkor, Beyond, Centuri Holdings, Chesapeake Energy, CNO Financial, COPT Defense Properties, Concept Therapeutics, Crane, Cushman & Wakefield, CVR Energy, Douglas Dynamics, Element Solutions, Equity Residential, Fs, Flowserve, Harmonic, Hologic, Hope Bancorp, Integra, Kforce, Lattice Semiconductor, LTC Properties, McDonald's, NeoGenomics, Oil States, ON Semiconductor, PotlatchDeltic, Rambus, Revvity, Safelord, Sanmina, SBA Communications, Sensata Technologies, Sprouts Farmers Market, Symbotic, Tilray, Transcat, Varonis Systems, Welltower, Woodward

9:00 am S&P Case-Shiller home price index (20 cities)
10:00 am Consumer confidence, Job openings

Tue.

Earnings: AIO Networks, Acadia Realty Trust, Advanced Micro Devices, AGCO Corp, American Electric Power, American Tower, Arch Capital, Archer-Daniels-Midland, Archrock, Ares Capital, Arista Networks, Armstrong World Industries, AXIS Capital, Cameco, Axos Financial, Blackbaud, Boston Properties, Caesars Entertainment, CCC Intelligent Solutions, CECO Environmental, CenterPoint Energy, Commvault Systems, Comstock, Corning, CTS, Denny's, DoubleVerify, DT Midstream, Eagle Materials, Ecolab, Electronic Arts, Enterprise Products, Equitable Holdings, Equity Commonwealth, Essex Property, Extra Space Storage, First Solar, FirstEnergy, Freshworks, Gartner, Graphic Packaging, H&E Equipment, Hawaiian Holdings, Hayward Holdings, Houlihan Lokey, Howmet Aerospace, Hubbell, Huron Consulting, Illinois Tool Works, Inari, Incyte, Informatica, International Game Technology, IPG Photonics, JBT Corp, JetBlue Airways, Leidos, LCI Homes, Live Nation, Logitech International, Kadant, Landstar System, Lemonade, Lending Club, Littelfuse, Match Group, Merck, Microsoft, Modine Manufacturing, Mondelez International, Neogen, NMI Holdings, Northern Oil & Gas, NorthWestern, O-I Glass, Ovintiv, Pacira BioSciences, PayPal Holdings, Penumbra, Pfizer, Phillips 66, Pinterest, Powell Industries, Procter & Gamble, PROS Holdings, Public Storage, Public Service, Qorvo, Repligen, Restaurant Brands International, Scorpio Tankers, Skyworks Solutions, SoFi Technologies, STAG Industrial, Stanley Black & Decker, Starbucks, Stryker, Sysco, Terex, UDR, UFP Industries, UMB Financial Corp, Unum Group, Voya Financial, Watsco, W.P. Carey, Werner Enterprises, Western Union, Xylem, Zebra Technologies, Zurn Elkay Water Solutions

8:15 am ADP employment
8:30 am Employment cost index
9:45 am Chicago Business Barometer (PMI)

Wed.

10:00 am Pending home sales
2:00 pm FOMC interest-rate decision
2:30 pm Fed Chair Powell press conference
Earnings: Acadia Healthcare, Aflac, Alamos, Albermarle, Alkami Technology, Allstate, Alphatec, Altria, American International Group, American Water Works, ANSYS, Antero Midstream, Antero Resources, APA Corp, Ardmore Shipping, Arm Holdings, Autohome, Automatic Data, AutoNation, AvalonBay, Avanos Medical, Axcelis Technologies, Bally's, Bausch + Lomb, Black Hills Corp, BrightView, Boeing, BorgWarner, Bunge, CBIZ, CDW, Cencora, Canopus Energy, CGI Group, C.H. Robinson, Cactus, Camping World, Canadian Pacific Kansas City, CareDx, Carvana, Chefs' Warehouse, Cheesecake Factory, Clean Harbors, Clearwater Analytics, Cognex, Cognizant Technology Solutions, Cohu, Compass Diversified, CONMED, CNH Industrial, Columbus McKinnon, Corebridge Financial, Corteva, Cross Country, Dana, Dayforce, Deluxe, Diana Shipping, DuPont, eBay, Employers Holdings, Energy Recovery, Enovix, EPR Properties, Ethan Allen, Entegris, Etsy, Everest Group, EVERTEC, Evolus, Exact Sciences, eXp World Holdings, Fair Isaac, FMC Corp, Fiverr, FormFactor, Four Corners Property Trust, Franco-Nevada, Fortis, Garmin, GFL Environmental, Gates Industrial, GE HealthCare, Generac, Gentherm, Gilbraltar Industries, Gilman Activewear, Glaukos, GlaxoSmithKline, Goodyear Tire, Green Brick Partners, Hanover Insurance, Herbalife Nutrition, Host Hotels, IDEX Corp, Hess, Hess Midstream Partners, Humana, Independence Realty Trust, Ingevity, Jaxx Pharmaceuticals, Kilroy Realty, Johnson Controls, KKR, Knowles, Kyndryl, Kraft Heinz, Lam Research, Lantheus Holdings, Lincoln Electric, LivaNova, LXP Industrial Trust, Macerich, Magnolia Oil & Gas, Marriott, MediaAlpha, Meta Platforms, Methanex, MetLife, MGIC Investment, MGM Resorts, Mid-America Apartment Communities, Mister Car Wash, Murphy USA, MYR Group, Monro Muffler, National Fuel Gas, NerdWallet, NETGEAR, New Mountain Finance, Noble, New Oriental Education & Technology, Norwegian Cruise Lines, OneMain Holdings, OneSpaWorld, Olo, Option Care Health, Oshkosh, Pactiv Evergreen, Paramount Group, Park Hotels & Resorts, Paycom Software, Perdoceo Education, Piedmont Office Realty Trust, Parsons, Perion Network, Pilgrim's Pride, PTC, PNM Resources, ProPetro Q2 Holdings, QIAGEN, Qualcomm, QuidelOrtho, Radware, Radian Group, Regal Rexnord, Remitly Global, Riot Platforms, Rush Street Interactive, Ryman Hospitality, Schrodingier, Sixth Street Specialty Lending, Sleep Number, SAGE Therapeutics, Scotts Miracle-Gro, Silgan Holdings, SiteOne Landscape Supply, Sonoco Products, Sturm Ruger, Sun Communities, Sunnova Energy, Spire, Stepan Company, Strategic Education, SunCoke Energy, Teladoc, Tenable, Tenaris, Tetra Tech, TransMedics Group, Teva Pharmaceutical Industries, Udemy, VICI Properties, Vita Coco, Timken, T-Mobile US, Trane, TTM Technologies, UL Solutions, United Therapeutics, Verisk Analytics, Waters, WEC Energy, Western Digital, Wingstop, Zeta Global

Thu.

8:30 am Initial jobless claims, U.S. productivity
9:45 am S&P U.S. manufacturing PMI
10:00 am ISM manufacturing, Construction spending
Earnings: AAON, ACCO Brands, ACI Worldwide, Adaptive Biotechnologies, ADT, AerCap, Agios Pharma, Agnico-Eagle, Air Lease, Air Products, Alignment Healthcare, Allegro Microsystems, Allele, Alliant Energy, Apple, Alnylam Pharma, Altair Engineering, Altice USA, Amazon, American Homes 4 Rent, Ametek, Anywhere Real Estate, Apellis Pharmaceuticals, Api Group, Appian, Aptiv, ArcelorMittal, Arcosa, Ardelyx, Arrow Electronics, Atlassian, Aurinia Pharma, Axalta Coating, Ball, Bandwidth, Bausch Health, BCE Inc, Beacon Roofing Supply, Beazer Homes, Becton Dickinson, Belden, BigBear.ai, BigCommerce, Biogen, Bio-Rad Labs, Block, Booking Holdings, Bright Horizons, Brookfield Infrastructure, Cable ONE, California Water, Camden Property, Camtek, Canadian Natural Resources, Casella Waste, Celanese, Chemours, Civitas Resources, Clearfield, Clearway Energy, Clorox, Cloudflare, Coinbase Global, Colliers, Con Edison, ConocoPhillips, Corsair Gaming, Conterra Energy, Crocs, CubeSmart, Cummins, Custom Truck One Source, Diamondrock Hospitality, Dominion Energy, DoorDash, Dorian LPG, Dorman Products, DraftKings, Driven Brands, Dun & Bradstreet, Eaton, Ecovyst, El Pollo Loco, Elme Communities, Entegy, Enviri Corporation, EOG Resources, Eversource Energy, EVGo Inc., Exelon, ExService, Federal Realty, Floor & Decor, Fox Factor Holding, Fresh Del Monte, Frontdoor, Gen Digital, GoDaddy, Grainger, Grid Dynamics, Hercules Capital, Hershey Foods, Hertz Global, HF Sinclair, Hub Group, Huntington Ingalls, ICF International, IdaCorp, InMode, Insight Enterprises, Insperty, Installed Building Products, Instruture, Integral Ad Science, Intel, Intercontinental Exchange, InterDigital, Ionis Pharma, iRhythm, Iron Mountain, Itron, ITT, Janus Henderson Group, Kellanova, Kimbell Royalty Partners, Kimco Realty, Kirby, Koooroo Brands, Labcorp Holdings, Laureate Education, Leggett & Platt, Lemaitre Vascular, Life Time, Lincoln National, Lithia Motors, MACOM Tech, MasTec, Matson, Merit Medical, Mettler-Toledo, Microchip, MicroStrategy, Middleby, Mirion Technologies, Mobileye Global, Moderna, Monolithic Power, Motorola Solutions, MP Materials, Neurocrine Biosciences, Nexttracker, nLIGHT, Oaktree Specialty Lending, Omega Health, Omicell, Open Text, Opendoor Technologies, Orion Engineered Carbons, Patrick Industries, Paylocity, PBF Energy, Peabody Energy, Pinnacle West, Post, Precision Drilling, Procore Technologies, Prudential, Quanta Services, Ranpak, Regency Centers, Regeneron Pharma, Reinsurance Group of America, ResMed, RingCentral, RLI Lodging Trust, Roblox, Rocket Companies, Roku, Rush Enterprises, Ryan Specialty Group, Sabre, Schneider National, Select Medical, Shake Shack, Silicon Motion, Sirius XM, Snap, SolarWinds, Southern, Southwestern Energy, Sprout Social, SPX Technologies, Stagwell, Syndax Pharmaceuticals, Tanger Factory, Teekay Tankers, Teleflex, The Cigna Group, Thomson Reuters, Thryv, Trinity Industries, Tronox, Turning Point Brands, Twilio, U.S. Steel, Uniti Group, Universal Display, Upbound Group, Utz Brands, Varex Imaging, Ventas, Vericel, Vertex Pharma, Vestis, Victory Capital, Vontier, Wayfair, Wendy's, Wescot, Workiva, Xcel Energy, Xenia Hotels, XPO, Xponential Fitness

Fri.

8:30 am U.S. employment report, U.S. unemployment rate, U.S. hourly wages
10:00 am Factory orders
Earnings: ArcBest, Ares Management, Asbury Automotive, Atrius Filtration Technologies, Berry Global, BrightSpring Health Services, Brookfield Renewable Partners, Cboe Global Markets, Chart Industries, Chevron, Church & Dwight, Cinemark, ESAB Corp, Essent Mobil, Exxon Mobil, Frontier Communications, Fulgent Genetics, Healthcare Realty, Imperial Oil, Interface, Linde, LyondellBasell, Magna, Moog, Newmark Group, Northwest Natural, Owens & Minor, Perrigo, Piper Sandler, Plains All American, PPL Corp, Protolabs, RBC Bearings, Squarespace, TC Energy, TransAlta, Twist Bioscience

Source: MarketWatch/Kiplinger

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