



 Week of September 3, 2024

Moving In The Right Direction

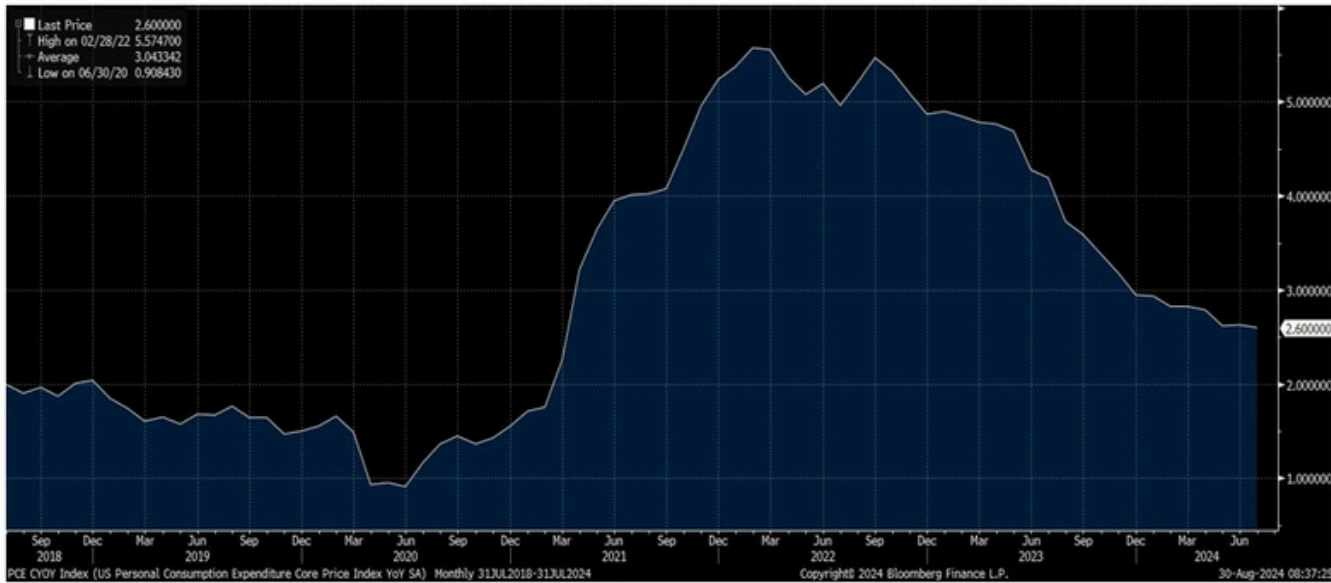
Have we reached the Goldilocks “just right” world with the economy growing but not too strong (2Q24 GDP at 3%), the labor market *balanced*, inflation coming down, S&P 500 earnings growth strong (2Q24 up 11%) and interest rates *expected to come down* later this month?

Well, it appears that these factors should lead to the equity market maintaining a strong return for the year.

Fed On The Path To Lower Interest Rates

At the Jackson Hole symposium two weeks ago, Federal Reserve (Fed) Chair Jerome Powell said, “... the time has come for policy to adjust,” marking a turning point in the central bank’s battle against inflation – it is now shifting its focus to the labor market. The Fed has kept the benchmark rate in the range of 5.25% to 5.5% since July 2023. Last Friday, Core Personal Consumption Expenditure (PCE) came in slightly better on a year-to-year basis (2.6%); this should keep the Fed on the path of lowering interest rates by 25 basis points during its September meeting.

Core Personal Consumption Expenditure At 2.6% And Still Falling



 September 3, 2024

Correction Completed

The S&P 500 peaked on July 16th and began a correction which was accelerated in early August as the yen carry trade was unwound. The S&P corrected nearly 10% with extreme volatility. The equity market has since recovered back to near its highs. In fact, the New York Stock Exchange Composite Index (NYA) and the Dow Jones Industrial Average (DJIA) have already reached a new all-time high. The laggard has been the Nasdaq 100, still off 6% from its high, after a 16% correction. The market has sold off the leadership of Technology, and it is still in the process of consolidating. With rates expected to come down, investors have shifted or rotated to market sectors that historically benefit from lower interest rates, such as Real Estate, Utilities, and Banks. The stealth mover has been the Consumer Staples sector.

New York Stock Exchange (NYA) Reaches All-Time High



Dow Jones Industrial Average (DJIA) Reaches All-Time High

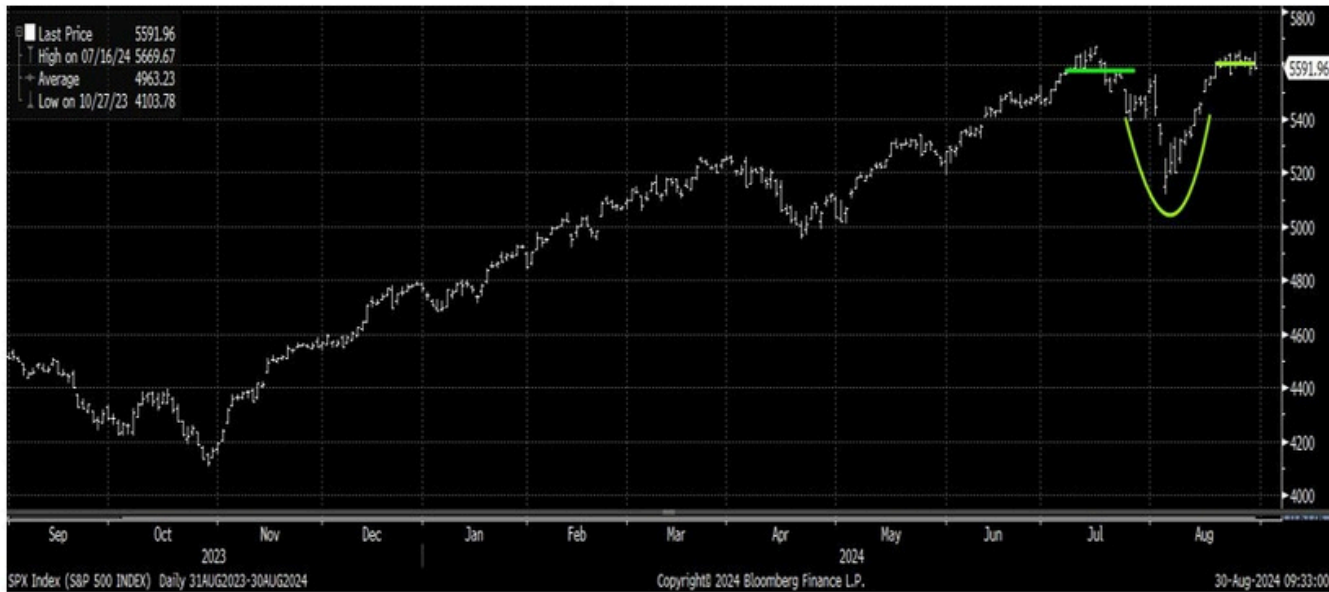


 September 3, 2024

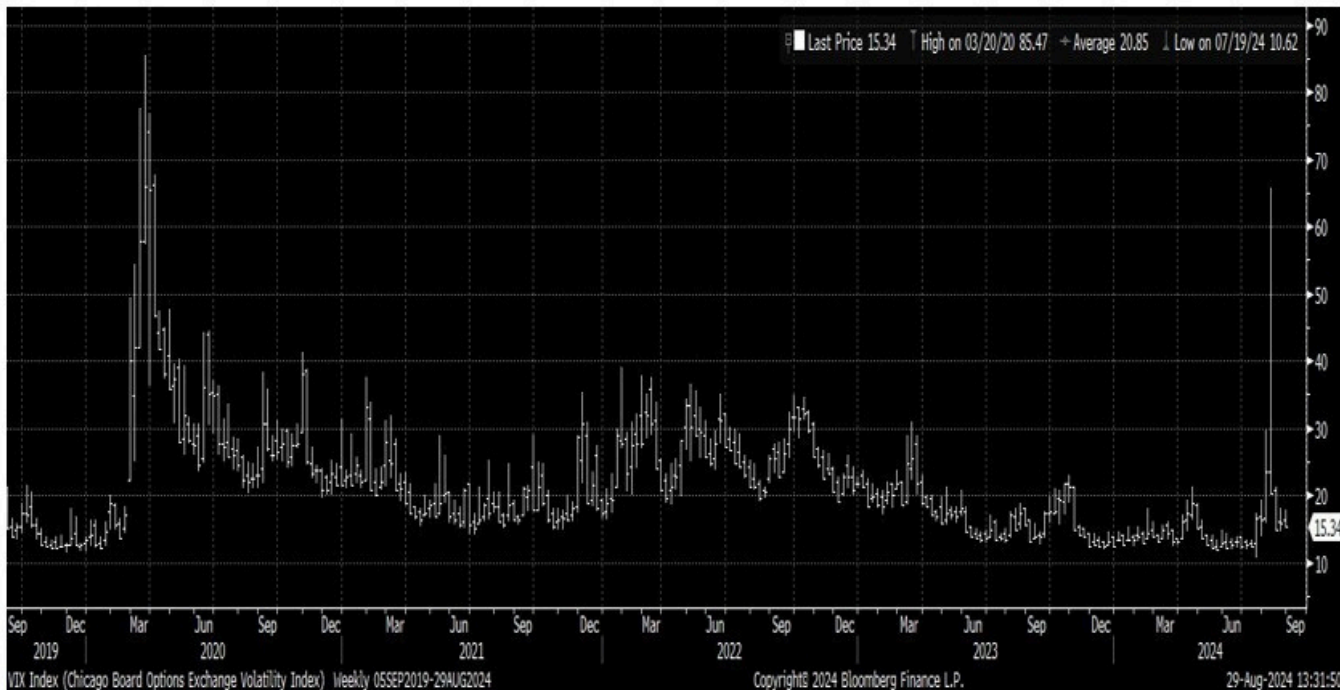
Stocks To Rally Counter To Seasonals

With the recent rally following the correction, the NYSE advance-decline line has reached a new record high with volume confirming. This suggests that the rally is very likely to continue into September – which would be counter to the weak seasonals! Historically, September is the weakest month of the year. The S&P 500 is forming a possible inverted head and shoulders pattern, and a breakout would confirm the S&P 500 could reach 6000 this year!

S&P 500 Positioned For A Breakout, Targeting 6000



CBOE VIX Volatility Index Spike Confirms Market Bottom

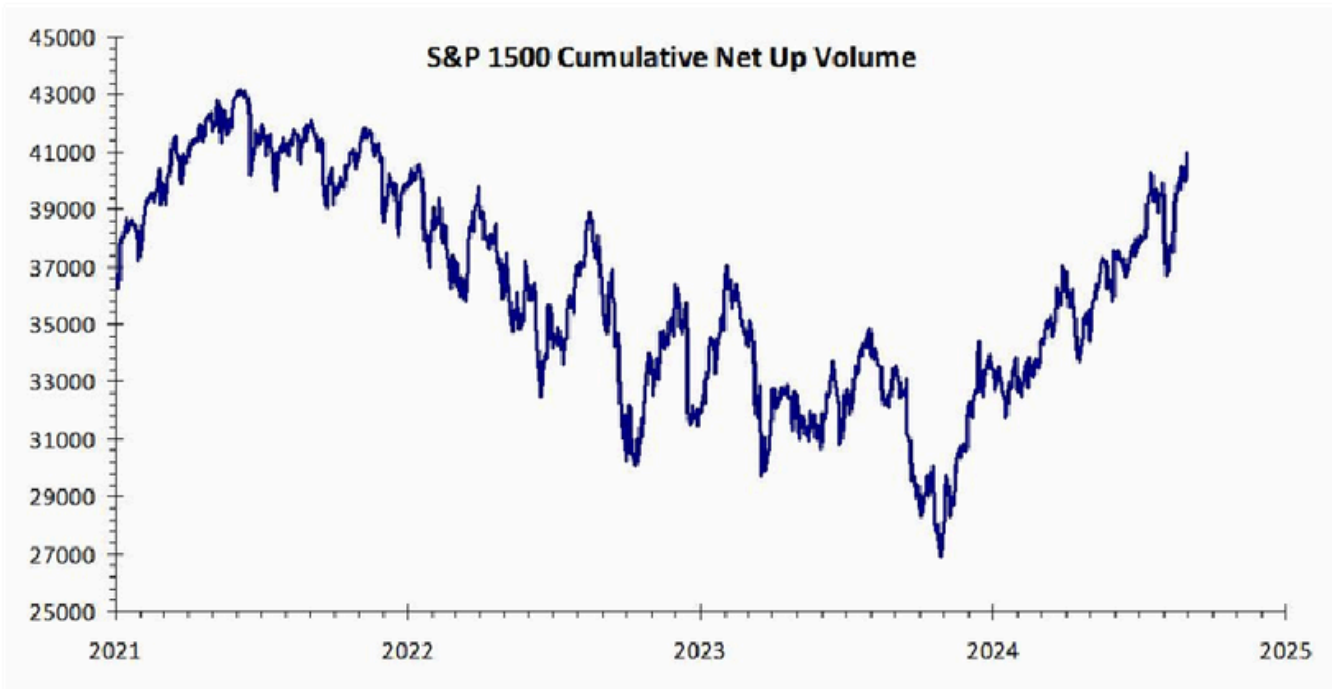


September 3, 2024

Bloomberg NYSE Cumulative Advanced-Decline Line At New High



Volume Expanding Confirming Market Rally & High In NYSE Composite



Source: Bloomberg, Sanctuary Wealth, August 30, 2024

September 3, 2024

Nasdaq 100 Still Consolidating Within An Uptrend



Semiconductors (SMH) Also Still Consolidating In An Uptrend



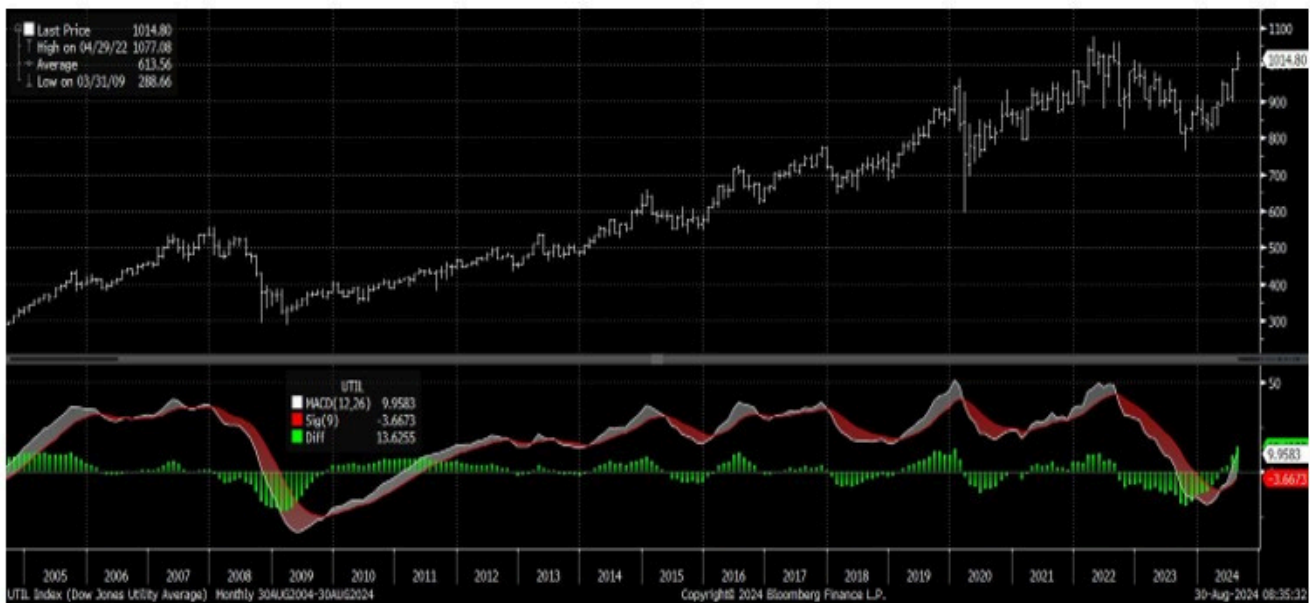
📅 September 3, 2024

What's Moving? Real Estate, Utilities, Banks & Consumer Staples

S&P 500 Real Estate With Monthly MACD On A Strong Buy Signal



S&P 500 Utilities With Monthly MACD On A Strong Buy Signal



📅 September 3, 2024

S&P 500 Consumer Staples At Record Highs & Monthly MACD Strong Buy Signal



KBW Bank Index (BKX) With Monthly MACD Buy Signal

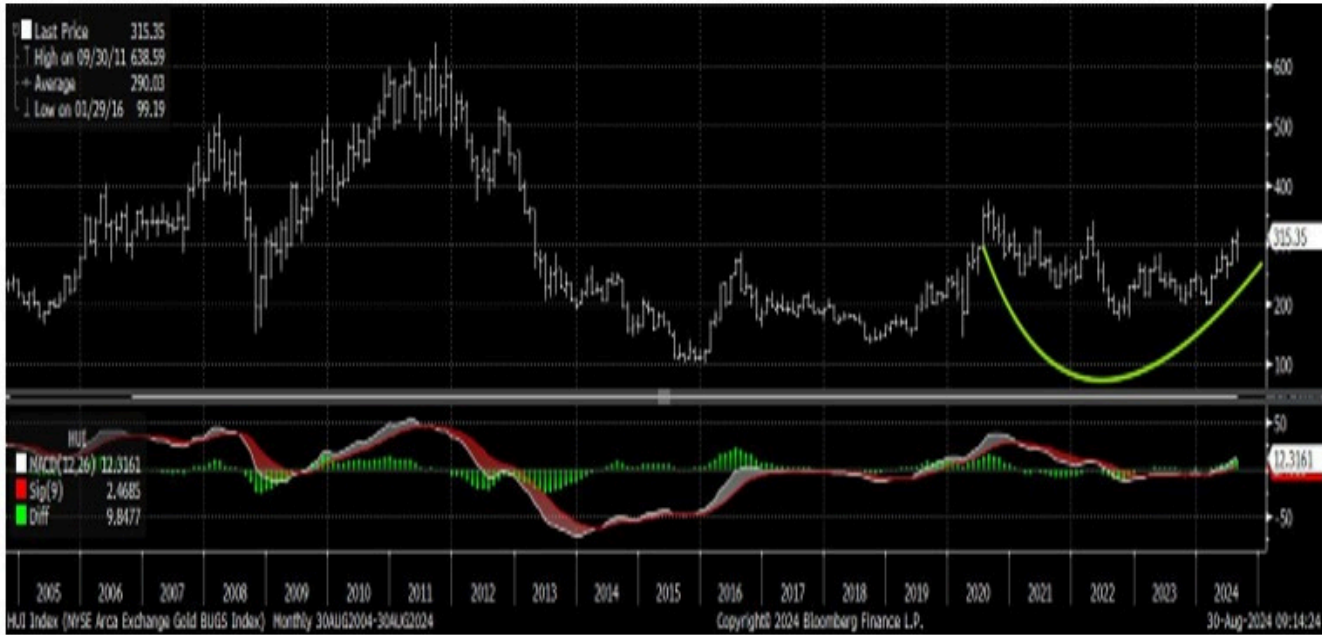


 September 3, 2024

What Can Breakout? Gold Mining Stocks

Gold mining stocks generally rally as interest rates fall. With Gold at record highs and interest rates expected to fall, we expect gold mining stocks to rally. Technically, a base has formed that we believe can support a rally. In addition, the monthly MACD price momentum indicator is on a buy signal.

NYSE Arca Exchange Gold Index (HUI) With Monthly MACD Buy Signal



📅 September 3, 2024

Market Performance

	Last 8/30/2024	Month End 7/31/2024	Month to Date	Quarter End 6/28/2024	Quarter to Date	Year End 12/29/2023	Year to Date	Year Ago 8/31/2023	Year To Year
S&P 500	5648.40	5522.30	2.3%	5460.48	3.4%	4769.83	18.4%	4507.66	25.3%
NASDAQ Composite	17713.63	17599.40	0.6%	17732.60	-0.1%	15011.35	18.0%	14034.97	26.2%
NASDAQ 100	476.27	471.07	1.1%	479.11	-0.6%	409.52	16.3%	377.99	26.0%
Russell 2000	2217.63	2254.48	-1.6%	2047.69	8.3%	2027.07	9.4%	1899.68	16.7%
S&P Consumer Discretionary Sector	1500.16	1516.58	-1.1%	1492.14	0.5%	1418.09	5.8%	1344.81	11.6%
S&P Consumer Staples Sector	882.60	834.36	5.8%	819.86	7.7%	762.32	15.8%	763.99	15.5%
S&P Energy Sector	695.86	712.42	-2.3%	698.23	-0.3%	640.05	8.7%	677.49	2.7%
S&P Financial Sector	759.21	727.47	4.4%	684.26	11.0%	626.35	21.2%	570.68	33.0%
S&P Health Care Sector	1829.71	1742.67	5.0%	1700.33	7.6%	1590.36	15.1%	1549.31	18.1%
S&P Industrials Sector	1110.78	1081.94	2.7%	1031.96	7.6%	964.73	15.1%	912.89	21.7%
S&P Information Technology Sector	4298.51	4249.09	1.2%	4341.09	-1.0%	3397.16	26.5%	3121.19	37.7%
S&P Materials Sector	593.39	580.51	2.2%	556.50	6.6%	539.62	10.0%	520.84	13.9%
S&P Real Estate Sector	272.90	258.33	5.6%	241.17	13.2%	251.58	8.5%	231.96	17.6%
S&P Communications Sector	300.95	297.29	1.2%	310.19	-3.0%	246.00	22.3%	229.72	31.0%
S&P Utilities Sector	385.51	369.64	4.3%	346.33	11.3%	321.92	19.8%	317.74	21.3%
S&P 500 Total Return	12344.43	12052.09	2.4%	11907.15	3.7%	10327.83	19.5%	9709.68	27.1%
3 month Treasury Bill Price	98.72	98.68	0.0%	98.66	0.1%	98.66	0.1%	98.64	0.1%
3 month Treasury Bill Total Return	252.88	251.66	0.5%	250.53	0.9%	243.98	3.6%	239.58	5.5%
10 Year Treasury Bond Future	113.56	111.81	1.6%	109.98	3.3%	112.89	0.6%	111.03	2.3%
10 Year Treasury Note Total Return	302.74	298.32	1.5%	292.03	3.7%	294.12	2.9%	285.15	6.2%
iShares 20+ Year Treasury Bond ETF	96.49	94.81	1.8%	91.78	5.1%	98.88	-2.4%	96.64	-0.2%
S&P Municipal Bond Total Return	278.03	275.77	0.8%	273.41	1.7%	272.94	1.9%	261.67	6.3%
iShares S&P National Municipal Bond NAV	107.78	107.29	0.5%	106.67	1.0%	108.42	-0.6%	105.23	2.4%
S&P 500 Investment Grade Corporate Bond Total Return	470.76	463.87	1.5%	453.34	3.8%	455.89	3.3%	432.86	8.8%
S&P Investment Grade Corporate Bond	92.43	91.47	1.1%	89.77	3.0%	91.76	0.7%	88.51	4.4%
S&P Investment Grade Corporate Bond Total Return	500.41	493.39	1.4%	482.45	3.7%	482.66	3.7%	458.98	9.0%
SPDR Bloomberg High Yield Bond ETF	96.82	95.84	1.0%	94.27	2.7%	94.73	2.2%	92.46	4.7%
iShares iBoxx High Yield Corporate Bond ETF	79.34	78.54	1.0%	77.14	2.9%	77.39	2.5%	75.28	5.4%
Gold	2503.39	2447.60	2.3%	2326.75	7.6%	2062.98	21.3%	1940.19	29.0%
Bitcoin	59045.40	64559.96	-8.5%	60118.16	-1.8%	41935.34	40.8%	26013.12	127.0%

Source: Bloomberg, Sanctuary Wealth, August 30, 2024

Fed Goes Back To School With Loads Jobs Data Homework

This week puts summer and inflation concerns in the rearview mirror as the employment picture comes into focus.

With the Fed shifting its focus from inflation to employment, the major focus this week will be August jobs data. First up, we'll get the monthly JOLTS (Job Openings and Labor Turnover Survey), followed by the monthly ADP National Employment Report, followed by the August employment data. It all adds up to a lot of job numbers for the Fed to sink its teeth into – as it prepares to take a bite out of the federal funds rate. We expect to see a rate cut of 25 bps cut when the Fed meets on Sept. 17-18 with the rate decision on the 18th.



Calendar

Mon.

Labor Day holiday, none scheduled

Tue.

9:45 am S&P final U.S. manufacturing PMI
10:00 am Construction spending, ISM manufacturing
Earnings: Hello Group, GitLab*

Wed.

8:30 am U.S. trade deficit
10:00 am Job openings, Factory orders
2:00 pm Fed Beige Book
TBA Auto sales
Earnings: Dick's Sporting Goods, Dollar Tree, Hewlett Packard Enterprise

Thu.

8:15 am ADP employment
8:30 am Initial jobless claims, U.S. productivity (revision)
9:45 am S&P final U.S. services PMI
10:00 am ISM services
Earnings: Broadcom, Korn Ferry

Fri.

8:30 am U.S. employment report & rate, U.S. hourly wages
8:45 am New York Fed President Williams speaks
11:00 am Fed Gov. Christopher Waller speaks
Earnings: ABM Industries

Source: MarketWatch/Kiplinger/CNBC

*Earnings reflect highlights

Sanctuary makes no representation as to the accuracy or completeness of information contained herein. The information is based upon data available to the public and is not an offer to sell or solicitation of offers to buy any securities mentioned herein. Any investment discussed may not be suitable for all investors. Investors must make their own decisions based on their specific investment objectives and financial circumstances. Investments are subject to risk, including but not limited to market and interest rate fluctuations. Any performance data represents past performance which is no guarantee of future results. Prices/yields/figures mentioned herein are as of the date noted unless indicated otherwise. All figures subject to market fluctuation and change. Additional information available upon request. Securities offered through Sanctuary Securities, Member FINRA and SIPC. Advisory services offered through Sanctuary Advisors, LLC, and SEC registered investment advisor.



3815 River Crossing Pkwy, Suite 200
Indianapolis, IN 46260