

3/25/2024

THE WEEK AHEAD

THINGS TO WATCH

–PAYCHEX (PAYX) AND CINTAS (CTAS): On Wednesday morning, these two relatively under-the-radar U.S. companies are scheduled to report results for their quarters ended in February. Management guidance from PAYX, a company focused on payroll processing and human resources services for small and medium-sized U.S. firms, should provide a read on recent labor market trends. The update from CTAS, a leading provider of corporate uniforms, cleaning services, and safety products to U.S. businesses should be useful for assessing economic momentum of both the manufacturing and service sectors. PAYX and CTAS are anticipated to have grown their revenues by 6% and 9%, respectively, from a year ago.

–UPS INVESTOR DAY: Analysts and investors will be looking for updates from United Parcel Service (UPS) on any progress in its cost-cutting plans when the courier hosts an investor day webcast Wednesday morning. CEO Carol Tome recently described 2023 as a “unique and difficult year,” as the company was battered by contentious union negotiations last summer and fall and soft consumer demand for package deliveries this past holiday season.

–GOOD FRIDAY PCE: On Friday morning, February data from the Bureau of Economic Analysis is expected to show personal income and personal spending in the U.S. rose 0.4% and 0.5%, respectively, last month. The core (excluding food and energy) personal consumption expenditures (PCE) index is forecast to have ticked down to 0.3% in February from 0.4% in January. On a year-over-year basis, core PCE (the Fed’s preferred inflation gauge) is expected to hold steady at 2.8%. In recent months, Fed Chairman Jerome Powell has focused on the annualized 6-month rate of change in core PCE inflation, which touched 2% in fall before reaccelerating to 2.4% in January.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
Housing Starts (Millions Annualized)	1.52	1.53	▼
Building Permits (Millions Annualized)	1.52	1.47	▲
Existing Home Sales (Millions Annualized)	4.38	3.91	▲
S&P Global U.S. Manufacturing PMI	52.5	47.9	▲
S&P Global U.S. Services PMI	51.7	51.4	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	39475.90	1.97%	5.25%	25.86%
NASDAQ	16428.82	2.87%	9.64%	41.97%
S&P 500	5234.18	2.31%	10.11%	35.05%
MSCI EAFE	2356.36	0.95%	5.69%	19.01%
BB U.S. Aggregate	2133.30	0.74%	-0.86%	1.35%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	5.37%	5.40%	4.66%
10-Year Treasury	4.20%	4.32%	3.43%

REPORTS DUE THIS WEEK	LATEST
New Home Sales (Thousands Annualized)	661
S&P CoreLogic CS 20-City U.S. HPI (Y/Y)	6.1%
Conf. Board Consumer Confidence	106.7
Core PCE Price Index (Y/Y)	2.0%
Personal Spending (M/M)	0.2%

Total returns are as of 3/22/24. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

20

The number of all-time closing highs recorded by the S&P 500 in the first 57 trading days of 2024 through last Friday, the most over a roughly 12-week period to start a year since 2013. The benchmark’s twenty record closes include a string of five straight in the second half of January. Expectations of Fed easing later in the year, a resilient labor market, and better-than-expected corporate earnings have supported a nearly 10% year-to-date gain for the S&P 500 through the end of last week.

21%

According to BloombergNEF, projected global demand growth in 2024 for all-electric vehicles (EVs) and plug-in hybrids, down from 31% in 2023 and 62% in 2022. China accounted for 59% of 13.8 million units of “plug-ins” sold last year. Although economic weakness in China explains part of slowing global EV sales growth, increasingly cost-aware and skeptical consumers in Europe and the U.S. (which combined for 35% of 2023 global sales) have delayed the timeline for broader adoption of EVs.

DISCLOSURES



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