

WEEKLY MARKET RECAP

SEPTEMBER 23, 2024

LAST WEEK AT A GLANCE

North American Markets	Last	Change	% Change
S&P/TSX Composite	23,867.40	298.70	1.27%
Dow Jones	42,063.36	669.58	1.62%
S&P 500	5,702.55	76.53	1.36%
NASDAQ	17,948.32	264.34	1.49%
Russell 2000	2,227.89	45.40	2.08%

Commodities / FX	Last	% Change
Crude Oil WTI	\$71.92	3.87%
Natural Gas (Henry Hub)	\$2.43	5.93%
Gold	\$2,619.90	0.35%
CAD / USD	\$0.74	0.10%
CAD / EUR	€0.66	-0.56%

Overseas Markets	Last	Change	% Change
FTSE 100	8,232.60	-40.49	-0.49%
DAX GERMANY	18,720.01	20.61	0.11%
NIKKEI 225 INDEX	37,723.91	1,142.15	3.12%
HANG SENG INDEX	18,258.57	889.48	5.12%

Government Bonds	2YR	10YR
CANADA (YLD %)	2.92%	2.94%
U.S. (YLD %)	3.65%	3.74%

Source: Refinitiv as of September 20, 2024

WEEK IN REVIEW

U.S. FED MAKES BOLD INTEREST RATE MOVE

On Wednesday, the Federal Reserve lowered the federal funds rate by 50 basis points, bringing the target range down to 5%. This is the first rate cut since March 2020, and while a reduction was widely expected, many analysts had predicted a more modest 25 basis-point cut. In their statement, the Fed indicated they plan to reduce rates two more times this year. The move is aimed at stimulating economic activity and curbing inflation, as lower borrowing costs are expected to make financing more accessible for both consumers and businesses.

(Source: U.S. Federal Reserve Board)

UPSIDE SURPRISE IN U.S. RETAIL SALES

On Tuesday, the Retail sales report in the U.S highlighted that U.S. retail sales edged up 0.1% in August, beating the expected 0.2% decline. This data signals that consumer spending still remains relatively strong, underlining the strength of the U.S. consumer.

(Source: United States Census Bureau)

CANADA'S INFLATION RATE REACHES TARGET LEVELS

On Tuesday, the Bank of Canada reported that the national inflation rate fell to 2% in August from 2.5% in July, hitting the target rate for the first time since February 2021. This cut was primarily driven by a decrease in both gasoline and clothing prices. Analysts now expect a 25-basis point cut at the Bank of Canada's next meeting in October, although the data strengthens the case for a larger 50-basis point cut.

(Source: Statistics Canada)

WEEK AHEAD

U.S. FED PRESS CONFERENCE

On Thursday, Fed Chair Jerome Powell holds his first press conference since the U.S. Fed cut interest rates. He'll provide critical insight into the Fed's monetary policy, including inflation trends and the recent labour market data releases.

Q2 U.S. GDP ESTIMATE

The latest U.S. Core PCE Price Index, reading is due on Friday. As the Fed's preferred inflation measure, markets will be watching the figure for hints on the Fed's rate cut path.

CANADA'S MONTHLY GDP FOR JULY

On Friday, Canada will release GDP growth data for July, along with the preliminary figure for August, providing key insights into the country's economy and potential policy adjustments.

CORPORATE EARNINGS HIGHLIGHTS

Notable companies reporting financial results this week include Costco, AutoZone, and Sherwin-Williams.

