

CAPITAL MARKETS REPORT - FEBRUARY 26, 2024



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Market Movers:

- Much of last week's market focus was on Nvidia's earnings release. The report was viewed as somewhat of a litmus test for the viability of the stock market's recent record highs. While the ongoing earnings season has so far reaffirmed the view that "corporate America" is holding up well, the reporting period has been mixed for the "Magnificent Seven" (Nvidia, Microsoft, Meta, Alphabet, Tesla, Apple & Amazon).
- The giant chipmaker soared in late trading after predicting another blowout sales gain for the current quarter, with CEO Huang saying "accelerated computing and generative AI have hit the tipping point." Wednesday, equities hit all-time highs, with NVDA up 16% - adding \$277B to its market capitalization.
- Traders also kept a close eye on the latest Federal Reserve minutes that underscored officials are in no rush to cut rates. After climbing to over 4.30%, the US 10Y Note retreated back to 4.25%. Federal Reserve Bank of New York President John Williams said the economy is headed in the right direction and it will likely be appropriate to cut rates later this year.
- Economists at Goldman Sachs pushed back their view on when the Fed will initiate rate cuts from May to June after parsing recent commentary from the central bank and its January meeting minutes. It also is calling for four cuts this year instead of five.
- Initial jobless claims fell versus last month and were below expectations. Continuing claims were lower as well. This recent data shows jobless filings remain near record lows and emphasized the labor market remains robust despite elevated interest rates.
- Late Friday, US treasury yields declined from year-to-date highs as traders piled into the long-end of the curve ahead of a large month-end rebalancing due to recent equity out performance versus bonds.
- Treasuries are opening flat with the 10Y at 4.25%.

Market Last Week

	2/16/24 Close	2/23/24 Close	Weekly Change
2 yr. Note	4.64%	4.66%	+2bps
5 yr. Note	4.28%	4.26%	-2bps
10 yr. Note	4.28%	4.25%	-3bps
30 yr. Bond	4.44%	4.36%	-8bps
SOFR Rate	5.30%	5.31%	+1bp

Data This Week

Date/Time (EST)	Economic Data	Market Estimate	Prior Report
2/26/24 10:00 AM	New Home Sales	684k	664k
2/27/24 8:30 AM	Durable Goods Orders	-5.0%	0.0%
2/27/24 10:00 AM	Consumer Confidence	115.0	114.8
2/28/24 7:00 AM	MBA Mortgage Applications	n/a	-10.6%
2/28/24 8:30 AM	GDP Annualized QoQ	3.3%	3.3%
2/29/24 8:30 AM	Personal Income	0.4%	0.3%
2/29/24 8:30 AM	Personal Spending	0.2%	0.7%
2/29/24 8:30 AM	Initial Jobless Claims	210k	201k
2/29/24 9:45 AM	Chicago PMI	48.0	46.0
3/01/24 9:45 AM	US Manufacturing PMI	51.5	51.5
3/01/24 10:00 AM	Univ. of Michigan Sentiment	79.6	79.6
3/01/24 10:00 AM	ISM Manufacturing	49.5	49.1

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