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| **RESOURCE LOG – SEPTEMBER 2023** | | | | |
| **Article Title** | **Detail** | **Publication** | **Date** | **Author** |
| Stock Market’s August Losses Snap Streak | Investors still have confidence in the U.S. economy, as well as the potential for artificial intelligence to boost productivity gains, but stock markets fell for much of August before turning upward.  The S&P 500 and Nasdaq composite snapped five-month winning streaks, while the Dow Jones Industrial Average posted its first monthly loss since May.  August’s declines were broad, though shallow. They spanned big banks, carmakers and tech giants.  Energy stocks were the only slice of the S&P 500 to post monthly gains.  Yields on 2-year Treasurys, a rough proxy for investors’ near-term inflation expectations, were down 0.017 percentage point in August.  Benchmark U.S. crude eked out a 2.2% gain in August, to $83.63 a barrel… | The Wall Street Journal | 09/01/2023 | David Uberti |
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| Surge in consumer Spending Propels Growth | Consumers boosted their spending rapidly in July and price pressures remained modest, signs of continued U.S. economic strength amid rising interest rates.  Household spending, the primary driver of economic growth, rose a robust 0.8% in July…  The Fed’s preferred gauge of consumer prices, the personal-consumption expenditures price index, rose 0.2% in July from a month earlier, the same pace as in June. So-called core prices, which exclude volatile food and energy categories, rose at the same rate. Economists see core inflation as a better predictor of future inflation than overall inflation. | The Wall Street Journal | 09/01/2023 | Harriet Torry and Nick Timiraos |
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| Resilient Economy Defies Expectations | There’s a saying that economic expansions don’t die of old age: They’re murdered by the Federal Reserve. If that’s the case, then the U.S. economy is outrunning its would-be assailant this year.  Steady hiring and robust consumer spending offer the latest evidence that the pandemic and the government’s unprecedented policy responses made the economy surprisingly resilient to the Fed’s most aggressive interest-rate increases in 40 years.  Three factors explain why the U.S. economy keeps defying predictions of recession.  Second, the unusual nature of the Covid-19 pandemic distorted spending patterns…  This created enormous pent-up demand that has been less sensitive, for now, to higher rates.  Third, the government initially showered the economy with cash and held interest rates at rock-bottom levels, allowing businesses and consumers to lock in lower borrowing costs.  None of this implies the economy will be resilient forever.  Covid-era buffers will eventually erode – for example, as companies that locked in lower borrowing costs have to roll over their debts in coming year… | The Wall Street Journal | 09/02-03/2023 | Nick Timiraos and Chip cutter |
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| Stock Indexes Post Strong Weekly Gains | The S&P 500 rose Friday, finishing its best weekly performance since June.  The Nasdaq composite eased less than 0.1%.  For the week, the S&P 500 advanced 2.5%. The Dow and Nasdaq rallied 1.4% and 3.2%, respectively, each notching their best weeks since July.  The indexes came off intraday highs as declines in megacap tech stocks weighed on performance.  September is historically the worst month for U.S. stocks. The S&P 500 has lost an average of 1.1% in September dating back to 1928, according to Dow Jones Market Data. | The Wall Street Journal | 09/02-03/2023 | Hannah Miao |
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| U.S. jobs data lift soft landing hopes | Investors hailed a possible “Goldilocks” outcome in which inflation comes under control without causing a recession, as yesterday’s figures revealed an uptick in the unemployment rate, subdued jobs growth and that wage rises were back at pre-Covid rates.  Investors and policymakers are watching closely for signs that the US labor market is cooling, since jobs and wage growth are contributors to inflation. | FT Weekend | 09/02-03/2023 | Nicholas Megaw and Colby Smith |
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| Cooling U.S. economy gives Fed breathing room on rates | New data confirming that the world’s largest economy is cooling has given the U.S. federal Reserve room to hold interest rates steady, economists say, even as it leaves open the possibility of resuming a historic monetary tightening campaign later in the year.  If the Fed forgoes a September increase, it would maintain the gradual pace of tightening begun this summer, when the central bank ended 10 consecutive months of rate rises by pausing in June and opting for a quarter-point rate rise in July. | FT Weekend - Financial Times | 09/04/2023 | Colby Smith |
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| Federal deficit likely to double | The federal deficit is projected to roughly double this year, as bigger interest payments and lower tax receipts widen the nation’s spending imbalance despite robust overall economic growth.  Budget experts now project that it will probably rise to about $2 trillion for the fiscal year that end September 30…  The unexpected deficit surge, which comes amid signs of strong growth in the economy overall, is likely to shape a fierce debate on Capitol Hill…  “ the deficit will basically double from 2022 to 2023,” said Marc Goldwein, senior vice president of the committee for a Responsible Federal Budget. “This should prompt a serious evaluation of federal policy going forward, though I worry it won’t.”  Only during these national catastrophes did the United States see deficit numbers this large as a share of the economy… | The Washington Post | 09/04/2023 | Jeff Stein |
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| Fall Jitters Follow Summer Rally  *Bets against U.S. stocks climb as investors grow wary about the market* | Stock-market bulls are on edge heading into September.  The S&P 500 is up 18% so far this year, even after falling in August for its first monthly decline since February.  Traders are less certain about the Fed’s moves in November or December. Fed Chairman Jerome Powell has said the central bank would consider raising rates later in the year if the economy doesn’t slow enough to keep inflation from falling.  Companies in the index are trading at about 19 times their projected earnings over the next 12 months,…  That is up from a multiple of roughly 16.8 at the start of the year and above the 10-year average of 17.7.  The tech-focused Nasdaq Composite fell 2.1% in August, its worst month since late last year. | The Wall Street Journal | 09/05/2023 | Hardika Singh |
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| Is Now the time To Invest in Emerging Markets? | For some investors seeking to diversify their portfolios, emerging markets are looking increasingly attractive.  One factor driving interest in emerging-markets ETFs is that emerging economies are growing faster than advanced economies, and that isn’t forecast to change soon.  The International Monetary Fund forecasts real growth in gross domestic product of only 1.4% in advance economies in 2024 due to inflation, monetary policy and other factors. In contrast, the IMF projects real GDP growth of 4.1% for emerging and developing economies, helped by countries such as India, which is expected to grow at a rate of 6.3%. | The Wall Street Journal | 09/05/2023 | Lori Ioannou |
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| Economic Worries Pressure U.S. Stocks | An extension of oil-production cuts by two of the world’s largest crude exporters Tuesday hardened Wall Street’s fears that the Chinese economy has hit a rough patch that could slow global growth.  Benchmark U.S. crude gained more than 1.3%, recently trading around $86.50 a barrel. Energy was the S&P 500’s best-performing sector.  The yield on the benchmark 10-year Treasury note rose to 4.267%. Yields on 2-year Treasurys, a rough indicator of traders’ short-term inflation expectations, climbed to 4.966%. | The Wall Street Journal | 09/06/2023 | David Uberti |
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| Real-Estate Doom Loop Threatens America’s Banks  *Regional banks loaded up on commercial property loans and investments that are now a looming danger* | With the commercial real-estate market now in meltdown, those trillions of dollars in loans and investments are a looming threat for the banking industry-and potentially the broader economy. Banks’ exposure is even bigger than commonly reported. The banks are in danger of setting off a doom-loop scenario where losses on the loans trigger banks to cut lending, which leads to further drops in property prices and yet more losses.  Today’s troubled market, fueled by rising interest rates and high vacancies, follows years of boom times. Banks roughly doubled their lending to landlords from 2015 to 2022, to $2.2 trillion. Small and medium-size banks originated many of those loans, and all that lending helped push up property prices.  Over the past decade, banks also increased their exposure to commercial real estate in ways that aren’t usually counted in their tallies. They lent to financial companies that make loans to some of those same landlords, and they bought bonds backed by the same types of properties.  The volume of commercial property sales in July was down 74% from a year earlier, and sales of downtown office buildings hit the lowest level in at least two decades…  Lending is the lifeblood of all real estate, and regional and community banks have long dominated commercial real-estate lending.  The first quarter of 2023 marked the first decline in banks’ commercial real-estate holdings since 2013, according to the Journal’s analysis.  Banks with less than $250 billion in assets held about three-quarters of all commercial real-estate loans as of the second quarter of 2023…  In June, after the failure of three regional banks, Federal Reserve Chairman Jerome Powell called for “regulatory strengthening” for regional and local banks because of risky levels of commercial real-estate exposure. | The Wall Street Journal | 09/07/2023 | Shane Shifflett and Konrad Putzier |
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| Inflation, Rate Worries Hit Stocks  *Tech shares lead slide, but nearly all S&P 500 sectors share the pain* | Stocks slumped on Wednesday after investors received a fresh sign that the U.S. economy could be revving up, fanning inflation fears.  The resilience of the labor market and consumer spending has complicated the work of central bankers trying to tame inflationary pressures with interest-rate increases. | The Wall Street Journal | 09/07/2023 | Eric Wallerstein |
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| Chinese Exports Fall for a Fourth Month  *Decline, alongside an import drop, reflects struggle to revive domestic demand* | China’s exports dropped for a fourth straight month in August, bringing little relief to the country from a deepening economic malaise and weighing on the global trade outlook.  Higher borrowing rates in the U.S. and other developed countries also hit consumer appetite.  That would ripple through the global economy as China’s slowdown weights on oil prices and hurts commodity-exporting countries such as Australia, Brazil and Canada.  Apart from the general slowdown in trade, China is facing a raft of other economic headwinds. | The Wall Street Journal | 09/08/2023 | Stella Yifan Xie |
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| Germany’s Economic Rut Gets Deeper, With Contraction Forecast | Germany’s embattled economy, once Europe’s main engine of growth, looks set for a fresh contraction as its all-important manufacturing sector continues to weaken.  After stagnating since the end of last year, Germany’s output is likely to contract this quarter as its factories face higher energy costs, a less-welcoming global market-place and intense competition from China in key sectors, recent data show.  Germans’ economy has grown in only one of the past five quarters…  Hobbled by falling demand at home, German manufacturers are also under pressure in overseas markets.  German manufacturers also face stiffer competition from their Chinese counterparts in industries where they were previously dominant, including in German’s flagship auto sector. | The Wall Street Journal | 09/08/2023 | Paul Hannon |
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| Tech Drags Down Stocks for the Week  Apple and Nvidia fell, trimming technology gains year-to-date to 41% | At the end of August, Apple and Nvidia were responsible for almost 30% of the S&P 500’s 2023 total return, including dividends…  The S&P 500 fell 1.3% for the week while the tech-heavy Nasdaq composite declined 1.9%. The Dow Jones Industrial Average, which includes Apple but not Nvidia, slipped 0.7%.  Investors said they were questioning the rally in tech shares that has lifted the market higher this year. The technology sector pulled back 2.3% for the week, trimming its year-to-date gains to 41%. | The Wall Street Journal | 09/09-10/2023 | Karen Langley |
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| House Prices On Rise Again In U.S. | After declining on a year-over-year basis for five consecutive months-the longest run of declines in 11 years-U.S. home prices rose in July.  Scarcity is a big reason. High interest rates have prompted homeowners to stay put…  But the homes that do list often receive multiple bids, driving up the final sales price. | The Wall Street Journal | 09/09-10/2023 | Nicole Friedman |
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| What’s News | ♦ The U.S. labor market is cooling, with companies hiring more slowly and reducing job postings as higher interest rates weigh on economic demand. | The Wall Street Journal | 09/11/2023 |  |
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| Corporate Earnings Estimates Edge Up | Wall Street expects corporate earnings to rebound after three quarters of year-over-year declines, a development that could put the stock market’s faltering rally on firmer footing.  When the next reporting season kicks off in earnest in October, analysts estimate that companies in the S&P 500 will show profits inched up 0.5%, helping deliver a 1.2% increase for all of 2023, according to FactSet.  The S&P 500 has risen 16% this year, even after falling in four of the past six weeks. | The Wall Street Journal | 09/11/2023 | Karen Langley |
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| Xi’s Grip Chokes Off Attempts To Counter Slowdown | Yet despite advice from leading Chinese economists to take bolder action, the people said, senior Chinese officials have been unable to roll out major stimulus or make significant policy changes because they don’t have sufficient authority to do so, with economic decision-making increasingly controlled by Xi himself.  The top leader has shown few signs of worry over the outlook despite the gathering gloom… | The Wall Street Journal | 09/11/2023 | Lingling Wei and Stella Yifan Xie |
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| Shift Seen in Fed Officials’ Rate Stance | The shift toward a more balanced bias on rates is driven by data showing easing inflation and a less overheated labor market. In addition, the unusually rapid rate increases implemented over the past 1 ½ years are expected to continue crimping demand in coming months.  Fed officials raised rates at 11 of their past 12 meetings… | The Wall Street Journal | 09/11/2023 | Nick Timiraos |
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| Stocks Indexes Jump, Propelled by Tesla | Shares in Tesla pulled stock markets higher Monday thanks in large part to hype around a supercomputer dubbed “Dojo”.  All three indexes opened in the green and stayed there through the closing bell, clawing back some of last week’s losses. The S&P 500 climbed 0.7% , while the tech-heavy Nasdaq Composite rose 1.1%. The Dow Jones Industrial Average gained 0.3%, or roughly 85 points.  Tesla was the major winner, leading the S&P 500 with a 10% gain after Morgan Stanley upgraded its stock.  More investors have come to believe that the Fed will hold rates higher for longer, propping up borrowing costs and making bonds more appealing than higher-risk stocks. Futures markets on Monday gave a nearly 40% chance that the central bank will increase rates again in November or December, according to CME Group. | The Wall Street Journal | 09/12/2023 | David Uberti |
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| Technology Sector Pulls Stocks Lower | The retreat by the S&P 500’s largest segment helped send the broad index down 0.6% for the day, while the tech-heavy Nasdaq composite declined 1%. The Dow Jones Industrial Average, which is less influenced by tech stocks, slipped 0.1%, or about 18 points.  Investors were looking ahead to Wednesday’s report on the consumer-price index…  Traders think the Fed will hold interest rates steady at its September meeting but are divided about the chances of another increase before the end of the year.  Utilities, which often perform well when there are fears of recession, have ticked higher, paring their 2023 declines.  “The market is struggling with the idea of a pending recession,” said Brad McMillan, chief investment officer at Commonwealth financial Network. “They think it’s coming, but they’re not sure when.”  In bond markets, the yield on the benchmark 10-year U.S. Treasury note slipped to 4.263%, from 4.287% Monday. | The Wall Street Journal | 09/13/2023 | Karen Langley |
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| Increase In Pump Prices Boosts Inflation | Consumer prices rose in August at the fastest pace in more than a year due to a jump in energy costs, illustrating the potential obstacles to wringing inflation out of the economy without a sharper slowdown.  More than half of the increase was due to higher gasoline prices.  Stocks were mixed after the inflation data. | The Wall Street Journal | 09/14/2023 | Amara Omeokwe and Nick Timiraos |
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| Higher Fuel and Labor Costs Put Dent in Corporate Profits | Energy and labor costs are cutting further into some corporate profits, in the latest sign that inflationary forces continue to course through industries, pressure executives and worry Wall Street. | The Wall Street Journal | 09/14/2023 | Alison Sider and Mark Maurer |
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| S&P, Nasdaq Gain, Dow Falls After Data | Investors largely liked what they saw in Wednesday’s inflation report, solidifying their bets that the Federal Reserve will hold interest rates steady at the end of next week’s policy meeting.  Treasury yields were little changed…  The consumer-price index rose 0.6% in August from the prior months, the fastest pace in more than a year. Higher gasoline prices were responsible for more than half of the increase. | The Wall Street Journal | 09/14/2023 | Jack Pitcher |
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| Saudi Oil cuts Set to Keep Gasoline Prices at High Levels | Saudi Arabia’s decision to extend cuts to its crude-oil output until the end of the year is likely to lead to a significant supply shortfall for the rest of the year, keeping prices higher at the pump, according to the International energy Agency. | The Wall Street Journal | 09/14/2023 | Yosuf Khan |
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| Indexing Is Still the Best Bet for Investors | Seven stocks – Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla – constitute close to 20% of the S&P 500’s value and have been responsible for almost 90% of the index’s gains this year.  There is no way to predict which active managers will be the best stock pickers. Portfolio-manager fees are the only reliable predictor of performance. The lower the fees, the higher the returns realized by investors. The quintessential low-fee equity funds are index funds.  *Mr. Malkiel is the author of “A Random Walk Down Wall Street,” whose 50th anniversary edition was released this year* | The Wall Street Journal | 09/14/2023 | Burton G. Malkiel |
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| Strong Dollar Cuts Into corporate Profit Margins | The resurgent dollar is hitting earnings for U.S. companies doing business overseas…  S&P 500 companies that derive more than half of their revenue outside the U.S. are on pace to post an 18% slide in second-quarter earnings…  The Federal Reserve’s campaign to fight inflation with interest-rate increases propelled the dollar last year.  The dollar is still down from its multidecade highs last year, which leaves companies struggling to gauge if this latest rise is a return to foreign-exchange-rate pain of the last throes of the dollar’s moment.  Tech giant Apple said unfavorable foreign-exchange rates cost the company 4 percentage points of revenue during the quarter… | The Wall Street Journal | 09/15/2023 | Brenda León and Dion Rabouin |
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| What’s News | ♦ The European Central Bank raised interest rates by a quarter percentage point to a record but signaled that eurozone borrowing costs may have peaked, sending the euro tumbling. | The Wall Street Journal | 09/15/2023 |  |
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| What’s News | ♦ The UAW strike at three factories has caused ripple effects, as GM said it would soon idle another plan and ford said it would temporarily lay off about 600 workers. | The Wall Street Journal | 09/16-17/2023 |  |
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| What’s News | ♦ A slump in technology companies’ shares weighed on the S&P 500 Friday. The broad index fell 1.2%, while the Nasdaq and Dow shed 1.6% and 0.8%, respectively. | The Wall Street Journal | 09/16-17/2023 |  |
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| Technology Slump Pushes Major U.S. Indexes Lower | A slump in technology companies’ shares weighed on the S&P 500 Friday, chipping away at the broad-market benchmark’s recent gains and pushing it into negative territory for the week.  Tech stocks, the market’s stars this year, were some of the worst performers. The S&P 500’s information technology sector lost almost 2%, dragging the broad stock-market gauge into the red for the week.  Stocks have been trading in a tight range in recent weeks, and moves have been muted after the market rose steadily for much of the year.  Meanwhile, higher gas prices have been rippling through the economy…  Oil prices notched gains this past week…  The 10-year Treasury yield rose for a second consecutive week and settled at 4.321% on Friday…  Based on consensus estimates for individual companies, earnings growth for the whole S&P 500 is expected to be 12% for the next 12 months, Citi says.  But investors have already priced in that growth rate… | The Wall Street Journal | 09/16-17/2023 | Gunjan Banerji |
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| Tech Sector Shows Cracks As Rates Rise | Technology stocks have powered the 2023 market rally and become increasingly expensive in the process.  Now, a growing expectation that the Federal Reserve will keep interest rates higher for longer threatens to stifle the trade, potentially dimming the outlook for indexes like the S&P 500 that are heavily influenced by tech.  Traders were willing to pay higher multiples of a tech company’s near-term earnings to share in its far- off growth.  This year, excitement about advances in artificial intelligence and bets that the Fed would start cutting rates sooner rather than later sent tech stocks again bounding higher.  “We just think the market’s a little rich,” said Max Wasserman, co-founder and senior portfolio manager at Miramar Capital. “Now if you take technology out, we think the market is much more reasonably valued.” | The Wall Street Journal | 09/18/2023 | Karen Langley |
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| What’s News | ♦ U.S. companies are painting the bleakest picture in decades over doing business in China as tensions between Beijing and the West are compounded by a deteriorating operating environment. | The Wall Street Journal | 09/19/2023 |  |
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| China’s Economy Faces Even Bigger Housing Crisis | China’s giant housing industry is lurching into a new crisis that threatens to be the country’s worst yet.  Two years ago, the debt-laden developer China Evergrande Group spiraled into insolvency, bursting the country’s real-estate bubble and setting off a chain of developer defaults and business losses. The industry’s troubles have dragged down China’s economy.  Now China’s largest privately run property developer, Country Garden, is struggling to survive. | The Wall Street Journal | 09/19/2023 | Rebecca Feng and Cao Li |
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| Strong Growth, Rising Oil Prices Pose Risks to Fed’s Soft Landing | On the eve of recessions in 1990, 2001 and 2007, many Wall Street economists proclaimed the U.S. was on the cusp of achieving a soft landing, in which interest-rate increases corralled inflation without causing a recession.  But soft landings are rare for a reason: They are tricky to pull off. “You need a lot of luck,” said Antúlio Bomfim, a former adviser to Fed Chair Jerome Powell who is now at Northern Trust Asset Management.  Fed officials are set to hold rates… | The Wall Street Journal | 09/19/2023 | Nick Timiraos |
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| Highest Treasury Yields Since 1007 Depress Stocks | Bond yields reached their highest level since at least 2007, putting pressure on stocks ahead of the Federal Reserve’s next interest-rate decision.  The 10-year Treasury yield finished at 4.366%, up from 4.318% on Monday. The two-year yield climbed to 5.109% from 5.062% as bond prices fell.  The appeal of Treasury yields at 16-year highs is one factor preventing stocks from making much upward progress in recent months.  In energy markets, the most actively traded contract for Brent crude oil futures lost 0.1% but remained above $94 a barrel. | The Wall Street Journal | 09/20/2023 | Eric Wallerstein |
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| Fed Stands Pat but Keeps Hike in Play  *Officials are split on one additional rate increase this year, with 12 0f 19 in favor* | Fed officials also indicated they expect to keep rates higher for longer through 2024 than they anticipated earlier this year.  Stock markets slid after the meeting, with the Dow Jones Industrial Average down 77 points, or 0.2%, and the S&P 500 sliding 0.9%. | The Wall Street Journal | 09/21/2023 | Nick Timiraos |
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| What’s News | ♦ The UK’s annual rate of inflation fell for a third straight month in August… | The Wall Street Journal | 09/21/2023 |  |
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| Rate-Sensitive Tech Stocks Press Markets | Wednesday gave the latest evidence that the tech trade is cooling.  The central bank unveiled its long-telegraphed rate-hike pause but warned of possible increases to come. Markets largely didn’t like the message.  Bond yields hovered near at least 15-year highs, and big tech companies that powered the 2023 rally dragged down stocks, suggesting Wall Street is finally getting ready for a longer period of higher borrowing costs.  ..the tech-heavy Nasdaq Down 1.5% and pushed the S&P 500 0.9% lower. The Dow Jones Industrial Average fell 0.2%.  All three have posted losses so far this month.  While the yield on the benchmark 10-year note fell to 4.346%, it remained near its highest level since 2007.  …two-year Treasury yields ticked upward to 5.118%, their highest level since 2006. | The Wall Street Journal | 09/21/2023 | David Uberti |
| What’s News | ♦ The highest bond yields in more than a decade prompted another stock-market selloff, with the S&P 500, Nasdaq and Dow falling 1.6%, 1.8% and 1.1%, respectively. The 10-yeaere Treasury yield settled at 4.479%, the highest since 2007. | The Wall Street Journal | 09/22/2023 |  |
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| What’s News | ♦ The Bank of England left its key interest rate unchanged for the first time since November 2021… | The Wall Street Journal | 09/22/2023 |  |
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| Higher Rates Not Just for Longer – Maybe Forever | On Wednesday, Federal Reserve officials surprised markets by signaling interest rates won’t fall as much as previously planned.  Federal debt held by the public now stands at 95% of gross domestic product, up from 80% at the start of 2020, and federal deficits are now 6% of GDP and projected to keep rising… | The Wall Street Journal | 09/22/2023 | Greg IP |
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| What’s News | ♦ UAW sent another 5,600 members out on strike at GM and Stellantis, extending the work stoppage to parts-distribution centers that supply dealerships. | The Wall Street Journal | 09/23-24/2023 |  |
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| Worries are rising about inflated profit expectations on Wall St. | Corporate profits may have already hit bottom: After falling for much of the last year, S&P 500 companies are expected to report 0.2% profit growth for the summer.  While that sounds anemic, it would be the first quarter of growth in a year, according to FactSet.  For three straight quarters, profits have fallen from year-ago levels due to pressure from higher costs and a fragile global economy. Hopes for a return to growth are crucial for the stock market to extend this year’s rally. | Daily Herald | 9/24/2023 | Stan Choe & Jenni Sohn |
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| Economy Set for a Quadruple Threat | The U.S. economy has sailed through some rough currents this year but now faces a convergence of hazards that threaten to create more turbulence.  Among the possible challenges this fall: a broader auto workers strike, a lengthy government shutdown, the resumption of student loan payments and rising oil prices.  **UAW strike**  One economic threat is a wider and more prolonged strike by the United Auto Workers against three Detroit automakers.  A broad strike would shave off between 0.05 and 0.1 percentage point from annualized economic growth for every week it lasts, according to Goldman Sachs.  **Shutdown**  If they can’t reach a deal, all but the government’s most essential workers would be furloughed, perhaps as many as 800,000.  In December 2018, a similar standoff caused a five-week partial shutdown…  It shaved 0.1% off economic output in the fourth quarter of 2018…  **Student loans**  Another bump will be the resumption of federal student loan payments Oct. 1. The restart could divert roughly $100 billion from Americans’ pockets over the coming year, according to an estimate from Wells Fargo economist Tim Quinlan.  **Pump prices**  Brent crude oil prices have hovered above $90 a barrel for the past few days, up from just above $70 this summer.  Elevated energy costs, like student loan payments, cut into Americans’ budgets…. | The Wall Street Journal | 09/25/2023 | Daivd Harrison |
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| What’s News | ♦ Investors worry that $100-a-barrel oil could become the latest in a string of inflationary shocks to challenge the Fed’s effort to control price increases, as analysts say that mark could be touched or surpassed later this year. | The Wall Street Journal | 09/26/2023 |  |
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| Oil’s run to $100 Tests Fed | A string of inflationary shocks has challenged the Federal Reserve’s effort to control price increases. Investors are worried the latest could be $100-a-barrel oil.  Oil’s rise has inspired fresh fears from Washington to Wall Street that energy, which the Fed largely excludes in its policy calculus, could throw off central bankers’ attempted soft landing of the fuel-hungry American economy. | The Wall Street Journal | 09/26/2023 | David Uberti |
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| Borrowers Feel Sting of Rate Hikes | Rising interest rates are hitting Americans’ finances.  Fed officials signaled last week that they plan to keep interest rates high for quite a while.  Borrowers shopping for mortgages or auto loans are experiencing sticker shock. | The Wall Street Journal | 09/26/2023 | Rachel Louise Ensign |
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| Relentless Climb in Treasury Yields Reverses Rally in Technology Stocks | The summer slide in U.S. government-bond prices has intensified since labor Day, rattling some of the hottest parts of the stock market.  Now, yields on 10-year notes – a key benchmark for borrowing costs on everything from mortgages to corporate loans – have hit 16-year highs above 4.5%. At the same time, yields on shorter-term Treasurys have also jumped, with the two-year yield above 5.1%.  Surging Treasury yields have punished stocks in a variety of ways, including reducing their appeal relative to bonds and increasing borrowing costs for companies.  Some analysts also have warned that stock valuations broadly look stretched when measured relative to the yield that investors can get on government bonds.  Others have argued that those valuations will look more reasonable once bond yields start to fall. | The Wall Street Journal | 09/26/2023 | Sam Goldfarb and Eric Wallerstein |
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| Rising Yields, Dollar Press Stocks | Stocks fell sharply Tuesday, dragged down again by investor concerns about rising bond yields and a strengthening dollar.  The S&P 500 dropped 1.5%...  The tech-heavy Nasdaq composite shed 1.6%, while the Dow Jones Industrial Average slid around 388 points, or 1.1%.  Yields, which rise when bond prices fall, have surged in large part because the economy has remained strong…  Still, higher yields translate into higher borrowing costs for businesses and consumers, which is making investors nervous about how long the economy can keep expanding.  Rising bond yields can hurt stocks in a variety of ways.  Some investors view technology stocks as particularly vulnerable because they tend to be valued for earnings that are expected to arrive further in the future… | The Wall Street Journal | 09/27/2023 | Sam Goldfarb |
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| Soaring Borrowing costs Hit Riskier Companies | Now, interest costs in the $1.7 trillion market are biting and Fed officials are forecasting that they will stay high for some time.  Nearly $270 billion of leveraged loans carry weak credit profiles and are potentially at risk of default, according to ratings firm Fitch. | The Wall Street Journal | 09/28/2023 | Eric Wallerstein |
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| Stocks Jump as Rise in Yields Pauses  *Indexes are still on track for quarterly losses amid interest-rate fears* | The rise in Treasury yields paused, helping stocks stage their biggest move higher in weeks.  Stocks’ gains were fairly broad-based, with utilities the only sector in the S&P 500 to retreat. Materials and communications services led the advancers.  The yield on the benchmark 10-year Treasury note slipped to 4.59% from 4.625% Wednesday, snapping a three-day steak of gains.  “My sense is the market is sniffing out that the 10-year Treasury is going to start to stabilize. The market is almost trying to front-run that,” said Keith Lerner, co-chief investment officer at Truist Advisory Services.  The three major U.S. indexes remain higher for the year. Till, all three are on track to post losses for the third quarter, which ends Friday.  The rise in oil markets also paused. The front-month Brent Futures contract fell 1.2% to $95.38 a barrel. | The Wall Street Journal | 09/29/2023 | Caitlin Ostroff |
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| Frackers Hold Back Drills | U.S. oil prices soared Wednesday to their highest level in more than a year.  Though some analysts say oil prices could soon hit $100 a barrel, U.S. shale companies aren’t rushing to drill more.  Some oil executives said most of the shale industry plans to stand pat even as global oil prices increases further. Most shale companies have vowed to hand over their winnings from high energy prices to investors via share buybacks and dividends.  …Exxon has kept drilling subdued, trying instead to coax more oil from fewer wells and boost shareholder payouts. | The Wall Street Journal | 09/29/2023 | Benoît Morenne and Collin Eaton |
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| What’s News | ♦ Mortgage rates rose to a nearly 23-year high, another sign the housing market will remain stuck in the doldrums. | The Wall Street Journal | 09/29/2023 |  |

“Standing still is the fastest way of moving backward in a rapidly changing world.” Lauren Bacall

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