

Market Pulse 9 Brief

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Full Report: <https://financialmarketmonitor.github.io/market-pulses/mp9/market-pulse-9.html>

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Over the past two weeks, US markets advanced amid resilient domestic fundamentals, ongoing Fed guidance, and year-start positioning, with the S&P 500 up 3.78%, Nasdaq 4.10%, Dow 3.80%, and Russell 2000 5.10%, though January-to-date performance showed moderate mixed returns. Domestically, economic data reflected solid growth: ISM PMI rose to 54.1, services PMI jumped to 64.6, nonfarm payrolls increased 256K, JOLTS job openings reached 8.1M, and unemployment fell to 4.1%, while wage growth of 3.9% YoY remained above inflation and core CPI eased slightly to 3.2% YoY, suggesting moderated inflationary pressures. Fixed income markets were active, with 10Y Treasury yields near 14-month highs earlier before easing as inflation data calmed concerns of persistent tightening. Abroad, the Eurozone delivered mixed signals, with 2.4% YoY inflation, stable core CPI, slow retail growth, and Germany contracting -0.2% GDP, while the UK showed slight expansion yet high debt yields and subdued retail activity. In APAC, Japan hinted at potential rate hikes amid hawkish BoJ guidance, while China's economy showed gradual recovery with industrial production up 6.2% YoY, retail sales rising 3.7%, Q4 GDP at 5.4% YoY, but property investment and unemployment remaining headwinds. Earnings season was active, led by strong banking results from Jefferies, JPMorgan, Citi, and BlackRock, alongside TSMC's robust AI-driven growth, while UnitedHealth faced margin pressure. Key upcoming earnings include Netflix, Apple, Microsoft, Tesla, and major industrials. In M&A, Clearwater Analytics' \$1.5B acquisition of Enfusion expands fintech capabilities with front-to-back office integration and global client reach. Overall, the US economy shows resilience, inflation pressures appear contained, global markets remain uneven, and investors are balancing policy, earnings, and geopolitical developments as they position for early 2025.