

Market Pulse 4 Brief

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Full Report: <https://financialmarketmonitor.github.io/market-pulses/mp4/market-pulse-4.html>

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Over the past two weeks, US economic data pointed to a resilient labor market and moderate inflation, with the unemployment rate declining slightly to 4.1%, nonfarm payrolls exceeding expectations at 254,000, and wages rising 0.4% MoM (4.0% YoY). Weekly jobless claims, however, ticked higher to 258,000, the highest in 14 months, while CPI inflation eased slightly to 2.4% YoY. Amid these signals, market participants anticipate a gradual Federal Reserve rate-cutting cycle toward 3–3.5%. This past week marked the two-year anniversary of the current bull market, with US large caps up roughly 60% since October 2022, and a lower probability of recession supporting continuation into a third year despite slightly elevated valuations (S&P 500 P/E ~28–29) and geopolitical risks. Abroad, Europe showed mixed conditions: Germany faces contraction with weak factory orders, while the UK and other economies saw modest growth offset by inflation pressures; Japan benefits from a weaker Yen and cautious monetary guidance under Prime Minister Shigeru Ishiba, while China continues countercyclical stimulus, including sovereign bonds and liquidity injections to boost investment and consumption. Corporate earnings were highlighted by strong results from JP Morgan, Wells Fargo, BlackRock, Micron, and others, while upcoming reports from financials and tech giants will provide further market guidance. In M&A, Coeur Mining's acquisition of Silvercrest Metals exemplifies horizontal integration in the mining sector, enhancing production, cash flows, and market share. Collectively, the US maintains a resilient domestic backdrop, global economies show targeted policy support, and markets remain positioned for cautious growth with pockets of opportunity across sectors.