D|A|DAVIDSON
WEALTH MANAGEMENT

Morning Market Dashboard

Thursday, October 3, 2024

Market Recap – Wednesday, October 2, 2024

Major Indices (Price Returns)	Close	1-Day Change		WTD	MTD	YTD
S&P 500	5,709.54	+0.79	+0.01%	-0.50%	-0.92%	+19.70%
Dow Jones Industrial Average	42,196.52	+39.55	+0.09%	-0.28%	-0.32%	+11.96%
NASDAQ Composite	17,925.12	+14.76	+0.08%	-1.07%	-1.45%	+19.41%
Russell 2000	2,195.01	-2.03	-0.09%	-1.34%	-1.57%	+8.28%
MSCI EAFE (USD)	2,433.62	-21.23	-0.86%	-2.91%	-1.42%	+8.83%
MSCI Emerging Markets (USD)	1,187.97	+15.38	+1.31%	+1.14%	+1.46%	+16.04%
Bloomberg Commodity Index	101.54	+0.25	+0.24%	+1.28%	+1.20%	+2.93%
Bloomberg U.S. Aggregate Bond	94.07	-0.20	-0.21%	-0.24%	+0.03%	+2.58%

S&P 500 Sector Performance (Price Returns)

Sector	1-Day	YTD	Current P/E / 10yr Avg.	Sector	1-Day	YTD	Current P/E / 10yr Avg.
S&P 500	+0.01%	+19.7%	21.5x / 18.3x	Health Care	-0.20%	+12.2%	19.4x / 16.5x
Communication Services	-0.44%	+27.8%	19.1x / 18.3x	Industrials	-0.20%	+18.7%	22.5x / 19.0x
Consumer Discretionary	-0.78%	+11.8%	26.0x / 26.4x	Information Technology	+0.59%	+26.9%	28.4x / 20.0x
Consumer Staples	-0.78%	+15.2%	21.8x / 19.6x	Materials	-0.33%	+11.9%	20.6x / 16.8x
Energy	+1.12%	+9.3%	13.4x / 15.4x	Real Estate	-0.37%	+10.3%	19.2x / 18.9x
Financials	+0.10%	+19.9%	15.9x / 14.3x	Utilities	+0.05%	+28.5%	19.1x / 17.4x

Source: FactSet; P/E uses forward (next twelve months) consensus EPS estimate (FFO for Real Estate)

Notable Movers

S&P 500 Top 5 Gains & Losses

Ticker	*Company Name*	*1-Day*	*YTD*	*Ticker*	*Company Name*	*1-Day*	*YTD*
CZR	Caesars Entertainment Inc N	+5.3%	-8.4%	HUM	Humana Inc	-11.8%	-46.2%
SMCI	Super Micro Computer Inc	+3.6%	+47.8%	CAG	Conagra Brands Inc	-8.1%	+5.0%
CRM	Salesforce Inc	+3.2%	+6.2%	NKE	Nike Inc	-6.8%	-23.5%
KLAC	Kla Corp	+3.1%	+33.7%	KMX	Carmax Inc	-3.5%	-1.7%
IVZ	Invesco Ltd	+3.1%	-0.3%	TSLA	Tesla Inc	-3.5%	+0.2%

S&P 400 (Mid Cap) Top 5 Gains & Losses

Ticker	*Company Name*	*1-Day*	*YTD*	*Ticker*	*Company Name*	*1-Day*	*YTD*
ILMN	Illumina Inc	+7.8%	+2.7%	ACHC	Acadia Healthcare Company	-5.8%	-24.4%
CIEN	Ciena Corp	+7.4%	+46.7%	NXT	Nextracker Inc	-5.0%	-22.9%
RPM	Rpm Intl Inc	+6.3%	+14.4%	XRAY	Dentsply Sirona Inc	-4.3%	-29.8%
LITE	Lumentum Hldgs Inc	+5.7%	+24.0%	HOG	Harley Davidson Inc	-4.1%	-1.0%
ONTO	Onto Innovation Inc	+4.5%	+37.1%	LAD	Lithia Mtrs Inc	-3.2%	-6.7%

The Day Ahead – Thursday, October 3, 2024

S&P 500 futures are indicating a lower open this morning

Asian Markets	*Overnight*	*YTD*	*1-Year*	European Markets	*Today*	*YTD*	*1-Year*
Japanese Nikkei 225	+1.97%	+15.2%	+23.4%	*London FTSE 100*	+0.05%	+7.3%	+10.4%
Hong Kong Hang Seng	-1.47%	+29.7%	+27.6%	*Euro STOXX 50*	-0.73%	+8.9%	+19.1%
Shanghai Composite	Closed	+12.2%	+7.3%	*Germany DAX*	-0.67%	+13.6%	+26.2%
Commodities & FX	*Current*	*Today*	*YTD*	**U.S. Treasuries**	*Current*	*Today*	*YTD*
Crude Oil (WTI)	$72.02	+2.7%	+0.5%	*30-Year Yield*	4.15%	+0.02	+0.11
Natural Gas (NYMEX)	$2.97	+3.0%	+27.7%	*10-Year Yield*	3.81%	+0.03	-0.07
Gold	$2,669	0.0%	+28.8%	*5-Year Yield*	3.59%	+0.04	-0.26
Silver	$31.93	+0.0%	+32.6%	*2-Year Yield*	3.67%	+0.04	-0.58
EUR/USD	1.104	-0.1%	+0.0%	*3-Month Yield*	4.59%	+0.00	-0.76
Dollar Index (DXY)	101.88	+0.2%	+0.5%	*Current Fed Funds Target:* 4.75% to 5.00%			

Sources: FactSet, Thomson Reuters

Economic Calendar	*Release (PT)*	*Period*	*Actual*	*Consensus*	*Previous*
Challenger Layoffs NSA	04:30	SEP	72.8K		75.9K
Continuing Jobless Claims SA	05:30	09/21	1,826K	1,836K	1,827K
Initial Claims SA	05:30	09/28	225.0K	221.0K	219.0K
PMI Composite SA (Final)	06:45	SEP		54.4	54.4
Markit PMI Services SA (Final)	06:45	SEP		55.4	55.4
Core Capital Goods Orders Growth	07:00	AUG			0.2%
Durable Orders ex-Transportation	07:00	AUG		0.5%	0.5%
Durable Orders SA M/M (Final)	07:00	AUG		0.0%	0.0%
Durable Shipments SA M/M (Final)	07:00	AUG			-0.6%
Factory Inventories SA M/M	07:00	AUG			0.1%
Factory Orders SA M/M	07:00	AUG		0.1%	5.0%
ISM Services Price SA	07:00	SEP			57.3
ISM Services Business Activity	07:00	SEP			53.3
ISM Services Employment	07:00	SEP			50.2

Source: FactSet

Today's Earnings Releases (AM):	Today's Earnings Releases (PM):
ANGO, STZ	

This Morning's Earnings Reports (vs. consensus)		This Morning's Earnings Guidance (vs. consensus)	
Above:	ANGO, STZ	*Above:*	
In-Line:		*In-Line:*	
Below:		*Below:*	AIN

This Morning's Analyst Reports (Street)	
Upgrades:	WWW, SHLS, RTX, IVT, EVGO, EQT
Downgrades:	WOLF, WIT, VOYA, TSCO, STLA, NGG, NFE, INFY, CHPT, CCRD, BTI, BLBD, ASO

Sources: Briefing.com, MarketWatch

Market Headlines

S&P 500 futures are lower in the premarket, down -0.23%. Dow Jones Industrial futures are also down -0.33%. Major Asia-Pacific equity indices were mixed across the board overnight, but mostly higher. European equity indices were lower across the board at mid-session. Oil is trading up at around $75.36/barrel, as conflict in the Middle East escalates. Gold is down -0.25% and the 10-year U.S. Treasury yield is relatively flat ~3.82%.

Initial claims data for the week ending 9/28 were above expectations, at +225,000 (K), compared to the consensus of +221K. The previous week was reported as +219K.

Company Headlines

Constellation Brands (STZ) announced sales were up +3%, driven by growth in the beer sector. Earnings per share (EPS) were negative, at -$6.59 due to a $2.25 billion (B) impairment loss in the Wine and Spirits business. Adjusted EPS was at $4.32, above consensus of $4.10. The sales growth outlook was lowered across all sectors. The stock is trading down -1.83%.

OpenAI (private) closed their most recent funding round at a valuation of $157B, $6.6B of which was raised by investors including Microsoft (MSFT) and Nvidia (NVDA) in the largest venture capital round in history.

Tesla (TSLA) is set to recall most of its Cybertrucks due to an issue with the rear-view camera. Over 27,000 vehicles are affected. The recall is reportedly the 5th issue on the model in the last 12-month period.

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Looking Ahead:

U.S. stock index futures slipped as markets awaited data for insights on the economic outlook and the likelihood of further interest-rate cuts from the Federal Reserve, while watching for a potential escalation in Middle East hostilities. A key report at the forefront of the day's agenda is expected to reveal that the number of Americans filing for unemployment benefits increased to 220,000 for the week ending Sept. 28, up from 218,000 the previous week. Additionally, the ISM survey on services sector activity is anticipated to indicate continued expansion with an index reading of 51.7 for September. Investors will also closely scrutinize comments from Fed policymakers Raphael Bostic and Neel Kashkari later in the day. European shares fell, dragged down by a drop in German technology giant SAP, as investors analyzed critical inflation data from the eurozone and its major economies. In Asia, Japan's Nikkei closed higher, bolstered by a weaker yen following dovish remarks from Prime Minister Shigeru Ishiba, which reduced expectations of further monetary tightening. Oil prices climbed on fears of an escalating Middle East conflict. The dollar strengthened as resilience in the U.S. jobs market dampened expectations of imminent Fed rate cuts, while gold prices declined.

- "Before the Bell", Thomson Reuters Morning News Call

Sector Valuation Matrix:

October 2, 2024 Sector	S&P 500 Weight	P/E (FY1)*	P/E (FY2)*	P/B	P/CF	P/S	EV/EBITDA	(Column A) 6-Factor Avg.	(Column B) Historical Avg.	(Column C) Difference
Communication Services	8.9%	0.90	0.88	0.93	0.78	1.28	0.72	0.91	1.04	-0.13
Consumer Discretionary	10.1%	1.20	1.21	1.83	1.02	0.87	0.99	1.19	1.41	-0.22
Consumer Staples	5.9%	0.96	1.03	1.29	0.99	0.49	0.89	0.94	1.07	-0.13
Energy	3.5%	0.61	0.63	0.42	0.45	0.45	0.43	0.50	0.71	-0.21
Financials	13.0%	0.71	0.75	0.43	0.60	0.84	1.04	0.73	0.87	-0.14
Health Care	11.6%	0.94	0.89	1.10	1.37	0.62	1.09	1.00	1.02	-0.02
Industrials	8.6%	1.05	1.05	1.31	1.10	0.87	0.98	1.06	1.06	0.00
Information Technology	31.3%	1.36	1.30	2.48	1.73	2.97	1.53	1.89	1.38	0.51
Materials	2.2%	0.98	0.95	0.64	0.88	0.82	0.79	0.84	0.86	-0.01
Real Estate	2.3%	0.84	0.92	0.65	1.20	2.50	1.26	1.23	1.57	-0.35
Utilities	2.6%	0.85	0.90	0.47	0.57	0.99	0.78	0.76	0.84	-0.08
S&P 500	100.0%	23.84x	20.74x	5.06x	17.32x	2.96x	17.64x			

*Current Fiscal Year (FY1) and Next Fiscal Year (FY2) Consensus EPS Estimate. Ratio uses funds from operations (FFO) for Real Estate sector instead of EPS *Data Source: FactSet*

Global Valuation Matrix:

October 2, 2024 Index	P/E (FY1)*	P/E (FY2)*	P/B	P/CF	P/S	EV/EBITDA	(Column A) 6-Factor Avg.	(Column B) Historical Avg.	(Column C) Difference
S&P 500 (SPY): Large-Cap U.S.	1.21	1.19	1.53	1.35	1.35	1.21	1.31	1.24	0.06
Russell 2000 (IWM): Small-Cap U.S.	1.62	1.30	0.64	0.74	0.58	1.05	0.99	1.13	-0.14
MSCI EAFE (EFA): Developed Int'l	0.76	0.79	0.61	0.67	0.65	0.73	0.70	0.82	-0.12
MSCI Emerging Markets (EEM)	0.71	0.70	0.62	0.64	0.70	0.75	0.69	0.75	-0.07
iShares MSCI ACWI (ACWI)	19.65x	17.39x	3.27x	12.82x	2.22x	14.62x			

*Current Fiscal Year (FY1) and Next Fiscal Year (FY2) Consensus EPS Estimate. *Data Source: FactSet*

Valuation Matrix Explanation: The valuation matrices above analyze the average valuation of the eleven S&P 500 GICS sectors vs. the S&P 500 index, and four major equity asset classes vs. the global index (iShares MSCI All Country World Index (ACWI) ETF: ACWI). **Column A** calculates each sector or region *current* relative valuation to its broad index by averaging six notable ratios listed above: price/earnings (FY1 and FY2), price/book value, price/cash flow, price/sales, and enterprise value/EBITDA. **Column B** displays each sector or region 10-year average *relative* valuation to its broad index based on these factors. **Column C** on the far right calculates the difference between the *current* and *historical* relative valuations for each sector or region. A positive differential indicates that the sector/region currently trades at a premium vs. its 10-year average, and a negative differential indicates that the sector/region currently trades at a discount vs. its 10-year average. Premiums and discounts above/below 10% shown in red/green, respectively.

Technical Overview:

	Short-Term Trend (20-Day)	Intermediate Trend (20-Week)	Long-Term Trend (20-Month)
DJ Industrial Average	UPTREND	UPTREND	UPTREND
S&P 500	UPTREND	TRANSITION ZONE	UPTREND
NASDAQ Composite	UPTREND	TRANSITION ZONE	UPTREND
Russell 2000	TRANSITION ZONE	TRANSITION ZONE	EXTENDED UP
MSCI EAFE (EFA)	UPTREND	DOWNTREND	UPTREND
Emerging Markets (VWO)	UPTREND	TRANSITION ZONE	UPTREND

	50-day Moving Avg.	200-day Moving Avg.	Current Price
DJ Industrial Average	40,870	39,260	42,196.52
S&P 500	5,541	5,244	5,709.54
NASDAQ Composite	17,434	16,585	17,925.12

Sources: FactSet, D.A. Davidson & Co

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