



THE WEEK IN REVIEW

Market participants expressed caution in a holiday-shortened week which saw the three major U.S. equity averages all decline by at least 1.6%. This hesitancy occurred amid reports of record-setting levels of job openings and an 8.3% surge in year-over-year wholesale prices. Yields on the U.S. 10-year Treasury note increased slightly on the week to 1.34%, while West Texas Intermediate (WTI) crude oil was relatively unchanged. Bitcoin declined nearly 10% following technical difficulties experienced in El Salvador's rollout of the digital currency as legal tender. The real estate (-3.9%) and healthcare (-2.7%) sectors were the worst performing groups in the S&P 500, while the consumer discretionary sector (-0.3%) was the top performer.

Notable company news included PayPal's (PYPL) announcement of its plans to acquire Japanese "buy now, pay later" platform Paidy for \$2.7 billion. Athleisure giant Lululemon (LULU) reported better-than-expected sales and profits in its fiscal second quarter and raised its full-year guidance amid a surge in direct-to-consumer sales during its fiscal second quarter. A federal judge ruled today that Apple (AAPL) must allow consumers the choice to leave its App Store ecosystem to purchase virtual goods directly from developers of mobile applications.

Initial jobless claims for the week ending September 4 fell to 310,000, which was the sixth weekly decline in the last seven weeks. The prior week's reading was 345,000 claims and economists had predicted this week's number to be 335,000. This week's data marks a fresh pandemic-era low and extends the downward trend in jobless claims from mid-July amid surging demand for labor despite the surge in COVID-19 cases driven by the Delta variant.

The Producer Price Index (PPI) for August rose by 0.7% month over month and climbed 8.3% on a year-over-year basis. The August increase follows 1.0% increases in both June and July. The Labor Department noted that 30% of the increase on the services side in August could be traced to increased margins in the health, beauty, and optical goods retailing. On the goods side, about a quarter of August's advance was due to an 8.5% increase in the price of meats. Materials shortages, shipping constraints and rising labor expenses have all contributed to increased producer prices in recent quarters. Next week's consumer price index (CPI) report for August is forecast to show a 0.4% increase from July.

ECONOMIC INDICATOR	LATEST	3MO PRIOR	CHANGE
JOLTS Job Openings (Millions)	10.934	9.193	▲
Consumer Credit (\$ billion)	17.0	18.3	▼
Producer Price Index (Y/Y)	8.3%	6.6%	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	34607.72	-2.15%	13.07%	25.69%
NASDAQ	15115.50	-1.61%	17.28%	38.43%
S&P 500	4458.58	-1.69%	18.70%	33.52%
MSCI EAFE	2374.46	-0.63%	10.57%	25.16%
Bbg Barclays Aggregate US	2378.68	0.20%	-0.56%	-0.03%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	0.03%	0.04%	0.10%
10-Year Treasury	1.34%	1.35%	0.68%

REPORTS DUE NEXT WEEK	LATEST
Consumer Price Index (Y/Y)	5.4%
NFIB Small Business Optimism	99.7
Retail Sales (M/M)	-1.1%
U. of Mich. Consumer Sentiment	70.3

Price returns as of the last available closing data. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

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