

THINGS TO WATCH

–WALMART RESULTS AND STOCK SPLIT: When Walmart (WMT) reports results Tuesday morning, investors will be focused on whether the hypermarket retailer maintained its recent string of mid-single-digit same-store-sales growth in its holiday quarter. Trends in store traffic, average ticket size, category spending, and employee costs will all be closely evaluated. On Friday, WMT will implement a 3-for-1 stock split, which management says is designed to entice more of its employees to purchase full (as opposed to fractional) shares in the company.

–NVIDIA EARNINGS: After the market closes Wednesday, the global leader in graphics processing units (GPUs) used for training large language models is expected to report revenue in its fiscal 4Q24 more than tripled from a year ago to \$20.39 billion. The most important part of NVDA's results and commentary will be whether (and by how much) management's sales guidance for its current quarter exceeds the consensus estimate of \$21.77 billion. Four straight quarters of white-hot demand from NVDA's data center customers for its GPUs that power accelerated computing has recently driven the company's market capitalization to \$1.8 trillion, eclipsing Alphabet (GOOGL) as the third most valuable U.S. corporation.

–FED MEETING MINUTES: On Wednesday afternoon, minutes from the Federal Open Market Committee's (FOMC) January 30-31 meeting are expected to shed light on why Chairman Powell expressed doubt about a rate cut at the next FOMC meeting on March 19-20. A recent batch of stronger-than-expected economic data (headlined by the initial estimate of 4Q23 GDP growth on January 25 that showed the U.S. economy expanded at an annualized rate of 3.3% in the last three months of the year) could have caused officials to see policy as less restrictive than at the prior FOMC meeting on December 12-13.

–G-20 IN RIO: U.S. Secretary of State Anthony Blinken and Russian Foreign Minister Sergei Lavrov are both expected to attend a Group of 20 conference of top diplomatic officials in Rio de Janeiro Tuesday through Thursday.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
Consumer Price Index (Y/Y)	3.1%	3.2%	▼
Core Consumer Price Index (Y/Y)	3.9%	4.0%	▼
Producer Price Index (Y/Y)	0.9%	1.0%	▼
Retail Sales (M/M)	-0.8%	-0.3%	▲
Housing Starts (Millions Annualized)	1.33	1.38	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	38627.99	0.02%	2.76%	17.12%
NASDAQ	15775.66	-1.31%	5.19%	34.20%
S&P 500	5005.57	-0.35%	5.15%	24.35%
MSCI EAFE	2238.30	1.02%	0.96%	10.75%
BB U.S. Aggregate	2125.31	-0.54%	-1.88%	2.59%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	5.37%	5.36%	4.78%
10-Year Treasury	4.28%	4.06%	3.86%

REPORTS DUE THIS WEEK	LATEST
Continuing Jobless Claims (Thousands)	1,895
S&P Global U.S. Manufacturing PMI	50.7
S&P Global U.S. Services PMI	52.5
Existing Home Sales (Millions Annualized)	3.78

Total returns are as of 2/16/24. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

\$466 billion

As of the end of last week, the currency-translated value of equity exchange-traded funds held by the Bank of Japan (BOJ) after the Nikkei 225 closed at a new 34-year high. The amount, which accounts for about 9% of the BOJ's balance sheet, is on par with Japan's annual tax receipts. The BOJ began buying ETFs linked to Japanese stock market indexes in 2010 as part of its highly unconventional monetary policy designed to lower risk premiums in markets and stoke the economy out of its deflationary malaise.

\$85 billion

The total orders received by pharmaceutical giant Bristol Myers-Squibb (BMY) for a \$13 billion new debt issue last week to finance its acquisitions of Karuna Therapeutics (KRTX) and RayzeBio (RYZB). The six-times-plus oversubscribed deal is the latest example of elevated investor demand to lock in elevated yields on high-quality corporate debt. Strong fund flows have kept corporate credit spreads tight despite a record \$190 billion of gross investment grade issuance in January and an estimated additional \$150 billion in February.

DISCLOSURES



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