

5/6/2024

## The Week Ahead

### THINGS TO WATCH

**BANK LENDING INTENTIONS:** This afternoon, the Federal Reserve's quarterly Senior Loan Officer Opinion Survey (SLOOS) on Bank Lending Practices will be released. The survey asks loan officers at about 100 U.S. banks about underlying demand and lending standards for loans to corporations and households. In the 1Q24 survey released February 5, a net 14.5% of respondents reported tightening credit standards for commercial and industrial (C&I) loans to middle-market and large customers, down from 33.9% in 4Q23 and the lowest reading since the beginning of 2022.

**DISNEY EARNINGS:** Investors will focus on further progress from Walt Disney (DIS) in driving cost cuts in its linear TV and Disney+ segments when the company reports quarterly results tomorrow afternoon. In the first week of March, CEO Bob Iger expressed confidence the company is on track to achieve profitability in its streaming business by its fiscal fourth quarter ending September 30. In early April, DIS successfully wrapped up its proxy fight with activist investor Nelson Peltz, removing some uncertainty about the company's longer-term strategy.

**INFLATION EXPECTATIONS:** On Friday morning, The University of Michigan's preliminary sentiment survey for May is expected to show U.S. consumers expect a 3.2% rate of inflation over the next year. This would be the third month in the last four with a reading of at least 3%. It could suggest consumers are not quite ready to reset their expectations for annual inflation back to the 2%-3% range that was in place for most of the period between 2009 and 2020.

**INDUSTRIAL SECTOR EARNINGS:** Logistics services firm Expeditors International (EXPD), industrial automation company Rockwell Automation (ROK), construction & engineering services firm Jacobs Solutions (J) and electrical equipment specialist Emerson Electric (EMR) all report results tomorrow or Wednesday.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
ISM Manufacturing PMI	49.2	49.1	▲
ISM Services PMI	49.4	53.4	▼
Conf. Board Consumer Confidence	97.0	110.9	▼
JOLTS Job Openings (Millions)	8.49	8.89	▼
Non-Farm Payrolls (Thousands)	175	256	▼
Unemployment Rate	3.9%	3.7%	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	38675.68	1.14%	3.21%	18.20%
NASDAQ	16156.33	1.44%	7.86%	35.48%
S&P 500	5127.79	0.56%	7.99%	27.30%
MSCI EAFE	2271.28	1.23%	4.74%	11.57%
BB U.S. Aggregate	2107.00	1.21%	-1.92%	-0.57%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	5.39%	5.36%	5.18%
10-Year Treasury	4.50%	4.35%	3.34%

REPORTS DUE THIS WEEK	LATEST
Consumer Credit (\$ billion)	14.13
Continuing Jobless Claims (Thousands)	1,774
U. of Mich. Consumer Sentiment	77.2
U. of Mich. 1-year Inflation Expectations	3.2%
U. of Mich. 5-10 year Inflation Expectations	3.0%

Total returns are as of 5/3/24. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

### NUMBERS OF THE WEEK

8.49 million

The number of job openings in March, according to data from the Labor Department's Job Openings and Labor Turnover Survey released last Wednesday. This is the lowest monthly figure since February 2021, suggesting that the domestic jobs market continues to gradually cool and wage growth is unlikely to meaningfully reaccelerate. The ratio of openings to unemployed people fell to a 33-month low of 1.3, down from a peak of 2.0 in March 2022.

10.7%

Amazon's (AMZN) 1Q24 operating margin, a record for the e-commerce and cloud computing giant and up from 3.8% in the same period a year ago. Several years of heavy investment by the company in its retail business have helped improve the unit's cost structure. A larger contribution from its higher-margin businesses, including Amazon Web Services (AWS) cloud computing and advertising, have also boosted profitability. AWS sales climbed 17% in 1Q24 from a year ago, the best growth rate since 4Q22.

## DISCLOSURES



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