

THINGS TO WATCH

–FEBRUARY INFLATION AND GAS PRICES: Tomorrow morning, consumer price index (CPI) inflation data is expected to show headline prices climbed 0.4% in February after gains of 0.3% and 0.2% the prior two months. On a year-over-year basis, CPI is projected to remain unchanged at 3.1% from January, the low end of its 3.0%-3.7% range over the last seven months. Any upside surprise in the CPI data is likely to be driven by recent increases in gasoline prices. The AAA daily national average gasoline price increased 6% from \$3.15 on January 31 to \$3.33 on February 29. It edged up another 2% in the first week of March to a four-month high of \$3.40 as of last Friday.

–ADOBE: Creative and marketing design software giant Adobe (ADBE) reports February quarter results post-market Thursday. The median analyst estimate of \$4.38 in adjusted EPS would represent 15% growth from a year ago. Investors' focus will be on management's plans for reallocating \$20 billion from the terminated Figma purchase and comments about any risks posed by OpenAI's new text-to-video product, Sora.

–ORACLE: After the closing bell today, growth trends in Oracle's (ORCL) Cloud Infrastructure, or OCI, segment (about 8% of total revenue) will be under the spotlight. Analysts generally expect OCI sales of \$1.7 billion in fiscal 3Q24, a year-over-year growth rate of 50% compared to 52% and 66% in the prior two quarters.

–CAN THE GOLD RALLY CONTINUE? The precious metal moved higher for eight straight days through last Friday toward \$2,200/oz. as a combination of mixed economic data and building expectations of a Fed rate cut in June have driven a breakout above \$2,100/oz. Market commentators have pointed to a combination of geopolitical instability, a potential peak in real interest rates, and robust central bank purchases by large countries outside the G-7 as likely drivers of gold's roughly 10% gain over the last three weeks.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
ISM Services PMI	52.6	52.5	▲
JOLTS Job Openings (Millions)	8.86	8.69	▲
Non-Farm Payrolls (Thousands)	275	182	▲
Unemployment Rate	3.9%	3.7%	▲
Average Hourly Earnings (Y/Y)	4.3%	4.3%	-

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	39087.38	-0.85%	3.21%	20.64%
NASDAQ	16274.94	-1.15%	7.31%	40.15%
S&P 500	5137.08	-0.23%	7.73%	30.41%
MSCI EAFE	2285.97	1.60%	5.18%	16.94%
BB U.S. Aggregate	2125.60	0.76%	-0.40%	5.13%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	5.38%	5.38%	4.87%
10-Year Treasury	4.07%	4.15%	3.99%

REPORTS DUE THIS WEEK	LATEST
Consumer Price Index (Y/Y)	3.1%
Core Consumer Price Index (Y/Y)	3.9%
Producer Price Index (Y/Y)	0.9%
Retail Sales (M/M)	-0.8%
U. of Mich. Consumer Sentiment	76.9

Total returns are as of 2/23/24. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

2.55%

The outperformance of the S&P 500 equal weight Consumer Discretionary Sector Index over the market capitalization-weighted version of the index last week, the largest weekly spread in favor of the equal-weight composition since late October. Weekly declines of 13.2% and 1.7% in Tesla (TSLA) and Amazon (AMZN), respectively, were the primary drivers of the divergence. Etsy (ETSY), eBay (EBAY), and Garmin (GRMN) were the top performing S&P 500 consumer discretionary sector stocks last week.

\$28 billion

The size of a U.S. Commerce Department grant pool targeted at building advanced semiconductor factories on American soil as part of the 2022 Chips and Science Act. Last Friday, reports surfaced that Taiwan Semiconductor Manufacturing is in talks to receive more than \$5 billion from this pool to build a facility in Arizona. Intel (INTC), Micron Technology (MU), and Korean giant Samsung Electronics are all expected to receive multi-billion-dollar grants from the pool to build facilities in Arizona, Ohio, Texas, and Idaho.

DISCLOSURES



This publication was prepared by MainStreet Investment Advisors, LLC ("MainStreet Advisors"), an investment adviser registered with the SEC. Registration as an investment adviser does not imply any level of skill or training. Information and opinions herein are as of the publication date and are subject to change without notice based on market and other conditions. The week is calculated beginning with Monday's market open. The specific securities identified are shown for illustrative purposes only and should not be considered a recommendation by MainStreet Advisors. Index and sector statistics are unmanaged and a common measure of performance of their respective asset classes. Indexes are not available for direct investment. Any graph, data, or information is considered reliably sourced and for educational purposes only. Any suggestion of cause and effect or of the predictability of economic or investment cycles is unintentional. This Financial Market Update may contain forward-looking statements and/or candid statements and observations regarding investment strategies, asset allocation, individual securities, and economic and market conditions; however, there is no guarantee that the statements, opinions, or forecasts will prove to be correct. The material included herein was prepared or is distributed solely for information purposes; is not a solicitation or an offer to buy/sell any security or instrument, to participate in any trading strategy or to offer advisory services by MainStreet Advisors; is not intended to be used as a general guide to investing or as a source of any specific investment recommendations; makes no implied or express recommendations concerning the manner in which any client's account should or would be handled; and should not be relied on for accounting, tax or legal advice. There are risks involved with investing including possible loss of principal and the value of investments and the income derived from them can fluctuate. Investing for short periods may make losses more likely. Past performance is not indicative of future results, which may vary. Investors are urged to consult with their financial advisors before buying or selling any securities. Not a deposit, not FDIC insured, may lose value, not bank guaranteed, not insured by any federal government agency.