

## 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



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