



PACIFIC GLOBAL
Investment Management Company

Weekly Recap

October 18, 2024

Market Returns

INDEX ¹	CLOSE	WEEKLY CHANGE	YTD CHANGE
Dow Jones Industrial Avg.	43,275.91	412.55 / 0.96%	14.82%
S&P 500 [®]	5,864.67	49.64 / 0.85%	22.95%
Nasdaq	18,489.55	146.61 / 0.80%	23.17%
Russell 2000 [®]	2,276.09	41.68 / 1.87%	12.28%

	10/18/24 CLOSE	10/18/23 CLOSE
10-Year U.S. Treasury	4.08%	4.91%

Data: Bloomberg, Federal Reserve

The Bottom Line

Confidence in a “soft landing” continued this week as more economically sensitive stocks drew investor attention. The Russell 2000[®] Index (1.87%) outpaced the major indices as low valuation small cap stocks become more attractive in a growing economy. The Dow Jones Industrial Average (0.96%), the S&P 500[®] Index (0.85%) and the Nasdaq (0.80%) also gained for the week with the S&P 500[®] reaching a new high. The yield on the 10-Year U.S. Treasury Note declined to 4.08% from 4.10% last Friday.

Retail sales gained 0.4% in September, far exceeding August’s 0.1% increase and expectations of 0.3%. Notable areas of growth included clothing and entertainment as consumers continued their discretionary spending. Initial jobless claims unexpectedly fell from 260,000 last week to 241,000. Continuing claims (1.867 million) were modestly below estimates of 1.876 million.

Bank of America, Goldman Sachs, Citigroup and *PNC Financial* all exceeded earnings estimates on the strength of interest spreads, fees and credit. Strong investment banking in the third quarter also benefitted the major banks. Elsewhere, *J.B. Hunt* (trucking) exceeded revenue and earnings estimates with better-than-anticipated shipping trends. *Netflix* reported better-than-expected results with growth in new subscribers; the company believes the trend will continue. *Schlumberger* (energy services) results were in line with estimates; however, the company provided a word of caution as oil prices have declined (9% this week) as uncertainty over China’s growth outlook clouds the near-term demand for oil.

Earnings season accelerates next week; some companies, though, are postponing capital spending announcements to assess the results of next month’s elections. Investors may look beyond earnings reports to anticipate post-election opportunities. The economy continues to show resilience; the expectation of additional interest rate cuts also supports a positive outlook.

¹The Dow Jones Industrial Average is an unmanaged, price weighted measure of 30 U.S. stocks selected by the Averages Committee to represent the performance of all U.S. stocks outside the Transportation and Utilities sectors. The S&P 500[®] Index is an unmanaged, market capitalization weighted index which measures the performance of the large cap segment of the U.S. equities market, covering approximately 75% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the

U.S. economy. The Nasdaq Composite Index is an unmanaged, market capitalization weighted measure of all domestic and international common stocks listed on The Nasdaq Stock Market. The Russell Midcap[®] Index measures the 800 smallest companies within the Russell 1000[®] Index based on a combination of their market cap and current index membership. The Russell 2000[®] Index is an unmanaged, market-weighted measure of stock market performance. It contains stocks of the 2,000 smallest publicly traded companies of the Russell 3000[®] Index. It is not possible to invest in the Indices.

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