

## THINGS TO WATCH

– **SEPTEMBER LABOR MARKET DATA:** Friday morning's nonfarm payrolls report for September is expected to show the pace of net hiring last month decelerated to 168,000 from 187,000 in August and an average of 235,000 in the first eight months of the year. The unemployment rate will likely dip to 3.7% from 3.8% in August, according to the median estimate in a Bloomberg survey. The United Auto Workers strike probably only had a limited effect on job growth last month as it began after the September payroll survey period ended.

– **MODELO AND JEANS:** A pair of consumer-focused companies reporting quarterly results Thursday could provide clues about the resilience of U.S. consumer spending this summer. Constellation Brands (STZ), the distributor of Modelo and Corona in the U.S., is projected to have grown adjusted EPS by 7% in its August quarter amid strong demand for its beer brands. Denim specialist Levi Strauss & Co.'s (LEVI) results and commentary are expected to give insight into the impact of the return of student loan repayments on discretionary spending.

– **WILL SPEAKER MCCARTHY BE FORCED OUT?** After reaching a deal late Saturday night on a 45-day bipartisan stopgap funding bill to avert a federal government shutdown, House Speaker Kevin McCarthy has come under heavy criticism by a portion of the House GOP caucus. Florida Republican Congressman Matt Gaetz has vowed to file a motion this week to vacate McCarthy as House Speaker in response for failing to adhere to spending constraints in reaching the eleventh-hour agreement. Gaetz's plan would force the entire chamber (including 212 Democrats) to vote on ousting McCarthy.

– **JAPANESE GOVERNMENT BOND YIELDS:** Any signs that yields on 10-year Japanese government bonds (JGBs) are moving toward the Bank of Japan's (BOJ) stated cap of 1% would likely put further upward pressure on U.S. Treasury yields and raise the odds that BOJ policymakers would intervene in their bond markets for the second time in two weeks.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
S&P CoreLogic CS 20-City U.S. HPI (Y/Y)	0.1%	-1.7%	▲
New Home Sales (Thousands Annualized)	675	710	▼
Conf. Board Consumer Confidence	103.0	110.1	▼
U. of Mich. Consumer Sentiment	68.1	64.4	▲
Core PCE Price Index (Y/Y)	3.9%	4.7%	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	33507.50	-1.34%	1.09%	14.65%
NASDAQ	13219.32	0.06%	26.30%	23.11%
S&P 500	4288.05	-0.74%	11.68%	17.79%
MSCI EAFE	2024.37	-1.95%	4.14%	22.30%
BB U.S. Aggregate	2025.17	-0.91%	-1.15%	0.39%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	5.45%	5.43%	3.28%
10-Year Treasury	4.57%	4.12%	3.79%

REPORTS DUE THIS WEEK	LATEST
ISM Manufacturing PMI	47.6
ISM Services PMI	54.5
JOLTS Job Openings (Millions)	8.83
Non-Farm Payrolls (Thousands)	187
Unemployment Rate	3.8%
Average Hourly Earnings (Y/Y)	4.3%

Price returns are as of 9/29/23. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

## NUMBERS OF THE WEEK

7.41%

The average contract rate on a 30-year fixed mortgage in the U.S. during the week ended September 22, according to data released by the Mortgage Bankers Association (MBA) last Wednesday. Thirty-year mortgage rates above 7% in recent months have weighed heavily on home-purchase application volumes. The MBA survey has been conducted weekly since 1990, using responses from mortgage banks, commercial banks, and thrifts that cover more than 75% of all U.S. retail residential mortgage applications.

\$1.6 trillion

The amount of federal student loan debt owed by more than 40 million Americans. Borrowers are required to make payments again this month after the lapse of a three-and-a-half-year moratorium extended several times by the Biden administration. The impact on the U.S. economy of the resumption of student loan payments remains uncertain given the Biden administration's implementation of an income-driven repayment plan aimed at providing relief to low-income households.

## DISCLOSURES

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