

Busy week of earnings and economic data ends mostly lower

This was a huge week in terms of earnings and economic news and the major indices closed mostly lower.



The S&P 500 declined 1.4%, the Nasdaq Composite declined 1.5%, and the Dow Jones Industrial Average settled 0.2% lower. The Russell 2000 eked out a 0.1% gain on the week.

Mega cap names that reported earnings garnered mixed responses from investors. Alphabet (GOOG) and Amazon.com (AMZN) closed 3.4% and 5.4% higher, respectively, on the week after their quarterly reports. Apple (AAPL), Meta Platforms (META), and Microsoft (MSFT) closed with losses ranging from 1.1% to 4.2% following their earnings reports.

Chipmakers showed weakness through the week. Advanced Micro Devices (AMD) was an influential loser, dropping 9.2% after reporting earnings and soft Q4 revenue guidance. The PHLX Semiconductor Index (SOX)

settled 4.1% lower than last Friday.

In terms of economic news, market participants were digesting:

- Initial jobless claims that were a low 216,000, the Q3 Employment Cost Index that was up 0.8%, personal income that was up 0.3% month-over-month in September, personal spending that increased 0.5%, and the core-PCE Price Index was stuck at 2.7% year-over-year for the third straight month.
- Private-sector payrolls, which increased by 233,000 in October (Briefing.com consensus), according to ADP, real GDP, which increased at an annual rate of 2.8% in the third quarter (Briefing.com consensus 3.0%), bolstered by a 3.7% increase in consumer spending, and pending home sales that jumped 7.4% in September (Briefing.com consensus 2.5%).
- Nonfarm payrolls that increased by just 12,000 (Briefing.com consensus 120,000) while nonfarm private payrolls decreased by 28,000 (Briefing.com consensus 105,000). This news was followed by a report of tepid construction activity in September and a dip in the October ISM Manufacturing PMI to 46.5% (Briefing.com consensus 47.6%) -- the lowest reading in 2024 -- from 47.2% in the previous month.

- The jobs data were depressed by the Boeing strike and likely by the effects of Hurricanes Helene and Milton, yet with forecasts suggesting those influences could lop off something on the order of 100,000 positions, the view to October, coupled with sizable downward revisions to the August and September payroll figures, connote softness in hiring activity.

Treasury yields settled sharply higher this week. The 10 - yr yield jumped 13 basis points to 4.36% and the 2-yr yield settled ten basis points higher at 4.20%.

- Nasdaq Composite: -1.5% for the week / +21.5% YTD
- S&P 500: -1.4% for the week / +20.1% YTD
- Dow Jones Industrial Average: -0.2% for the week / +11.6% YTD
- S&P Midcap 400: -0.2% for the week / +11.6% YTD
- Russell 2000: +0.1% for the week / +9.0% YTD

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