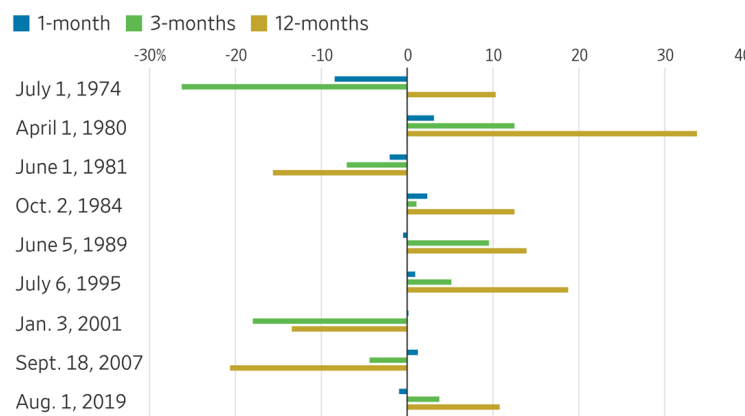


September 16 - 20, 2024

Jobless claims fell to 219,000, indicating a resilient but gradually cooling labor market, supporting the U.S. economy's "soft landing" narrative

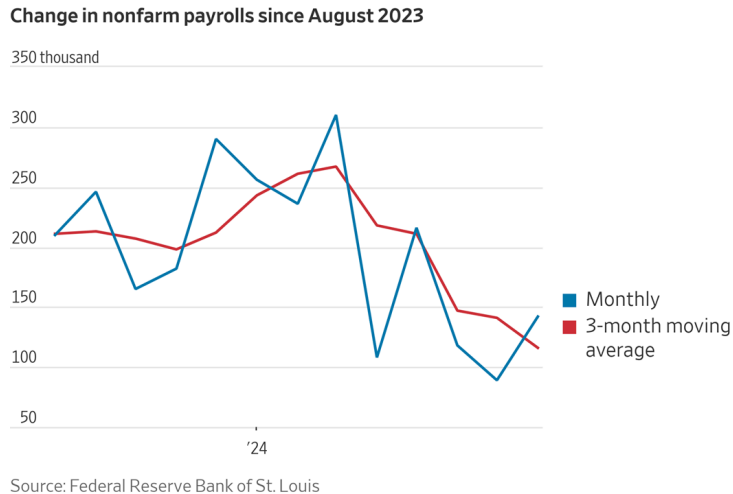
- The S&P 500 is up 1.23%, the Nasdaq is up 0.79%, and the Dow Industrials is up 0.46% WTD
- The Federal Reserve's rate cut today could boost the stock market over time, as historically stocks tend to rise within 12 months of rate cuts, despite initial flat or negative performance [[WSJ](#)]

S&P 500 return after the first Fed rate cut

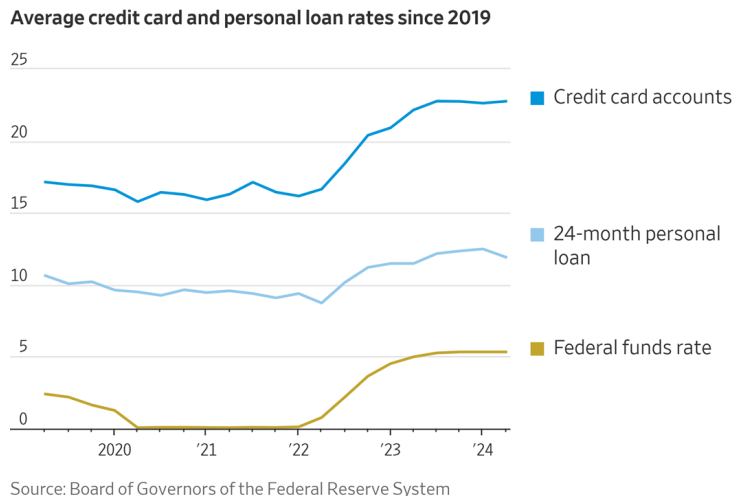


Source: LPL Financial

- The Federal Reserve's recent aggressive rate cut mirrors its 1995 strategy, aiming for a soft landing despite a more significant degree of tightening in today's economy compared to the 1990s [[WSJ](#)]



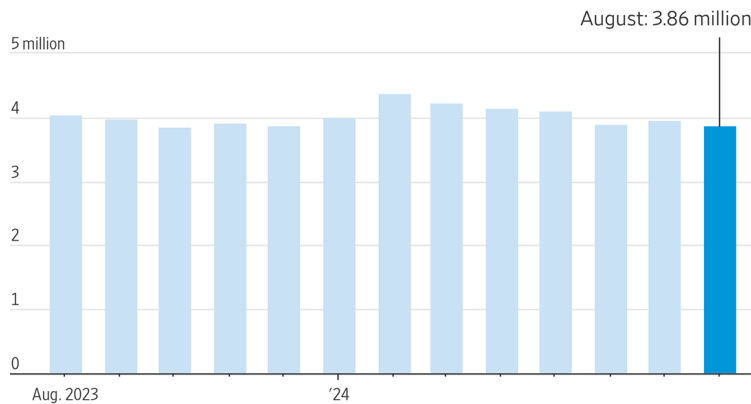
- The Fed's rate cut will impact various financial areas, such as slightly lowering credit card, mortgage, auto loan, and student loan rates over time, though the effects will vary and may not provide immediate significant relief [WSJ]



Smaller regional banks are outperforming larger ones as cheaper funding boosts earnings, while U.S. home sales fell 2.5% in August despite lower mortgage rates

- U.S. home sales fell 2.5% in August as declining mortgage rates failed to offset near-record home prices, with existing-home sales down 4.2% annually [WSJ]

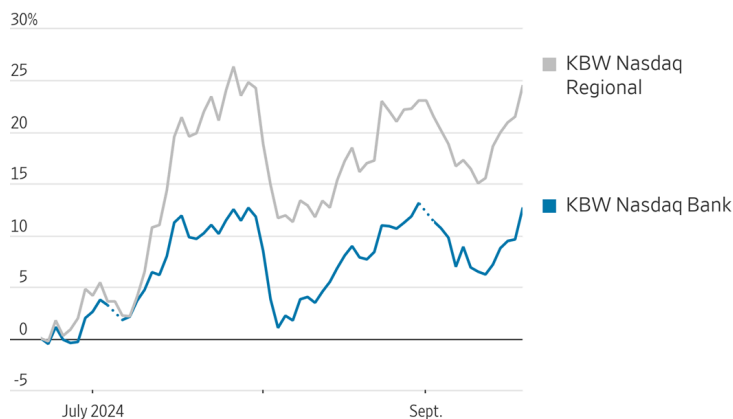
U.S. existing-home sales



Notes: Seasonally adjusted at an annual rate; August 2024 is preliminary.
Source: National Association of Realtors

- Smaller regional banks are outperforming larger banks as interest rates drop, benefiting from cheaper funding sources and mortgage banking exposure, while analysts expect them to see stronger earnings growth in the near term [WSJ]

Bank index performance



Source: FactSet

M&A activity continues to remain mixed with developments in tech, aviation, and media prove to be encouraging

- PE firm Platinum Equity is in talks to buy Trivium Packaging from Canada's OTPP and Ardagh Group for over \$3.5B [BBG]
- US utility Vistra will acquire the 15% equity it does not already own in subsidiary Vistra Vision for \$3.3B cash [RT]

- CVC is willing to increase its \$15.6B offer for Deutsche Bahn's logistics unit Schenker after losing the bidding Danish logistics firm DSV [BGC]
- CEO Mathias Döpfner and KKR agreed to a \$15B deal to split media giant Axel Springer's media division and classifieds business [FT]
- PE firms TDR Capital and I Squared Capital are considering a sale or IPO of portable power generator supplier Aggreko, which could fetch a \$10B valuation [BGC]
- Ampere Computing, an Oracle-backed chip startup last valued at \$8B, is exploring a sale [BGC]
- Blackstone, Advent, KKR, CVC, H&F and TPG are studying bids for \$7B-listed eye-care company Bausch + Lomb [FT]
- Canada's Rogers Communications will acquire BCE's 37.5% stake in Raptors-owner Maple Leaf Sports & Entertainment for \$3.5B to own a majority stake [BGC]
- Mobile games developer Playtika will acquire peer SuperPlay in a \$1.95B deal [RT]
- Alaska Airlines completed its \$1.9B merger with Hawaiian [RT]
- Sixth Street Partners and Patron Capital will acquire UK homebuilder CALA Group from UK financial-services firm Legal & General in a \$1.8B deal [BGC]

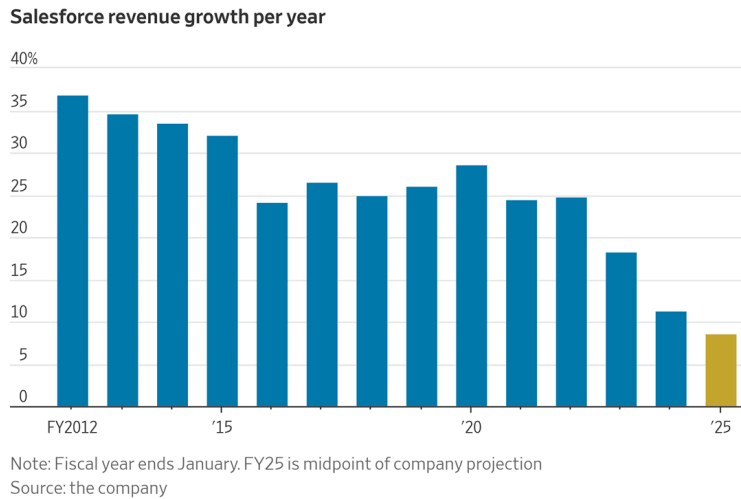
Recent developments across four key industries highlight U.S. crude oil inventories dropping, Salesforce grappling with slowing growth, and FDA to penalizing telehealth firms and influencers for deceptive prescription drug promotions

Energy & Natural Resources

- U.S. crude oil inventories fell by 1.6 million barrels last week amid lower production and imports, while gasoline and distillate fuel stocks slightly increased, according to the EIA [WSJ]

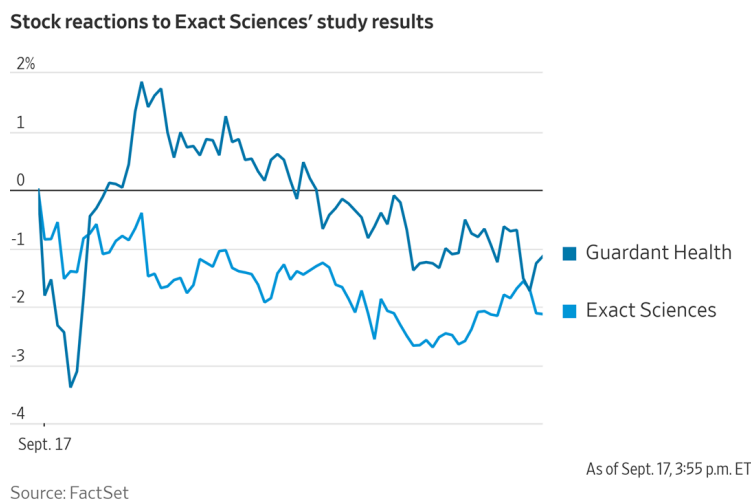
Technology, Media, & Telecommunications

- Salesforce faces slowing growth and investor concerns amid rising AI investments impacting the SaaS industry, as generative AI raises questions about the future of traditional software services and sales deal closures [WSJ]



Healthcare & Life Sciences

- Competition in the cancer blood test market is intensifying, with Exact Sciences reporting promising results that challenge Guardant Health's FDA-approved colorectal test, though final confirmation from larger studies is still pending [WSJ]



Financial Services

- The Federal Reserve enacted its first interest rate cut since the Covid pandemic, reducing rates by 50 basis points as inflation moderates and the labor market weakens [CNBC]
- A Citigroup survey shows wealthy families are becoming more bullish on risk assets, reducing cash holdings and increasing investments in private equity and venture capital, despite concerns about interest rates [RT]