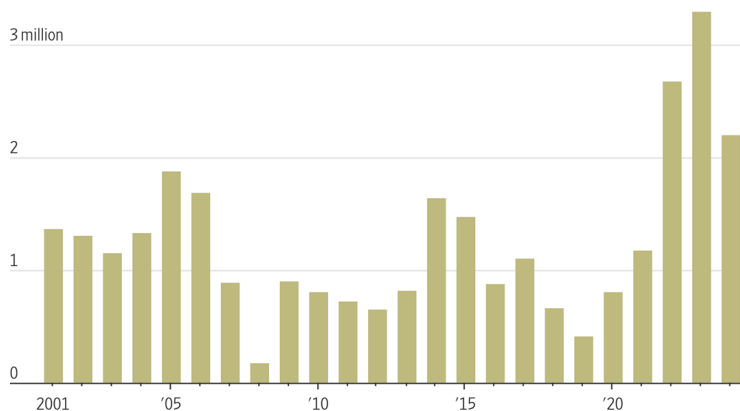


September 2 - 6, 2024

Mixed labor market signals lowered bond yields, while tech stocks rebounded and WTI oil fell below \$70 a barrel

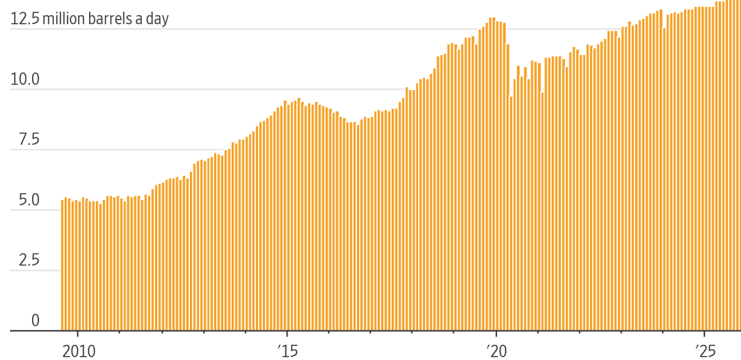
- The S&P 500 is down 1.85%, the Nasdaq is down 2.74%, and the Dow Industrials is down 1.43% WTD
- The 10-Yr U.S. Treasury yield has decreased -0.205% to a current yield of 3.704%, whereas the 30-Yr U.S. Treasury yield decreased -0.213% to a current yield of 3.989%
- Crude oil prices decreased 8.85% to a current \$69.39/bbl while bitcoin decreased 2.42% to a current \$55,957.81/coin
- The U.S. is seeing its largest immigration wave in decades, with over nine million migrants since 2020, most crossing the southern border without authorization and many awaiting asylum hearings [[WSJ](#)]

Net immigration to the U.S.



- Donald Trump claims he can cut energy costs by over 50% through increased oil and gas production, but experts argue global markets and industry focus on profits make it unlikely [WSJ]

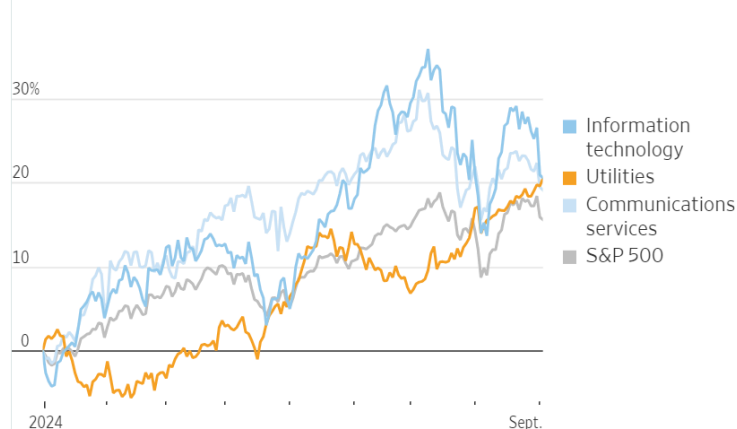
U.S. crude-oil production



Note: Includes projections through 2025.
Source: Energy Information Administration

- Utility stocks have surged 20.5% in 2024, recovering from last year's decline as falling interest rates and growing demand for power from AI developments boost their appeal

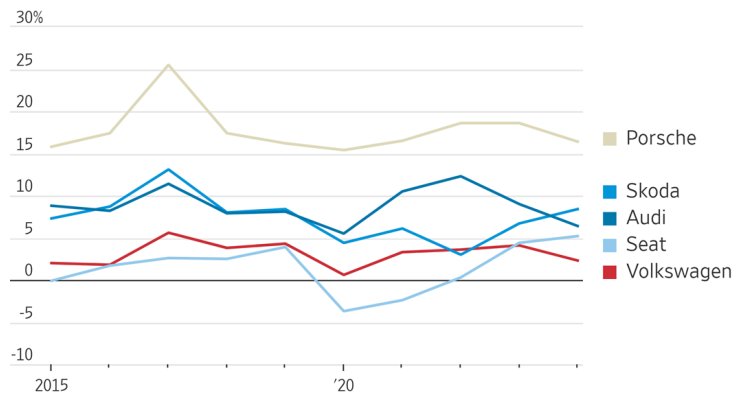
S&P 500 sector performance vs. broader index



Source: FactSet

- Volkswagen is facing mounting pressure as it struggles with weak profits amid its transition to electric vehicles, leading management to consider radical cost-cutting measures, including potential plant closures in Germany [WSJ]

Operating margin of select Volkswagen Group brands

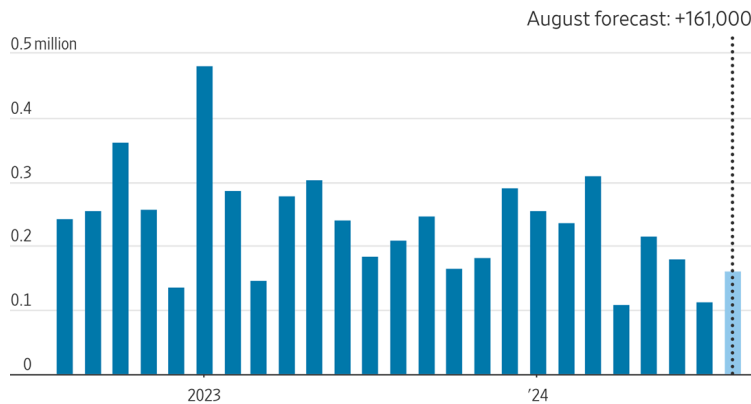


Note: 2024 data is for the first half

Sources: FactSet (2015-2023), the company (2024)

- Economists expect the August jobs report to show 161,000 new jobs, a 4.2% unemployment rate, and a 3.7% rise in wages, with the data potentially influencing the size of the Fed's anticipated rate cut [WSJ]

Payrolls, change from a month earlier



August forecast: +161,000

Note: Seasonally adjusted

Source: Labor Department (actual); Wall Street Journal survey of economists (forecast)

Americans are bullish on the stock market, private-equity firms are facing slower dealmaking, and Airbnb's stock has dropped 25% despite outperforming rivals in projected growth

- Americans are enthusiastic about the stock market, with stock allocations reaching record highs and 401(k) millionaires surging 31% from last year, driven by the S&P 500's 18% rise in 2024 [WSJ]

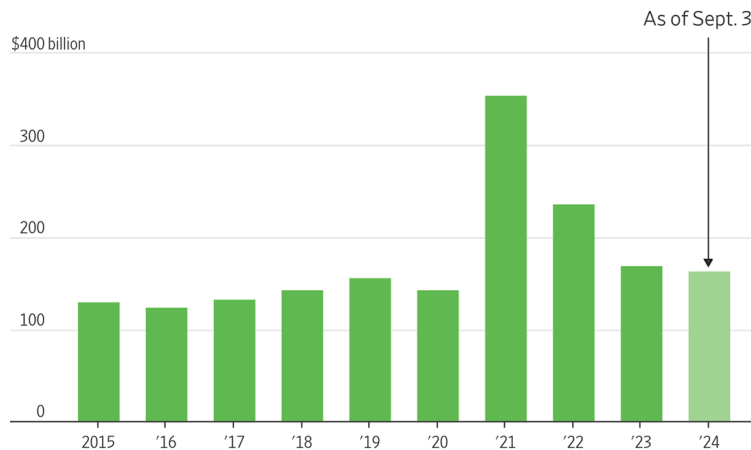
Household allocations to stocks as a share of their financial assets



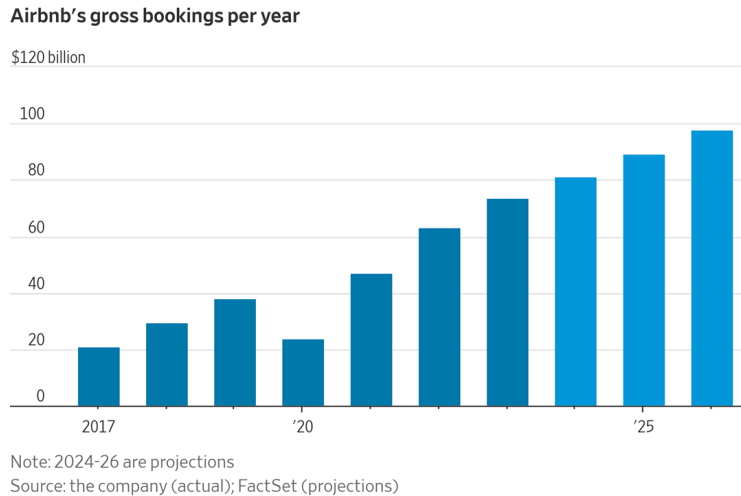
Source: JPMorgan estimates

- Private-equity firms are facing slower, less-profitable dealmaking as rising interest rates and market uncertainty persist, though they hope for improvement in 2025 if rates are cut and political stability increases [WSJ]

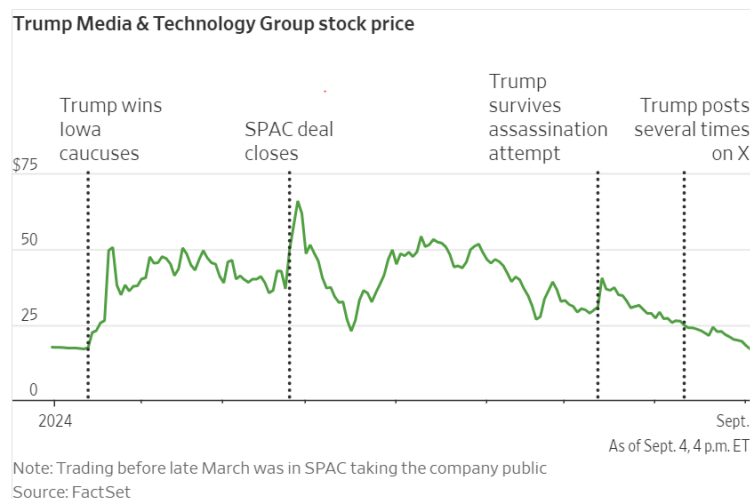
Value of leveraged buyouts



- Airbnb's stock has fallen 25% amid tightening consumer spending, but its projected 11% growth in gross bookings outpaces rivals like Expedia and Bookings.com [WSJ]



- Shares of Donald Trump's social-media startup, Trump Media & Technology, have fallen to their lowest level since March, driven by Trump's return to mainstream platforms and speculation about him selling shares



M&A activity shows improvement with developments in tech and energy proving to be encouraging

- \$32.2B-listed pipeline company Targa Resources rebuffed informal takeover interest from larger rival Williams [BBC]
- Blackstone will acquire Australian data center group AirTrunk at a \$16.1B EV [RT]
- Verizon will acquire Frontier Communications for \$9.6B cash [WSJ]

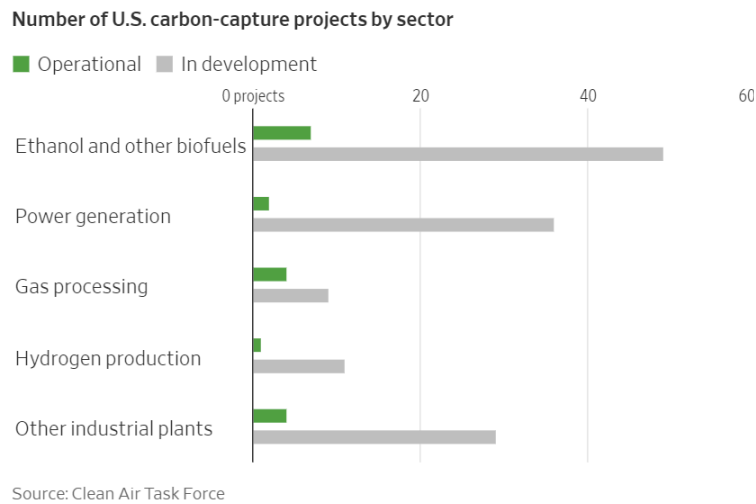
- Intel is considering options for its 88% stake in \$10.2B-listed self-driving systems provider Mobileye Global [BBG]
- Salesforce will acquire software data startup Own for \$1.9B [BBG]
- UK warehouse owner Segro will acquire European warehouse firm Tritax EuroBox in a ~\$1.4B all-stock deal, including debt [RT]
- First Majestic Silver will acquire silver producer Gatos Silver in a \$970M stock deal [CNW]
- Malaysia's IHH Healthcare will acquire hospital chain Island Hospital for \$901M [RT]
- TPG acquired emissions solutions firm Miratech from PE firm BP Energy Partners [WSJ]
- Abu Dhabi's ADNOC will acquire a 35% stake in Exxon's planned Texas hydrogen plant [RT]
- Arnest chemical group will acquire Unilever's Russian assets for up to \$500M [FT]
- ConnectOne Bancorp agreed to acquire smaller peer First of Long Island in a \$284M all-stock deal [RT]

Recent developments across four key industries highlight crude inventories falling and markets shifting focus to economic growth concerns

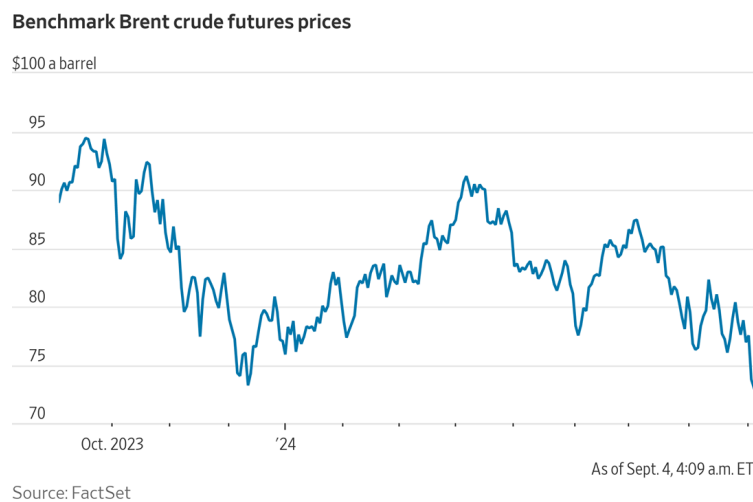
Energy & Natural Resources

- U.S. crude oil inventories fell by 6.9 million barrels last week due to a drop in imports, while gasoline stockpiles increased for the first time in four weeks, and crude production and refinery use remained steady [WSJ]
- Bank of America is investing \$205 million in carbon capture at Harvestone's ethanol plant in North Dakota, using tax credits from the 2022 climate law to

support the project, which captures over 200,000 metric tons of CO2 annually [WSJ]



- Oil and copper prices fell sharply after Goldman Sachs lowered its forecast due to weakening Chinese demand, while expectations of increased OPEC+ oil supplies further pressured the market [WSJ]



Technology, Media, & Telecommunications

- Nvidia is participating in a \$160 million financing round for Applied Digital, a data center operator expanding into AI cloud computing using Nvidia's chips [WSJ]

- U.K. antitrust officials allege that Google is stifling competition by favoring its own ad tech services, adding to regulatory scrutiny from similar probes in Europe and the U.S. [WSJ]

Healthcare & Life Sciences

- Sanofi's experimental drug tolebrutinib delayed disability progression in a late-stage trial for nonrelapsing secondary progressive multiple sclerosis but failed to reduce relapse rates in other trials for relapsing forms of the disease [WSJ]
- Amy Emerson has stepped down as CEO of Lykos Therapeutics after the FDA rejected its Ecstasy-based PTSD therapy, with Michael Mullette taking over as interim CEO [WSJ]

Financial Services

- Markets are shifting focus from inflation to economic growth concerns, with weaker stocks outperforming market stars and increased sensitivity to economic data as investors weigh the risk of recession and potential Fed rate cuts [WSJ]
- Seven & i rejected a \$39 billion takeover bid from Alimentation Couche-Tard, citing undervaluation and regulatory concerns [WSJ]