



## Basis Points – 01.11.24

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### Stocks Open 2024 With a Down Week

After pulling off a surprisingly strong rally in the fourth quarter of 2023, the stock market took a tumble during the first week of the new year. The major indexes ended lower, with the Russell 2000 and the Nasdaq seeing the largest losses. Information Technology and Consumer Discretionary were the two worst-performing sectors, while Health Care, Utilities and Energy posted decent gains. A solid jobs report pushed 10-year Treasury yields above 4.0% on Friday. Oil prices were volatile but ended the week 3.4% higher, primarily due to rising tensions in the Red Sea.

### Manufacturing Activity Declined Further in December

According to the S&P Global US Manufacturing Purchasing Managers' Index™, the manufacturing sector slipped further into contraction in December. Output declined, and the downturn in new orders picked up speed. A decrease in total new sales reflected weakening demand conditions, which also led to the third successive monthly drop in employment. Inflationary pressures intensified, as cost burdens rose sharply and selling prices increased at the quickest pace since April. Nevertheless, business confidence rose to a three-month high.

### Eye on the Week Ahead

The market will likely be attuned to two important inflation measures to be released later this week. The Consumer Price Index (CPI) for December will be available on Thursday, followed by the Producer Price Index (PPI) on Friday. The CPI increased 0.1% in November and saw its annual rate drop to 3.1%. The PPI was unchanged in November and increased just 0.9% over the previous 12 months.

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