



## Basis Points – February 1st, 2024

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### S&P 500 and Nasdaq Reached Record Highs Last Week

Stocks closed higher last week, with the S&P 500 and the Nasdaq reaching record highs. Investors spent most of the week parsing through corporate earnings results and important economic data. Among the market sectors, communication services and energy rose over 5.0%, while health care ended the week in the red. Ten-year Treasury yields ticked up marginally. Crude oil prices rose nearly 6.0% as production cuts have begun to drive prices higher. The dollar advanced, while gold prices fell 0.6%.

### Initial GDP Estimate Beat Expectations

The initial estimate of gross domestic product for the fourth quarter of 2023 revealed that the economy accelerated at an annualized rate of 3.3%, down from the third quarter rate of 4.9%, but well above expectations that hovered around 2.0%. Compared to the third quarter of 2023, the

deceleration in GDP in the fourth quarter primarily reflected slowdowns in private inventory investment, federal government spending, residential fixed investment and consumer spending. Personal consumption expenditures, a measure of consumer spending, rose 2.8% in the fourth quarter and was the largest contributor to GDP.

#### Eye on the Week Ahead

The Federal Open Market Committee meets this week. The consensus is that interest rates will remain unchanged, however, it will be interesting to glean the direction of the Committee moving forward. The employment figures for January are also out this week. Employment grew by 216,000 in December, well above expectations.

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