

Week of April 1, 2024



ISM Manufacturing

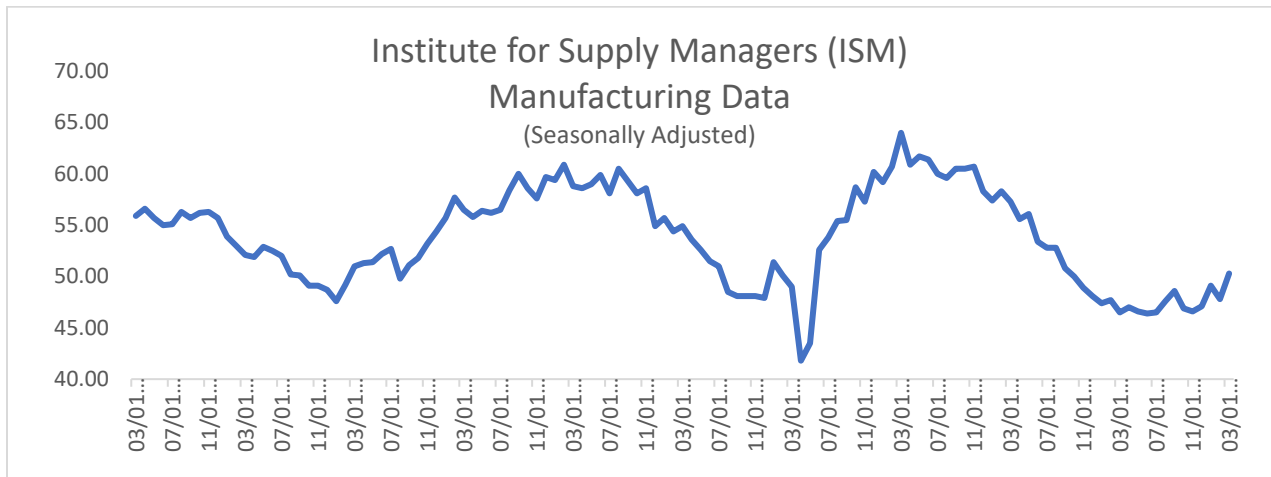


Figure 1 - Source: Fact Set

- ISM Manufacturing Index crosses above 50 (indicates manufacturing economy is expanding) for the first time since October 2022.
- This would seem to indicate that the Manufacturing sector has exited its “recession”.

## Construction Spending

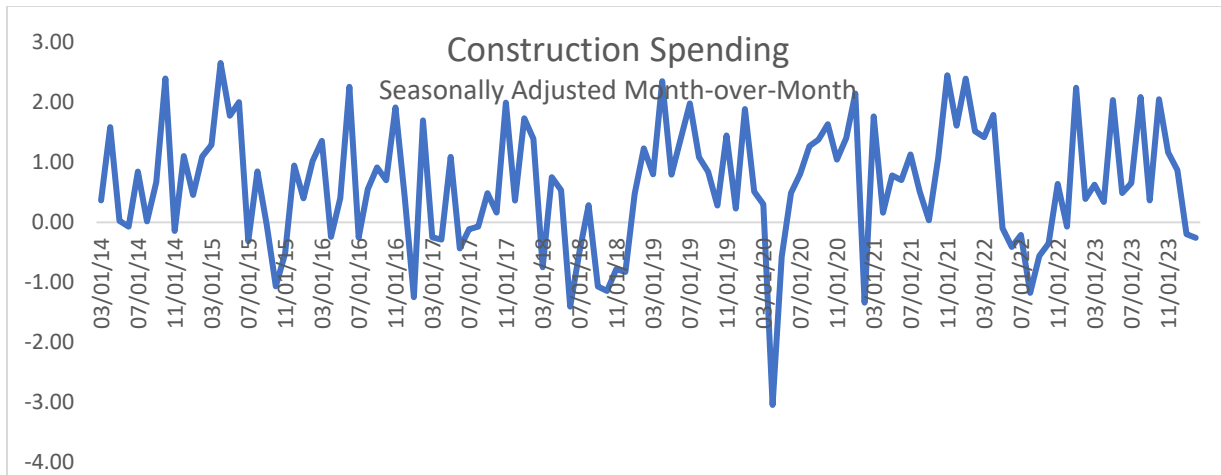


Figure 2 - Source: Fact Set

- Very large negative 1.3% surprise in the reading in the construction spending report (-0.30% for February vs expectations for 1.0%).
- While it is still too early to tell, it is beginning to look like Construction spending may have peaked in Q3 2023 and is having its turn in what we have termed a “rolling recession” (various sectors experiencing a recessionary environment, but not broad-based enough for the general economy to experience a recession).

## Markit PMI Manufacturing



Figure 3 - Source: FactSet

- Remains solidly above 50 (indicating that the manufacturing sector is expanding) but was unexpectedly down versus expectations (51.9 actual vs 52.5 expected).

## Durable Goods Orders

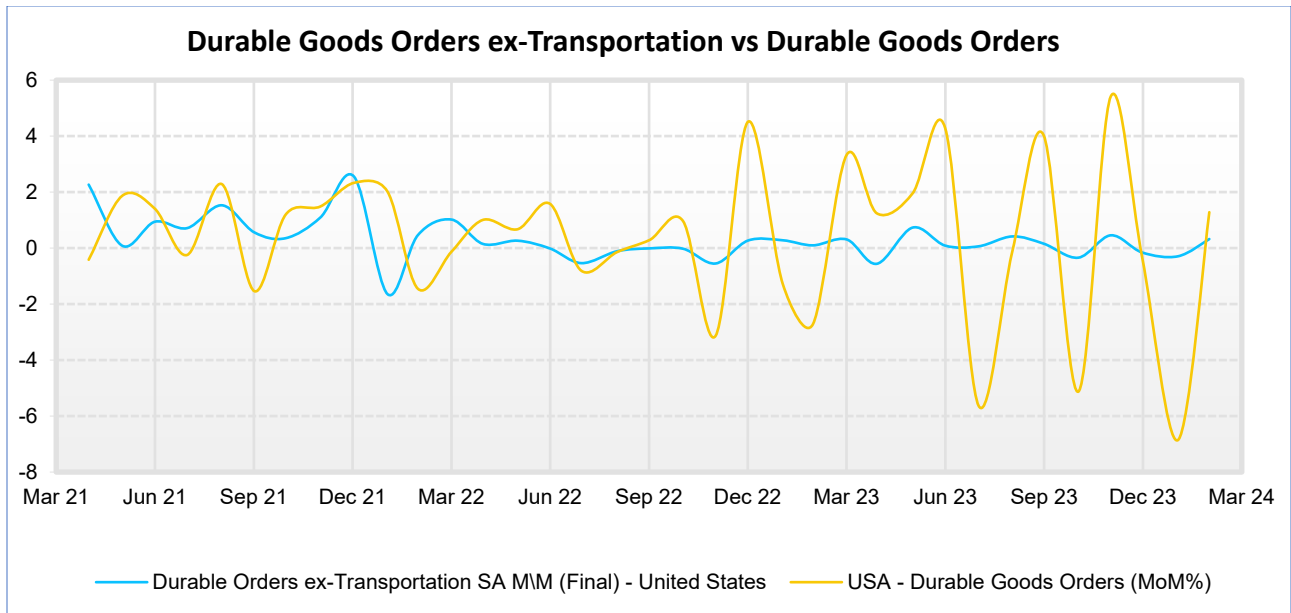


Figure 4 - Source: FactSet

- Durable Goods Orders ex-Transportation moved higher for the month of February but were lower than expected (up 0.32% vs expectations for 0.5%).
- The all-in Durable goods orders showed strength, reversing a decline in January.

## Factory Orders

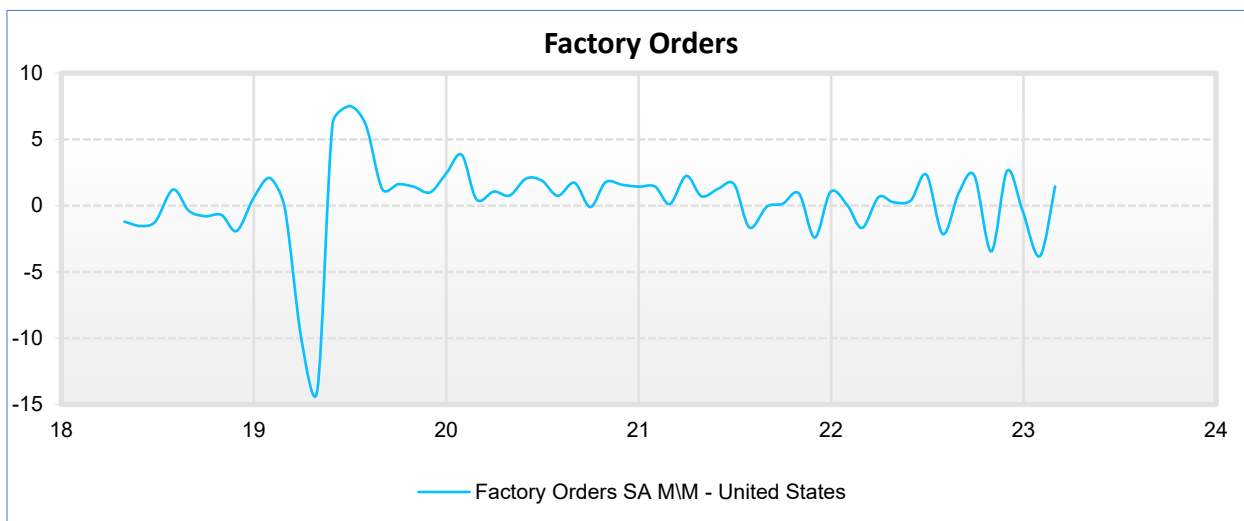


Figure 5 - Source: FactSet

- While Factory Orders solidly beat expectations (1.4% growth vs 1% expected), the overall long-term trend is still downward. Will need to see follow-through in coming months.

## JOLTS Job Openings

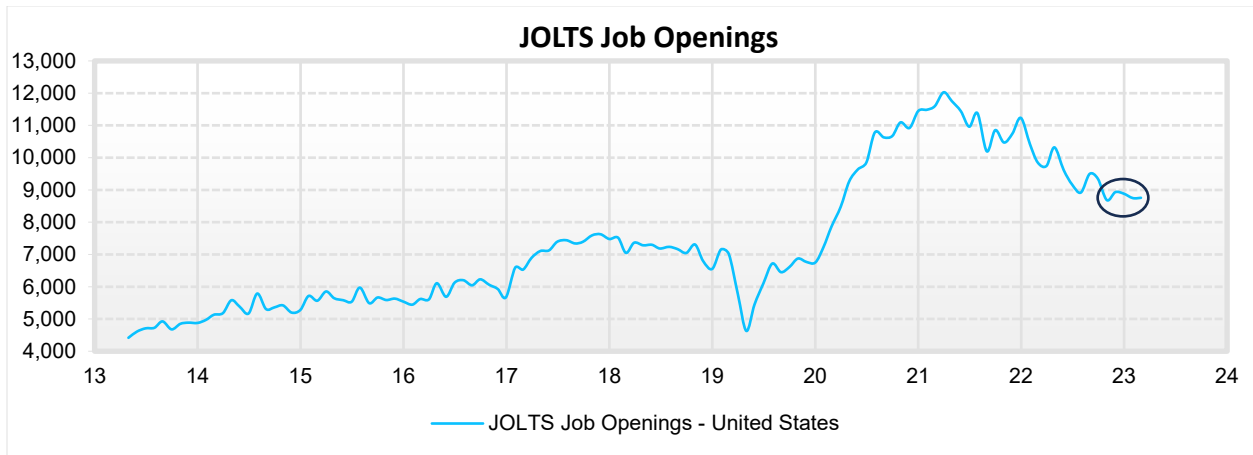


Figure 6 - Source: FactSet

- Job Openings were a little lighter than expected (8.756 million actual vs 8.77 million expected), but up marginally from the previous month (8.748 million) which was, itself, revised downward from 8.863 million.
- While early, in our view we are encouraged that it appears as if the openings data may have bottomed.

## ISM Services PMI

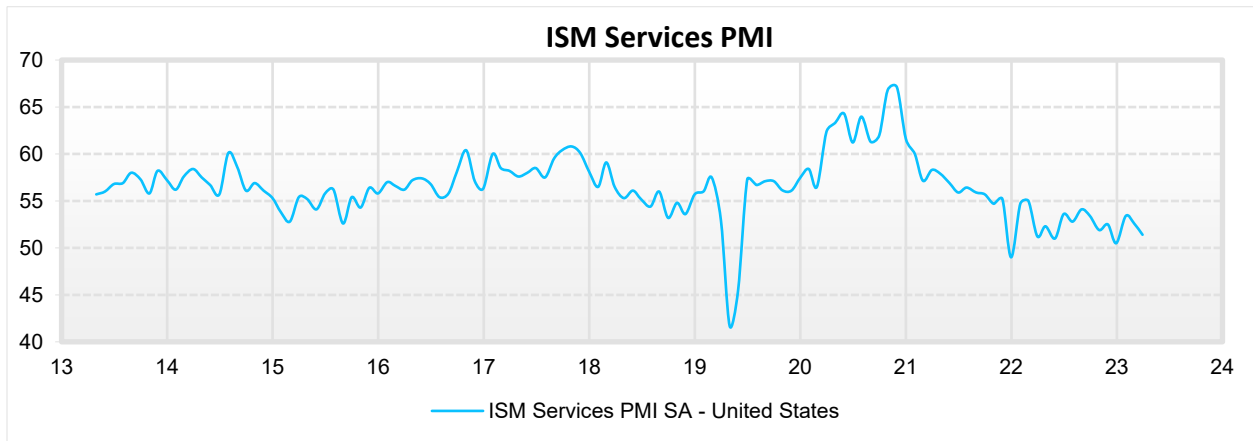


Figure 7 - Source: FactSet

- The Institute for Supply Managers (ISM) Purchasing Managers Index (PMI) came in substantially below expectations (51.4 vs 52.8) and below the previous month's reading (52.6).
- Still above the important 50 level (above 50 indicates the Services sector is expanding and below 50 indicates contraction).

## Initial Jobless Claims

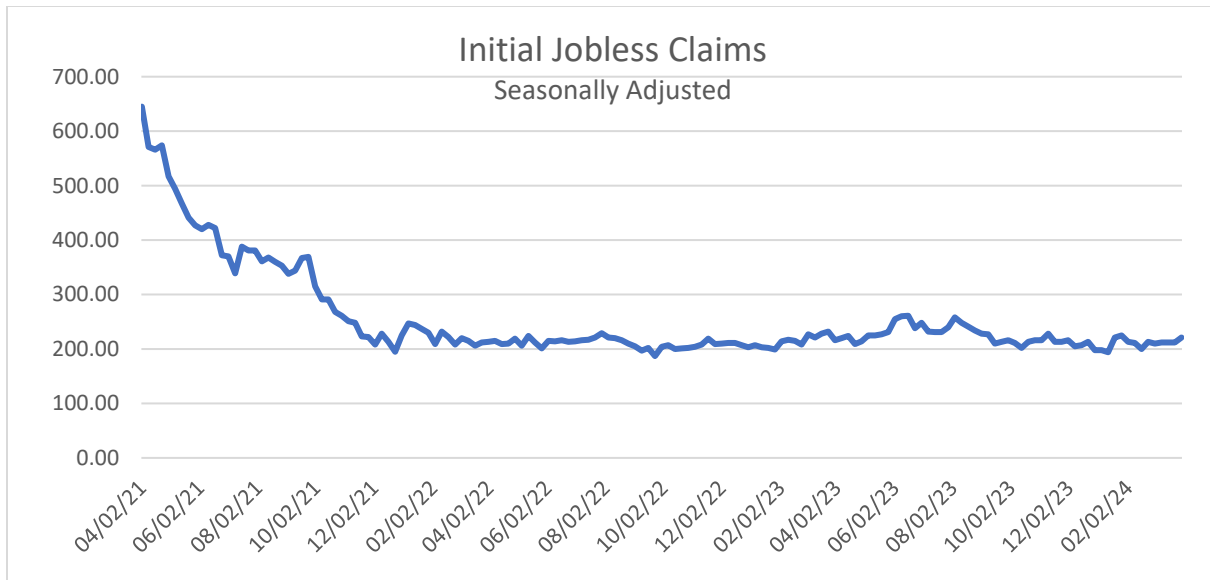


Figure 8 - Source: FactSet

- Initial Jobless Claims came in 8000 over expectations (221,000 versus expectations for 214,000) and well over the previous month (212,000).

## Continuing Jobless Claims

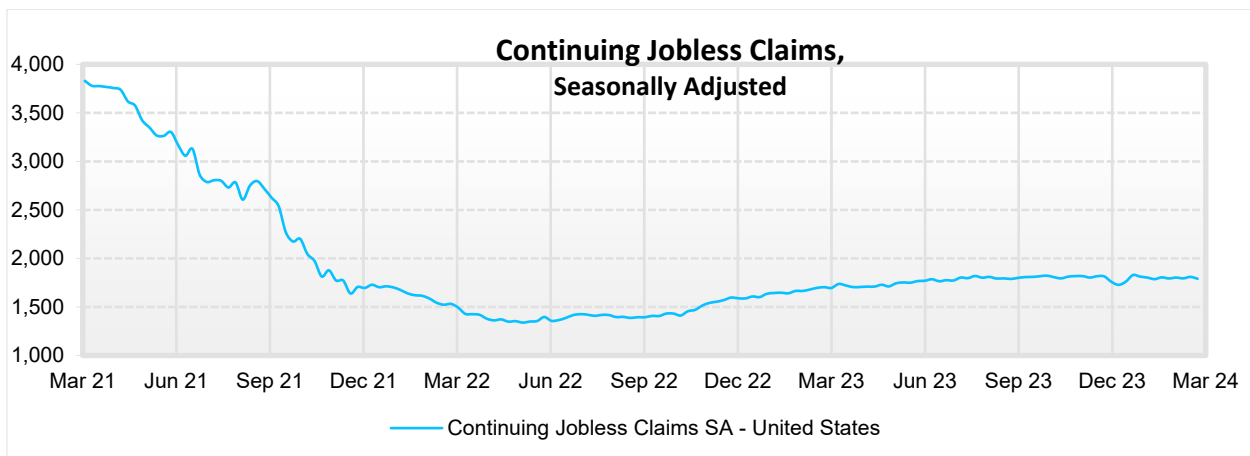


Figure 9 - Source: FactSet

- Continuing Jobless Claims were reported lower than expected at 1.791 million (versus expectations for 1.812 million) and lower than last week (1.81 million).
- Continuing Claims data still showing strength in the employment situation and looks as if it is plateauing.

## Non-Farm Payrolls

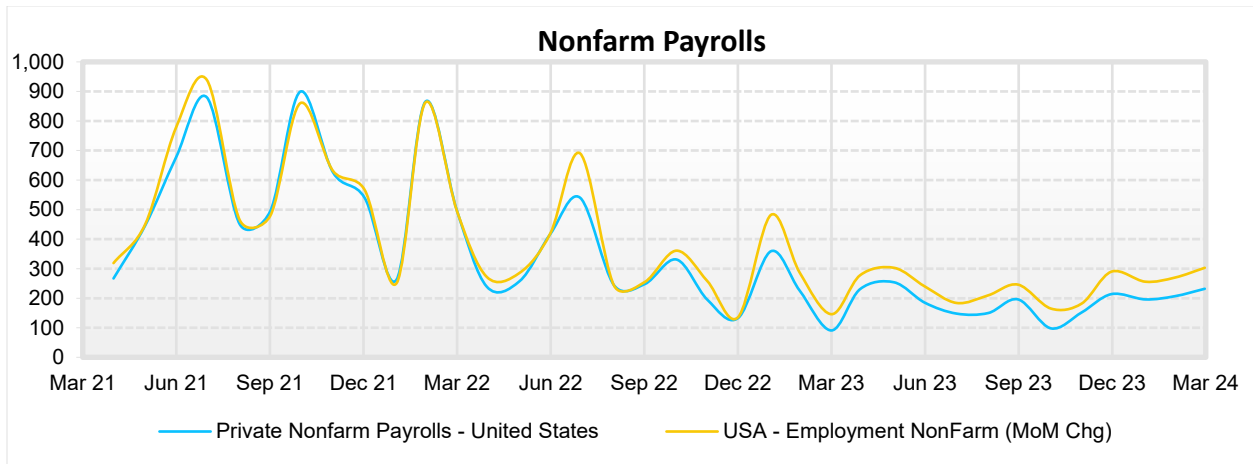
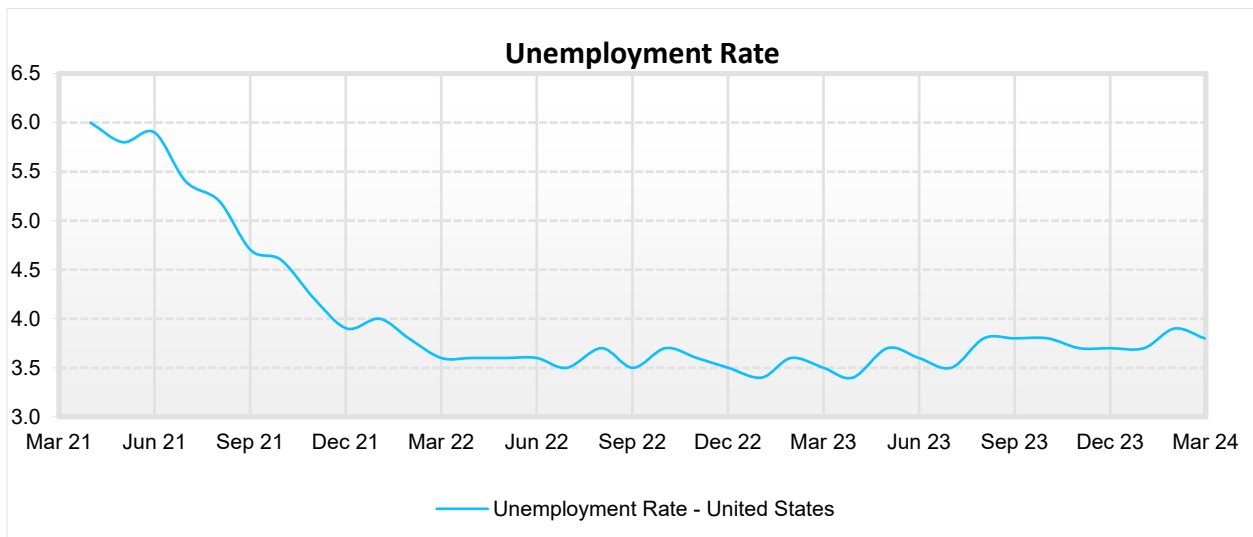


Figure 10 - Source: FactSet and US Bureau of Labor Statistics

- Big beat in Jobs numbers where the market had expected a decline, we got an increase of 33,000 in Nonfarm Payrolls and 25,000 in Private Nonfarm Payrolls. This represented 98,000 and 62,000 more jobs than expected respectively.
- The largest gains in the non-farm payroll data were in Health Care (added 72,000 jobs), Government – specifically local government (added 54,000 total and 49,000 local government jobs), Construction (added 39,000 jobs) and Leisure and hospitality (49,000 jobs).
- Leisure and hospitality finally returned to its pre-pandemic, February 2020 level.

## Unemployment Rate



- The Unemployment Rate was announced as 3.8%, a.1% lower than the previous month, but it continues in the narrow range of 3.7 – 3.9% since August 2023.
- Across the board, within the Household Survey Data used to determine the unemployment rate, the data showed little change in employment situation from the previous month.

Disclosure: SAAR = Seasonally Adjusted Annual Rate, SA M/M = Seasonally Adjusted Month over Month, SA Y/Y = Seasonally Adjusted Year over Year, MoM = Month over Month, SA = Seasonally Adjusted

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