

Current Week						
Day	Date	Economic Calendar (Event)	Period	Survey	Actual	Prior
Mon	10/2	S&P Global US Manufacturing PMI	Sep F	48.9	49.8	48.9
	10/2	Construction Spending MoM	Aug	0.5%	0.5%	0.7%
	10/2	ISM Manufacturing	Sep	47.9	49	47.6
Tue	10/3	JOLTS Job Openings	Aug	8,815k	9,610k	8,827k
	10/3	Wards Total Vehicle Sales	Sep	15.40m	15.67m	15.04m
Wed	10/4	MBA Mortgage Applications	9/29	--	-6.0%	-1.3%
	10/4	ADP Employment Change	Sep	150k	89k	177k
	10/4	S&P Global US Services PMI	Sep F	50.2	50.1	50.2
	10/4	S&P Global US Composite PMI	Sep F	50.1	50.2	50.1
	10/4	Durable Goods Orders	Aug F	0.2%	0.1%	0.2%
	10/4	Durables Ex Transportation	Aug F	0.4%	0.4%	0.4%
	10/4	ISM Services Index	Sep	53.5	53.6	54.5
	10/4	ISM Services Index	Sep	53.5	53.6	54.5
Thu	10/5	Challenger Job Cuts YoY	Sep	--	58.2%	266.9%
	10/5	Trade Balance	Aug	-\$59.8b	-\$58.3b	-\$65.0b
	10/5	Initial Jobless Claims	9/30	210k	207k	204k
	10/5	Continuing Claims	9/23	1671k	1664k	1670k
Fri	10/6	Change in Nonfarm Payrolls	Sep	170k	336k	187k
	10/6	Two-Month Payroll Net Revision	Sep	--	119k	--
	10/6	Change in Private Payrolls	Sep	160k	263k	179k
	10/6	Change in Manufact. Payrolls	Sep	5k	17k	16k
	10/6	Unemployment Rate	Sep	3.7%	3.8%	3.8%
	10/6	Average Hourly Earnings MoM	Sep	0.3%	0.2%	0.2%
	10/6	Average Hourly Earnings YoY	Sep	4.3%	4.2%	4.3%
	10/6	Average Weekly Hours All	Sep	34.4	34.4	34.4
	10/6	Labor Force Participation Rate	Sep	0.628	62.8	62.8%
	10/6	Underemployment Rate	Sep	--	7.0%	7.1%

This Week's Takeaways:

Economic data continues to surprise to the upside with labor market data, auto sales, and construction spending all showing resilience and growth. Our view of this is higher confidence in a soft landing, rather than an increased risk of a November interest rate hike.

Notes:

After recent labor market data indicated a cooling landscape, nearly all the data from this week beat expectations and reversed that slowing trend. A superficial interpretation of this could lead market observers and participants to believe that the Fed will opt for an additional 25bps rate hike, however, wage data which has more meaningful inflationary repercussions remains restrained.

- The **Change in Nonfarm Payrolls** was red-hot and shows 336k jobs added in September (up from 227k in August), and a prior two months revision of an additional 119k.

- **JOLTS Job Openings** were well above expectations as well, up 783k to 9.6M, versus expectations of a slight decline.

- Finally, **Initial** and **Continuing Jobless Claims** moved very little, but both were below expectations. Both remain in a downtrend since the summer.

September **ISM Manufacturing PMI** beat expectations coming in at 49.0, this was up from 47.9 in August and highest level in 10 months, but it remains slightly in contraction territory. Underlying dynamics from the demand components indicate that we could start seeing expansion in this sector before the end of this year, after 11 straight months of contraction.

August **Construction Spending** continues to show resilience in a high interest rate environment, with total spending at expectations of a 0.5% MoM increase. This was primarily driven by residential spending which continues to rebound - up 0.6% on the month but still -3% compared to last year. Non-residential spending, while losing steam increased further this month as well, up another 0.4% compared to July and up 17.6% compared to last year. The forwarding looking ABl (Architectural Billings Index) suggests that the next 9 months of non-residential spending will show further deceleration but not a meaningful collapse.

Upcoming Week							
Day	Date	Economic Calendar (Event)	Period	Survey	Actual	Prior	
Tue	10/10	NFIB Small Business Optimism	Sep	--	--	91.3	
	10/10	Wholesale Inventories MoM	Aug F	--	--	-0.1%	
	10/10	NY Fed 1-Yr Inflation Expectations	Sep	--	--	3.6%	
Wed	10/11	MBA Mortgage Applications	10/6	--	--	-6.0%	
	10/11	PPI Final Demand MoM	Sep	0.3%	--	0.7%	
	10/11	PPI Final Demand YoY	Sep	--	--	1.6%	
	10/11	PPI Ex Food and Energy MoM	Sep	0.2%	--	0.2%	
	10/11	PPI Ex Food and Energy YoY	Sep	--	--	2.2%	
Thu	10/12	CPI MoM	Sep	0.3%	--	0.6%	
	10/12	CPI YoY	Sep	3.6%	--	3.7%	
	10/12	CPI Ex Food and Energy MoM	Sep	0.3%	--	0.3%	
	10/12	CPI Ex Food and Energy YoY	Sep	4.1%	--	4.3%	
	10/12	Real Avg Hourly Earning YoY	Sep	--	--	0.5%	
	10/12	Real Avg Weekly Earnings YoY	Sep	--	--	0.3%	
	10/12	Initial Jobless Claims	10/7	--	--	207k	
	10/12	Continuing Claims	9/30	--	--	1,664k	
	10/12	Monthly Budget Statement	Sep	--	--	\$89.3b	
	Fri	10/13	Import Price Index MoM	Sep	0.6%	--	0.5%
		10/13	Import Price Index YoY	Sep	--	--	-3.0%
10/13		Export Price Index MoM	Sep	0.5%	--	1.3%	
10/13		Export Price Index YoY	Sep	--	--	-5.5%	
10/13		U. of Mich. Sentiment	Oct P	67.5	--	68.1	
10/13		U. of Mich. Current Conditions	Oct P	--	--	71.4	
10/13		U. of Mich. Expectations	Oct P	--	--	66	
10/13	U. of Mich. 1 Yr Inflation	Oct P	--	--	3.2%		
10/13	U. of Mich. 5-10 Yr Inflation	Oct P	--	--	2.8%		

Next Week's Notes:

The **PPI (ex. food and energy) YoY** has been on a downward trend since reaching record high of 9.2% in March 2022, with the August data hitting 2.2%. The PPI that will be released this week is expected to increase slightly to 2.3%, indicating that this downward trend has moderated.

Core CPI (ex. food and energy) YoY has been decreasing since March 2023, with August data declining to 4.3% from 4.7% the prior month, the lowest it has been since September 2021. This week's data that will be release expect CPI to continue this downward trend, hitting 4.1%. This suggests that inflationary pressures are persisting on their trend of easing up.

After a significant decrease seen in early September **Initial Jobless Claims** have been steadily increasing again, with market expectations for this week to be at 210K. On the other hand, **Continuing Claims** has been on a slight decline, despite market expectations of an increase. This week's data is expected to show another slight decrease, indicating that the labor market is still at tight levels. Risk is more skewed to the upside with ongoing UAW strikes and a potential government shutdown in the months ahead.



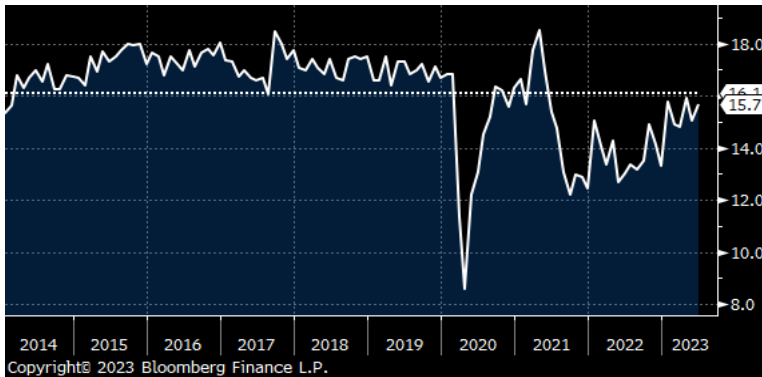
Total (white), Res (red), & Nonres (blue) Const. Spending, (seasonally adjusted)



ISM Manufacturing PMI (white) & Forward look (blue)



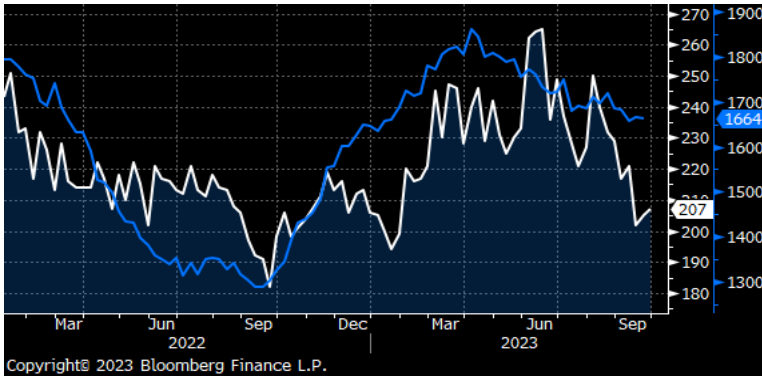
US Auto Sales (annualized, seasonally adjusted)



JOLTS – Job Openings (3yr average, dotted)



Initial (white) and Continuing (blue) Jobless Claims



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