



## Previous Close

(as of: 04/12/2024)

## Futures

(as of: 07:02 E.T.)

	1D	YTD	Last	%	Last
<b>S&amp;P 500</b>	▼ -1.5%	▲ 7.4%	5,123	▲ 0.5%	5,191
<b>DJIA</b>	▼ -1.2%	▲ 0.8%	37,983	▲ 0.3%	38,345
<b>NASDAQ 100</b>	▼ -1.7%	▲ 7.0%	18,003	▲ 0.6%	18,283
<b>Oil (\$/bbl)</b>	▲ 0.8%	▲ 19.6%	86	▼ -0.7%	85
<b>10-Yr Yield*</b>	▼ -5	▲ 66	4.52%	--	--
<b>USD Index</b>	▲ 0.7%	▲ 4.6%	106.04	--	--

\*Change in bps.

Source: FactSet

## Today's Events

E.T.	Event	Consensus	Prior
8:30am	(CAD) Manufacturing Shipments (MoM)	0.70%	0.22%
	Empire State Index	5.0	-20.9
	Retail Sales (MoM)	0.40%	0.60%
10:00am	Business Inventories (MoM)	--	0.0%
	NAHB Housing Market Index	51.5	51.0
10:00pm	(CHN) Q1 GDP (YoY)	4.4%	5.2%
	(CHN) Industrial Output (YoY)	5.5%	--

## Worst-Case Scenario Avoided With Iran's Retaliation Against Israel—But Tensions Remain Elevated



Saturday night, Iran launched ~300 drones/missiles in an aerial strike on Israel. As this was a highly anticipated retaliation, Israel and its allies were able to destroy nearly all of them. For markets already on edge Friday, this was far from the worst-case scenario (no fatalities, very limited damage) and will hopefully set up a de-escalatory stage (the goal of the US). As a result, risk assets (e.g., equities and oil) and safe haven assets (e.g., Treasuries, the dollar, and gold) are not seeing major moves this morning that suggest a market expecting a more intensified escalatory phase.

## First Full Week Of 1Q24 Earnings



This week marks the first full week of the 1Q24 earnings season, as 47 S&P 500 companies (representing 9% of the market cap) are set to report. Focus will be on credit card firms like Discover (Thursday) and American Express (Friday) to get a glimpse into the health of consumer and business spending. We believe US enterprise spending likely troughed in early 2023 while the consumer faces headwinds of rising delinquencies and elevated energy prices and inflation.

## Retail Sales In Focus



February saw an improvement in consumer demand after a very weak reading in January, which is likely to have been sustained in March. We expect retail sales to be slightly above consensus at 0.4% MoM, but still lower than last month's reading (+0.6% MoM). With pandemic excess savings nearly depleted, higher financing costs, and high credit card balances, a dampening in consumer spending is in line with our view of a slowing economy.

## Higher Mortgage Rates And Impact To Housing Market



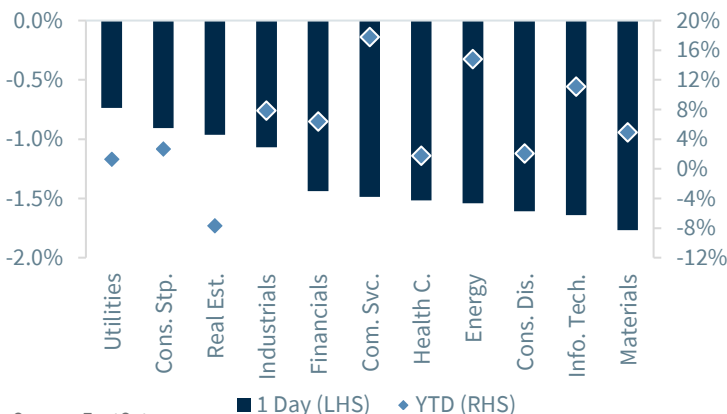
The performance of new home sales has defied expectations for more than a year, and today's release of the NAHB Housing Market Index will shed additional light on the state of home builders' confidence which has been recovering. Despite mortgage rates at ~7%, we expect builder confidence to remain above 50 for the second month in a row as new home sales have been resilient. A reading above 50 suggests more homebuilders view conditions as good versus poor.

## Happy Tax Day!



Get your taxes in! Today marks the last day for Americans to file their taxes (unless you file for an extension). Up until this point, ~\$208 billion in tax refunds have been issued—the second lowest dollar value of refunds over the last 10 years (behind only 2023) and ~6% below the 20-year average. The slowdown in refund issuance, combined with rising energy prices and weakening sentiment, could pose headwinds for consumer spending going forward.

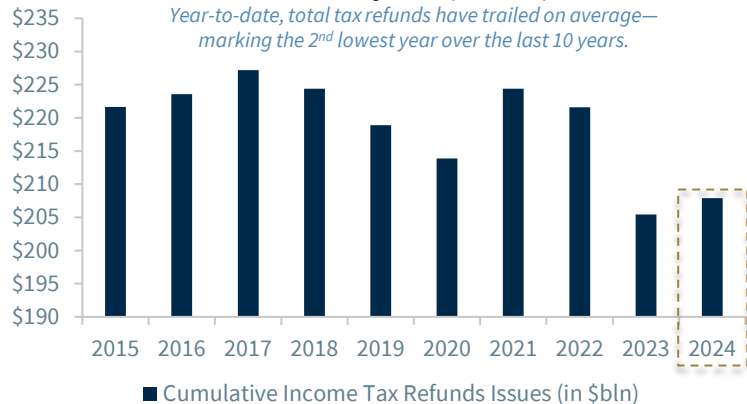
## Sector Performance



Source: FactSet

## Chart of the Day: Tax (Refund) Break

Year-to-date, total tax refunds have trailed on average—marking the 2<sup>nd</sup> lowest year over the last 10 years.



Source: FactSet

## Disclosures

**LHS/RHS:** Left-hand side/Right-hand side axes. The **DJIA** is an unmanaged index of 30 widely held stocks. The **S&P 500** is an unmanaged index of 500 widely held stocks. The **NASDAQ 100 Index** is a stock market index that includes 100 of the largest, most actively traded, non-financial companies listed on the Nasdaq Stock Market. **US government bonds and Treasuries** are guaranteed by the US government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value. U.S. government bonds are issued and guaranteed as to the timely payment of principal and interest by the federal government. **Sector** investments are companies engaged in business related to a specific economic sector and are presented herein for illustrative purposes only and should not be considered as the sole basis for an investment decision. Sectors are subject to fierce competition and their products and services may be subject to rapid obsolescence. There are additional risks associated with investing in an individual sector, including limited diversification. **Gold** is subject to the special risks associated with investing in precious metals, including but not limited to: price may be subject to wide fluctuation; the market is relatively limited; the sources are concentrated in countries that have the potential for instability; and the market is unregulated. The **US Dollar Index** is a measure of the value of the U.S. dollar against six other foreign currencies. The **Retail Sales Index (RSI)** is a statistical measure that tracks the value of goods sold by retailers over a specific period of time. The **National Association of Home Builders (NAHB) Housing Market Index (HMI)** is a monthly survey of home builders that measures sentiment about the U.S. housing market. The **Empire State Manufacturing Index** is a monthly survey of about 200 New York manufacturers that gauges the state's business conditions.

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Data Source | FactSet as of 4/12/2024

# RAYMOND JAMES

INTERNATIONAL HEADQUARTERS: THE RAYMOND JAMES FINANCIAL CENTER

880 CARILLON PARKWAY // ST. PETERSBURG, FL 33716 // 800.248.8863

RAYMONDJAMES.COM