

9/15/24[★]

Sunday Dump

WEEKLY NEWSLETTER



Welcome to the Sunday Dump, your weekly 5 minute digest of the most exciting developments in finance, economics and current events.

Markets



This week, the US stock market showed strong gains across the board. The S&P 500 rose by 3.38%, the NASDAQ surged by 5.04%, and the Dow Jones Industrial Average climbed by 2.07%. Investors were optimistic ahead of next week's highly anticipated interest rate cut by the Federal Reserve. A rate cut means the Fed will lower the interest rates that banks charge each other for loans. This tends to make borrowing cheaper for businesses and consumers, which can boost spending and investment. Tech stocks, in particular, saw a boost, as lower rates make borrowing for innovation and growth more accessible.

The overall market sentiment is positive, with investors hoping the rate cut will continue to fuel the economy's momentum, yet cautious as investors assess potential longer-term impacts.

Economic Data



Every week, we at Sunday Dump dedicate a page to break down economic data and numbers into simple terms making economic information more accessible to everyone. But why is it important that people gain a deeper understanding of this data? With fast-paced changes in today's world, data literacy has become more important than ever. Everybody knows that the cost of living has rapidly increased for the past few years, but do we see signs of it slowing down? What does the cost of living even mean exactly?

Some examples of the rise in the cost of living are the increased prices for everyday essentials like gasoline and groceries. Housing expenses have surged, both rent and home prices have increased dramatically, along with healthcare expenses, all moving in an upward trajectory that has put Americans in deep financial strain. To fully break down the cost of living, we must look at a key metric: Consumer Price Index (CPI). As covered in previous newsletters, the CPI measures changes in the prices of essential goods and services. It helps explain how these rising costs impact and are felt in our daily lives. This Wednesday, CPI was released with surprisingly positive results, coming at 2.5% year over year, down from the 2.9% we got last month. This is the lowest CPI numbers we have gotten since 2021 and is a promising sign of inflation slowing down. However, while the pace of price increases may be easing, it's important to note that prices will remain high. The cost of living won't decrease but it also won't rise as quickly as before.

Stock of the Week



The Children's Place([PLCE](#)) saw a remarkable stock surge this week, rising \$9.78, nearly 200%, from \$4.90 to \$14.68. This leap follows the company's strong Q2 earnings, which show a major turnaround. A key driver was the improvement in gross profit margin, which increased to 35%, up from 25.4% the previous year. The company attributed this to a reduction in supply chain and product inputs (such as lower prices for cotton or other fabrics), as well as scaling back unprofitable promotions.

Additionally, The Children's Place achieved its lowest [SG&A](#) expenses in over 15 years. Despite a 7.5% drop in net sales due to planned e-commerce changes, the company posted an adjusted operating income of \$14.2 million after two years of losses, reflecting a \$39.2 million improvement year-over-year. While the company faced a \$28 million non-cash impairment charge related to the Gymboree brand, its return to profitability, along with positive store sales for the first time in ten quarters, has boosted investor confidence.

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Upcoming Week...

WEEK OF 9/15/24

Monday

Tuesday

- Core Retail Sales

Wednesday

- Federal Funds Rate
- \$GIS Earnings

Thursday

- Unemployment Claims
- \$FDX Earnings

Friday

- FOMC Member Harker Speaks

Sat-Sun

- Sunday Dump Seminar

● Key Economic Data

● Key Stock Events

Disclaimer:



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Thanks for reading



SUNDAY DUMP'S WEEKLY
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