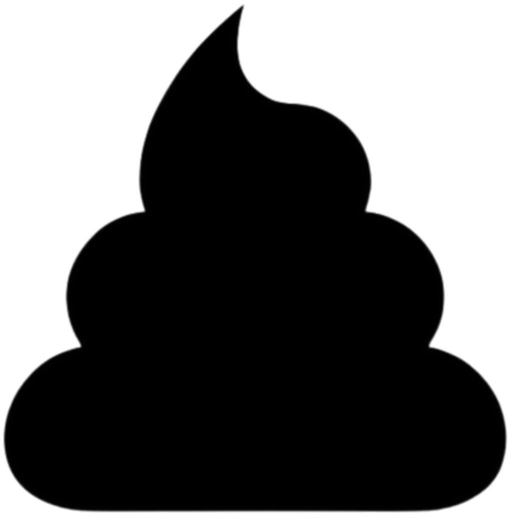
ISSUE #19

11/03/24

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.

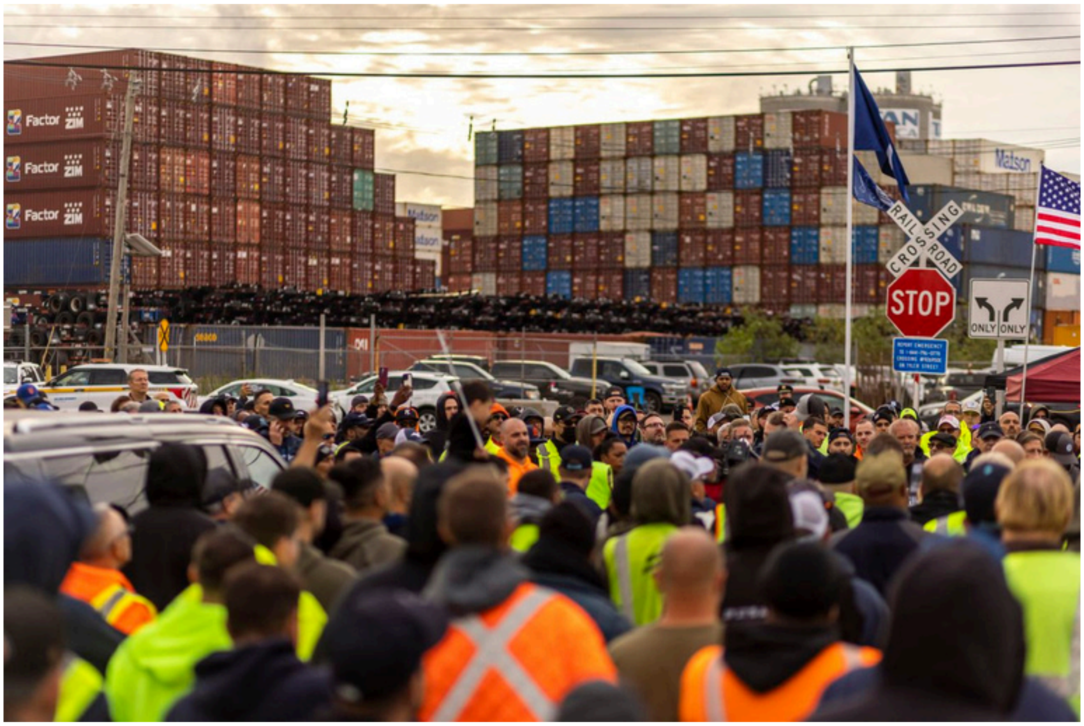
Markets

The U.S. stock markets took another hit this week, with all major indexes sliding into the red. The S&P 500 fell 2.80%, the NASDAQ dropped 2.19%, and the Dow Jones Industrial Average declined by 0.50%.

What caused this downward move? The main culprit was hotter-than-expected inflation data. The Consumer Price Index (CPI), which measures the average change in prices consumers pay for goods and services, came in higher than what economists were predicting. This raised concerns that the Federal Reserve might keep interest rates higher for longer than previously thought. To put it simply: When inflation stays high, the Fed typically maintains high interest rates to help cool down the economy and bring prices back under control. Higher interest rates make it more expensive for businesses and consumers to borrow money, which can slow down economic growth and, in turn, affect stock prices.

This continues a challenging period for the markets, which have now declined for three consecutive weeks. It's a notable shift from the optimism we saw earlier this year when investors were hoping for interest rate cuts to begin sooner rather than later.

Economic Data



Last week, the U.S. Bureau of Labor Statistics released key economic data for October. The unemployment rate remained unchanged from September at 4.1%. However, concerning news came in the form of October's non-farm payroll jobs data. Only 12,000 jobs were added to the U.S. economy, falling significantly short of the estimated 100,000. While this number appears alarmingly low, economists attribute it to temporary factors: severe storms and hurricanes in the Southeast U.S., along with labor strikes, particularly the port strike along the East Coast. These circumstances suggest that the situation is less concerning than it appears, as it likely represents a temporary disruption in the job market.

The coming week brings several important events that could impact the economy and stock market. These include the U.S. presidential election, the release of jobless claims data, and a press conference by Federal Reserve Chairman Jerome Powell. Most notably, the Federal Reserve will announce its interest rate decision. Powell has previously signaled potential rate cuts in 2024, making such an outcome likely next week. However, the magnitude of the decrease in basis points remains uncertain, making this announcement particularly significant to watch.

Stock of the Week

Amazon's stock outperformed the broader market this week, climbing 4.39% while major indexes declined. The e-commerce giant impressed investors with strong Q3 results, showing revenue growth of 13% year-over-year to $143.1 billion and net income tripling to $9.9 billion. The growth was driven by Amazon Web Services (AWS), their cloud computing division, which grew 12% and generated $7 billion in operating income. Amazon's cost-cutting efforts, including laying off 27,000 employees in 2023, have boosted profit margins—meaning they're keeping more money from each sale. The company's advertising business also saw impressive growth, up 26% to $12.1 billion. Looking ahead, Amazon expects a strong holiday season and continues expanding its AI capabilities across its businesses.

These results show Amazon's successful transition from a growth-at-all-costs company to one focused on profitability while maintaining market leadership. Given its dominant position in e-commerce, cloud computing, and growing advertising business, Amazon appears well-positioned for future growth.

Sunday Dump

Upcoming Week...

WEEK OF 11/03/24

Monday

- Palantir Earnings~ PLTR

Tuesday

- US Trade Deficit

Wednesday

- Qualcomm Earnings~ QCOM

Thursday

- FOMC Interest Rate Decision
- Moderna Earnings ~ MRNA

Friday

- Consumer Sentiment
- AMC Earnings ~ AMC

Sat-Sun

- Sunday Dump Seminar

Key Economic Data **Key Stock Events**

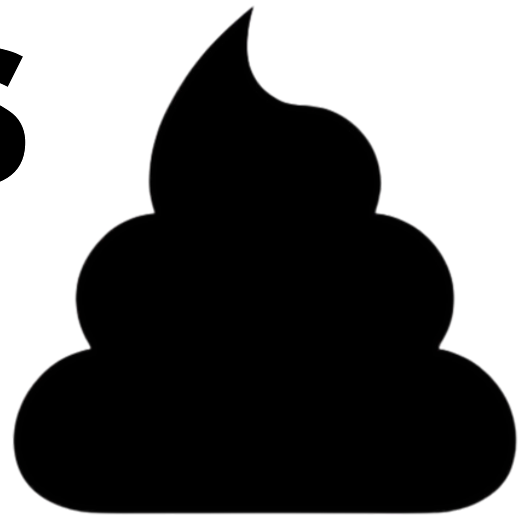
Disclaimer:

The articles and newsletters produced by the Sunday Dump, a group of high schoolers trying to help others better understand finance and economics, are meant to be used for informational purposes only and **not** as financial advice. Nothing on our site is a recommendation to buy or sell any securities. All of the content on this site is meant to be general and not directly made for a specific individual or entity. By reading the Sunday Dump, readers assume the complete responsibility of evaluating the risks associated with the use of any information on our site. We assume no responsibility or liability for individual profits or losses and will not be held liable for any decision made to buy or sell securities. Investing in securities is risky, and financial loss is possible. We are confident that our work is not a waste of time, and we seek to provide truthful information for readers to enjoy. We highly encourage readers to use the Sunday Dump as a starting point for further research and learning.

ISSUE #19

11/03/24

Thanks for reading



SUNDAY DUMP'S WEEKLY NEWSLETTER

Written by: Rishabh Shekdar, Saksham Gupta, Advaith Praveen, Mark Dutta, Seiji Yoshihira, Arjun Arya, and Abhinav Maramraju