

7/07/24[★]

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. Brought to you by *Investing with a Purpose*

Markets



The first week of July means US Independence Day! What does that mean for the stock market? During July 1st to July 5th, the US markets had a lower trading volume than usual due to the holiday-shortened week. Bank holidays continued from Wednesday, July 3rd, to the end of the week. What is trading volume? Volume is a key factor that investors use to make their trading decisions in the market. It gauges the overall activity of an asset. Volume is defined as the total number of orders being executed during a specific time (learn more about [volume](#)). For example, in a grocery store with 100 different vendors, it is easy to buy and sell various foods for your meal. This would be looked at as a high-volume market. On the other hand, in a store with only 10 vendors, it will be difficult to find certain goods you are looking for. So, during weeks like this with lighter trading volume compared to typical trading weeks, investors and traders often find the markets to be less predictable, thus exercising caution or even taking the week off. With work-from-home sentiments still running strong from the days of COVID, companies such as Spotify, TD Bank Group and Broadcom along with others are starting to rethink their strategies. Pivoting from a more brick and mortar centered work experience to a remote work setting along with several layoffs, companies are focusing on cost efficiency and adaptability in this changing market dynamic to maintain competitiveness. This will reflect onto our economic data section.

Economic Data



On the first Friday of every month, the Bureau of Labor Statistics (bls.gov) releases their monthly numbers on the job market. These reports are hugely anticipated as they provide crucial data on which direction our economy is heading. The BLS releases employment trends, unemployment rate, wage growth, and labor force participation (read more here: Labor force). The labor force participation, in simple terms, refers to the rate of the working-age population that is employed and actively looking for work, but excludes those who are not looking for work, such as students and retirees. So how do investors use this to understand the state of the economy? Firstly, it indicates whether businesses are hiring, expanding, or laying off workers. A low unemployment rate typically reflects a flourishing economy and a high unemployment rate signifies a struggling economy. Wage growth is another crucial factor. As wages increase, workers have more income (read more about disposable income) to boost consumer spending, driving growth in the economy.

Here are the highlights of the job report from the week:

Number of unemployed increased to 6.8 million

Unemployment rate rose slightly to 4.1%

206k new jobs added to the economy below expected 218k (Learn more about NFP)

Average hourly wage is \$35/hour

This month's job report was not the best. With the number of jobs added decreasing every month and the unemployment rate rising, investors are hoping for a positive result on inflationary data this upcoming week. These results will help paint a better picture of the overall economy.

Stock of the Week



Over the past week, Tesla Inc (Tesla) has rebounded by 78% after a significant drop from the beginning of the year trading at around \$250 right now. Despite a 5% year-on-year fall in Q2 deliveries due to various challenges, Tesla beat Wall Street estimates, producing 410,831 vehicles and delivering 443,956. This impressive performance led to the recent rally, restoring investors' faith in Tesla. Currently, the company has a p/e ratio of 64.16 and is sitting at a comfortable market cap of \$802.15 billion. With its focus on innovative technologies such as AI and robotaxis, Tesla is well positioned to capitalize on the ongoing shift towards electric vehicles and autonomous driving.

Sunday Dump

Upcoming Week...

WEEK OF 7/7/24

Monday

Tuesday

- Fed Chair Powell Testifies

Wednesday

- Fed Chair Powell Testifies

Thursday

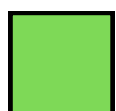
- Core CPI
- Unemployment Claims

Friday

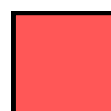
- Core PPI m/m

Sat-Sun

- IWAP Seminar



Key Economic Data



Key Stock Events
