

9/08/24<sup>★</sup>

# 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.

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# Markets



This week, the US stock market saw losses across the board, with the S&P 500 dropping 3.64%, the Dow Jones Industrial Average falling 2.47%, and the NASDAQ sliding 5.44%.

The tech sector, once a standout performer, faced a more challenging week as selling pressure mounted. [Nvidia](#), one of the biggest players in the AI chip market, saw its stock dip following news of a Department of Justice antitrust [probe](#). Nvidia's dominant role in the semiconductor industry, particularly its influence over AI chips that have driven much of its recent growth, will be the focus of the investigation. Despite the company's robust earnings and rapid revenue expansion, concerns over regulatory action cast a shadow over its long-term performance.

Investors grew wary as tech stocks, already under pressure from valuation concerns, faced additional regulatory scrutiny risks. This slide in tech further fueled a broader sector rotation as investors explored opportunities in non-tech industries likely to benefit from the potential Federal Reserve rate cuts.

The market's overall tone remains cautious, with ongoing speculation about how upcoming rate decisions and evolving legal developments might influence the broader market.

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# Economic Data



On Friday, the Bureau of Labor Statistics released their monthly nonfarm payrolls report. [Nonfarm payroll](#) employment increased by 142,000, lower than the Dow Jones projection of 161,000. Growth came mainly in leisure services, healthcare, and construction, while information, manufacturing, and retail trade showed losses. Unemployment also held steady at 4.2 percent, down from 4.3 percent a month ago. However, the labor market is still showing troubling signs. US-based companies announced 75,891 layoffs for August, the most for this month since the Great Recession. In contrast, companies added only 6,101 workers in August. Adjusted for a year, this marks the lowest hiring number since 2005.

All of this has immense implications for the question addressed in last week's newsletter: how much will the Fed cut interest rates? A more aggressive rate cut would better prevent a recession but would risk precipitating inflation again. While GDP has remained steady despite rate cuts, cracks in the labor market cast some fear of a potential recession if rate cuts aren't aggressive enough. The CME group's FED watch's probability for the magnitude of a rate cut remains unchanged from last week, still predicting only a 30 percent chance for a more aggressive rate cut. If more concerning unemployment data continues to be released, concerns will quickly switch from curbing inflation to preventing a recession.

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# Stock of the Week



Chevron ([CVX](#)) saw a significant decline in the past week, falling \$9.56, or about 7%, and dipping below its 52-week low. This drop reflects ongoing market volatility, driven by falling oil prices and concerns over global economic growth. Chevron's recent performance highlights the challenges facing the energy sector, including geopolitical tensions and continuously changing demand. Despite these setbacks, Chevron remains a major player in the energy industry.

Recently, the company began its water injection operations at its St. Malo and Tahiti facilities in the Gulf of Mexico. The goal is to boost oil and natural gas recovery and expand production to about 300,000 barrels of oil worth per day by 2026. Analysts maintain a "buy" rating on Chevron and say the stock is undervalued with a potential upside of 30%.

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# Sunday Dump

## Upcoming Week...

WEEK OF 9/08/24

### Monday

- Oracle Earnings ~ \$ORCL

### Tuesday

- GameStop Earnings ~ \$GME

### Wednesday

- CPI Release

### Thursday

- PPI Release
- Adobe Earnings ~ \$ADBE

### Friday

- Consumer Sentiment

### Sat-Sun

- Sunday Dump Seminar

● Key Economic Data

● Key Stock Events

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# Thanks for reading



SUNDAY DUMP'S WEEKLY  
NEWSLETTER

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