U.S. stocks stage an economical rally.

The economy

- U.S. equities posted gains during the week ending September 1, as investors were encouraged by generally favorable economic data.
- According to the second estimate from the Department of Commerce, U.S. gross domestic product (GDP) grew at annualized rate of 2.1% in the second quarter of 2023, slightly lower than the initial estimate of 2.4%, but up 0.1 percentage point from the 2.0% rise in the first three months of the year. The largest increases for the second quarter were in consumer spending, nonresidential fixed investment (purchases of both nonresidential structures and equipment and software), and state and local government spending. These gains offset reductions in exports and residential fixed investment (purchases of private residential structures and residential equipment that property owners use for rentals). The government attributed the modest decline in the GDP growth rate for the second quarter compared to its initial estimate to downward revisions to private inventory investment (a measure of the changes in values of inventories from one time period to the next) and nonresidential fixed investment.
- The Department of Labor reported that U.S. payrolls expanded by 187,000 in August, and the unemployment rate rose 0.3 percentage point to 3.8%. The health care and leisure and hospitality sectors added 71,000 and 40,000 jobs, respectively, in August. In contrast, transportation and warehousing payrolls declined by 34,000 during the month, while the information industry saw a loss of 15,000 jobs. Average hourly earnings rose 0.2% for the month and 4.3% year-over-year. The 12-month increase was slightly lower than the 4.4% annual rise in July.
- According to the Department of Labor's Job Openings and Labor Turnover Survey (JOLTS), the number of job openings in the U.S. declined by 338,000 (3.7%) to 8,827,000 in July, but remained well above the pre-pandemic level of 7,000,000 in February 2020. There were significant month-over-month declines in openings in professional and business services, state and local government, and health care and social assistance. Conversely, there were notable gains in job openings in the leisure and hospitality, and trade, transportation, and utilities industries. The job openings rate (calculated by dividing the number of job openings by the sum of the total number of employees and the number of job openings) rose 0.3 percentage point month-over-month to 5.7%, but was sharply lower the 7.5% rate in July 2022.
- The U.S. Department of Commerce reported that the personal-consumption-expenditures (PCE) price index rose 0.2% in July and 3.3% over the previous 12-month period. Food prices saw an uptick of 0.1% during the month and advanced 3.5% year-over-year. Energy prices increased 0.1% in July, but fell 14.6% over the previous 12 months. The PCE price index excluding volatile food and energy costs increased 4.2% year-over-year. The PCE price index is the Fed's preferred gauge of inflation, as it tracks the change in prices paid by or on behalf of consumers for a more comprehensive set of goods and services than that of the consumer-price index (CPI).
- The Conference Board's Consumer Confidence Index® declined 7.9 points to 106.1 in August, but indicated that consumers remain optimistic about the U.S. economy. A reading above 100 signals a boost in consumer confidence regarding the future economic situation. The Expectations Index, an indicator of consumers' short-term outlook for income, business, and labor market conditions, fell 7.8 points to 80.2 during the month. A reading above 80 suggests that consumers believe that there will not be a recession in the U.S. over the next 12 months. The Present Situation Index, which reflects consumers' views of current conditions in the business and labor markets, was down 8.2 points to 144.8 in August.

Stocks

- Global equities closed up for the week. Developed markets fared better than emerging markets.
- U.S. equities gained ground during the week. Information technology and energy outperformed other sectors, while utilities and consumer staples lagged. Growth stocks led value, while small caps outperformed large caps.

Bonds

- The 10-year U.S. Treasury note yield decreased to 4.18% during the week.
- Global bond markets rose for the week.
- Corporate bonds led the markets, followed by high-yield bonds and government bonds.

The Numbers as of September 1, 2023	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI ($)	2.4%	13.3%	12.8%	686.2
MSCI EAFE ($)	2.7%	8.5%	17.8%	2109.2
MSCI Emerging Mkts ($)	1.0%	2.5%	0.4%	980.3
US & Canadian Equities				
Dow Jones Industrials ($)	1.4%	5.1%	10.0%	34837.7
S&P 500 ($)	2.5%	17.6%	13.8%	4515.8
NASDAQ ($)	3.2%	34.1%	19.1%	14031.8
S&P/ TSX Composite (C$)	3.6%	6.0%	7.3%	20545.4
UK & European Equities				
FTSE All-Share (£)	1.8%	-0.1%	3.6%	4069.2
MSCI Europe ex UK (€)	1.5%	9.7%	15.8%	1625.1
Asian Equities				
Topix (¥)	3.7%	24.2%	21.4%	2349.8
Hong Kong Hang Seng ($)	2.4%	-7.1%	-6.2%	18382.1
MSCI Asia Pac. Ex-Japan ($)	2.0%	0.3%	-0.4%	507.2
Latin American Equities				
MSCI EMF Latin America ($)	-1.0%	10.9%	11.1%	2359.7
Mexican Bolsa (peso)	-0.1%	9.7%	17.1%	53141.9
Brazilian Bovespa (real)	1.8%	7.5%	6.8%	117938.0
Commodities ($)				
West Texas Intermediate Spot	6.3%	6.6%	-1.2%	85.6
Gold Spot Price	1.5%	6.3%	14.3%	1938.2
Global Bond Indices ($)				
Bloomberg Global Aggregate ($)	1.0%	0.7%	0.8%	449.2
JPMorgan Emerging Mkt Bond	0.9%	4.0%	5.9%	799.1
10-Year Yield Change (basis points*)				
US Treasury	-6	30	92	4.18%
UK Gilt	-1	76	155	4.43%
German Bund	-1	-2	99	2.55%
Japan Govt Bond	-3	21	39	0.63%
Canada Govt Bond	-14	26	39	3.56%
Currency Returns**				
US$ per euro	-0.2%	0.7%	8.4%	1.078
Yen per US$	-0.2%	11.5%	4.3%	146.17
US$ per £	0.1%	4.2%	9.0%	1.259
C$ per US$	0.0%	0.3%	3.4%	1.360

Source: Bloomberg. Equity-index returns are price only, others are total returns.

*100 basis points = 1 percentage point.

**Increases in U.S. dollars (USD) per euro or pound indicate a decline in the value of the USD; increases in yen or Canadian dollars per USD indicate an increase in the value of the USD.

Important information

Index returns are for illustrative purposes only and do not represent actual investment performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged, and one cannot invest directly in an index. Past performance does not guarantee future results.

This material is provided by SEI Investments Management Corporation (SIMC) for educational purposes only and is not meant to be investment advice. The reader should consult with his/her financial advisor for more information. This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events or a guarantee of future results. There are risks involved with investing, including possible loss of principal. SIMC is a wholly-owned subsidiary of SEI Investments Company.