

# Weekly market review

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A look back at the previous week's markets.

By Anthony Walters  
Head of ESG - Clever



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# A look back at the markets...

- **Stocks Slide as Economic Woes Weigh**
- **U.S. Job Growth Stalls Amid Labor Market Concerns**
- **Euro Zone Price Pressures Persist in July**
- **Fed Keeps Rates Steady, Hints at Future Cuts**

## Market Recap.

As markets continued to correct, the FTSE 100 ETF (-1.40%) held up best along with the S&P 500 ETF (-2.12%) as economic data in the US disappointed with the US Federal Reserve still reticent to cut interest rates.

The Dow Jones Industrial Average ETF (-2.48%) and Nasdaq 100 ETF (-2.81%) were hit the hardest. The sectors that fared the best were Utilities (+4.29%) and Real Estate (2.77%).

## News.

U.S. job growth slowed more than expected in July, while the unemployment rate increased to 4.3%, heightening fears that the labour market is deteriorating.

Nonfarm payrolls increased by 114,000 jobs last month whilst Economists polled by Reuters had forecast payrolls advancing by 175,000 jobs. Hurricane Beryl, which knocked out power in Texas and slammed parts of Louisiana during the payrolls survey week, likely contributed to the below-expectations payrolls gain.

## Inflation.

Euro zone inflation unexpectedly edged up in July, data showed last week, although a widely watched gauge of price growth in the services sector eased. Price growth accelerated to 2.60% in July from 2.50% in June according to Eurostat's flash estimate.

A key measure of underlying growth in prices -- which excludes energy, food, alcohol, and tobacco -- failed to show the expected decline and came in unchanged at 2.90%.

## Geopolitics.

The U.S. is deploying additional military might in the Middle East as a defensive measure with a goal of de-escalating tensions in the region, a White House official said on Sunday.

Regional tensions have increased following the assassination on Wednesday of Ismail Haniyeh, the leader of the Palestinian Islamist group Hamas, in Tehran a day after an Israeli strike in Beirut killed Fuad Shukr, a senior military commander from the Lebanese group Hezbollah. Both groups are backed by Iran.

## Commodities.

Coal (+2.86%) continued to make gains as most commodities sold off over concerns of a potential US recession. Despite the gains of last week, Sugar (-7.03%) sold off sharply, based on purely technical factors rather than a change in fundamentals.

## Central Banks.

The US Federal Reserve held interest rates at 5.50% last week, though officials hinted that rates could be cut later this year. In a Wednesday press conference, Fed chair Jerome Powell expressed a tone of cautious optimism, saying “we’re getting closer to the point” where the Fed could lower interest rates, “but we’re not quite at that point yet.

Powell said if inflation moves down quickly or in line with expectation, “a rate cut could be on the table at the September meeting.”

Markets are now expecting a larger rate cut in September owing to a decline in the manufacturing and services sectors along with disappointing jobs data.

## ESG.

JetBlue and fuel provider World Fuel Services announced a new supply agreement for up to 5 million gallons of sustainable aviation fuel (SAF) for use at New York’s JFK airport, with deliveries beginning as early as the fourth quarter of 2024.

With an initial term of 12 months, the agreement will see JetBlue take delivery of a minimum of 1,000,000 gallons of neat sustainable aviation fuel (approximately 3,300,000 gallons blended) – with an option to purchase up to an additional 4,000,000 gallons (approximately 13,300,000 gallons blended).

## Week Ahead.

On Monday, the EU, UK, and US releases Services PMI figures, with all expected to show growth in the sector.

And on Thursday, the US will publish its initial jobless claims figures, with 245,000 forecast against 249,000 prior.

**Sources:**

Anthony Walters - Head of ESG at Clever Adviser Technology Ltd (Clever)

Market recap Data sourced from FE FundInfo & Koyfin. ETFs quoted: iShares Core FTSE 100 UCITS ETF, iShares Core S&P 500 UCITS ETF, iShares Nasdaq 100 UCITS ETF (quoted in Pounds Sterling).

News Soft July US payrolls number raises bets on 50 bp Sept ease, By Reuters, 02/08/24

Inflation Euro zone inflation edges up in 'difficult print' for ECB, By Lucia Mutikani, Reuters, 31/07/24

Central Banks Fed will hold interest rates steady but officials hint rates could be cut this year, By Lauren Aratani, Guardian, 31/07/2024

ESG JetBlue Purchases Sustainable Aviation Fuel for Use at New York's JFK Airport, by Mark Segal, ESG Today, 01/08/24

Geopolitics US says military moves in Middle East aimed at de-escalating tensions, By Doina Chiacu, Reuters, 25/07/24

Commodities Data sourced from Koyfin and Investing.com

Week ahead Data sourced from Investing.com

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