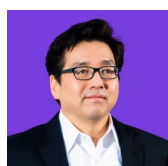


■ Intraday Alert

October 4, 2024

Better Sept jobs = good. Port strike suspended = good.  
Incremental good news past 24 hours = allowing tailwinds to shine



**Tom Lee, CFA <sup>AC</sup>**  
HEAD OF RESEARCH

*Week of 10/6-10/11:*



**Thomas Lee, CFA**  
Head of Research

First Word  
Report

Macro Minute  
Video

Sunday



Monday



Tuesday



Wednesday



Thursday



Friday





Oct 4, 2024 at 10:15AM EST



## Tactical Overweights

## 1 Long Industrials on bottoming PMIs

## Rationale:

Historically, bottoming of ISM and when it is below 47 and bottoms, leads to outperformance of Industrials

## 2024 Overweights

1	Small-caps	IWM	218.5	68,261	12/7/23	185.4	302	18%	-7%
1	Financials	XLF	45.4	42,085	12/7/23	35.9	302	26%	2%
	- Regional Banks	KRE	55.8	3,179	12/7/23	48.5	302	15%	-10%
2	Industrials	XLI	135.3	19,911	12/7/23	108.6	302	25%	0%
3	Technology/FAANG	XLK	223.6	69,435	12/7/23	185.1	302	21%	-4%
	- FAANG stocks	NYFANG+	11,397	-	12/7/23	8,230	302	38%	14%

## 2024 Underweights

1	Utilities	XLU	80.9	18,840	12/7/23	63.5	302	27%	3%
2	Consumer Staples	XLP	81.4	17,657	12/7/23	70.6	302	15%	-9%

\* Market cap figures for KRE, FNGS, and sectors are the respective ETF market caps.

Source: Fundstrat and Bloomberg



Oct 4, 2024 at 10:15AM EST

## Inclusion data...

## Performance...

## Top 5 Ideas

1	NVIDIA Corp	NVDA	3,005,906	30.3x	8/20/2024	127.25	122.54	-3.6%	-5.8%
2	Meta Platforms Inc	META	1,469,297	23.6x	9/24/2024	563.33	580.72	3.7%	4.0%
3	Uber Technologies Inc	UBER	153,337	28.9x	9/24/2024	77.44	72.99	-4.5%	-4.3%
4	Eli Lilly & Co	LLY	841,748	39.6x	9/24/2024	924.43	885.65	-4.4%	-4.1%
5	Tesla Inc	TSLA	764,811	77x	9/24/2024	254.27	239.40	-3.2%	-2.9%

## Bottom 5 Ideas

1	Boeing Co/The	BA	93,060	41.8x	9/24/2024	155.81	151.03	-2.7%	-2.5%
2	Ford Motor Co	F	41,362	5.6x	9/24/2024	10.87	10.41	-3.6%	-3.4%
3	NIKE Inc	NKE	123,082	24.9x	9/24/2024	87.46	82.09	-5.6%	-5.4%
4	Pfizer Inc	PFE	160,962	10.1x	9/24/2024	29.50	28.41	-3.3%	-3.0%
5	Intel Corp	INTC	94,904	20.3x	9/24/2024	22.81	22.19	-1.6%	-1.3%



Oct 4, 2024 at 10:15AM EST

Inclusion data...

Performance...

Rel vs  
Russell

		Ticker	Market Cap	P/E Yr+1	Date added	Price When Added	Current Price	Absolute	2500
<b>SMID Super Grannies</b> 🏆									
1	Palantir Technologies Inc	PLTR	81,630	85x	8/20/2024	32.32	36.46	22.5%	18.9%
2	ADMA Biologics Inc	ADMA	4,608	31.4x	9/24/2024	19.29	19.77	4.4%	5.0%
3	ePlus Inc	PLUS	2,562	16.5x	8/20/2024	91.25	95.38	5.8%	2.2%
4	AppLovin Corp	APP	46,002	28.3x	7/16/2024	86.53	130.65	58.5%	58.8%
5	Bancorp Inc/The	TBBK	2,459	9.7x	7/16/2024	48.16	50.22	11.0%	11.4%
<b>SMID Sleeper Grannies</b> 📈									
1	Mirum Pharmaceuticals Inc	MIRM	1,914	-	9/24/2024	38.98	40.12	2.5%	3.1%
2	Amkor Technology Inc	AMKR	7,175	12.7x	8/20/2024	32.40	29.12	-5.9%	-9.5%
3	Blueprint Medicines Corp	BPMC	5,701	-	7/16/2024	120.50	90.00	-26.3%	-25.9%
4	Ultra Clean Holdings Inc	UCTT	1,704	12.3x	8/20/2024	38.48	37.85	3.0%	-0.6%
5	Veeco Instruments Inc	VECO	1,827	16x	8/20/2024	37.16	32.17	-11.8%	-15.4%

The Sept jobs report came in better than expected at +254k versus the Street consensus at +150k. This was a clean beat driven by restaurants (+69k) and even wages incrementally improved plus positive surprise on the unemployment rate (fell to 4.1%). The past 24 hours has seen incrementally positive news and thus, perceived risks for stocks abates and therefore, stocks can drift higher:

- The jobs report is a clean beat and equally important, the unemployment rate (UER) is falling. The “bear” narrative is the labor market unravels once unemployment rates rise by 50bp, and this view was triggered in the Summer when UER rose 50bp. But the fact it is falling shows the job market remains resilient.
- There were plenty of clues this could be a good jobs report given the ADP report earlier in the week as well as the continued low level of jobless claims. And the fact is the US economy remains healthy at a time when the Fed has turned dovish. The reason being inflation has fallen “like a rock.”
- The port strike on hold until after the elections is a positive. This averts near-term economic noise and the risk of a longer crippling strike. This is inline with our view the strike was “short-term noise.”



- This is overall positive for equities in the near-term. And we defer to Mark Newton, Head of Technical Strategy, to talk about the near-term path of stocks. For now, he sees upside given the overall market remains healthy.
- But we think there are some things to be mindful of regarding seeing a larger upside move in stocks:
  - first, the VIX term structure is inverted (4M futures less 1M) and it would be good to see this “uninvert”
  - when this “uninverts” one could suggest the “iffy” October seasonals fully discounted
  - second, markets still sensitive to inflation and economic data and Sept CPI released 10/10, or next Thu.
  - third, we are not exactly oversold yet, so a “buy everything” mode is not yet in place
- We caution against being outright bearish or even too cautious. This is a strong market and 2024 has amply demonstrated this with monthly gains in 8 of 9 months so far. Moreover, there are the 3 structural tailwinds:
  - Fed dovish
  - China launches bazooka
  - cash on sidelines and deployed post-election

***BOTTOM LINE: Good news is still good news***

Today shows good news is good news. And the US economy remains strong and thus, the bull market remains intact.



## Top 20 Industries With Most Additions in Nonfarm Payrolls

	Monthly Payroll Change ('000, SA)				Payrolls vs 12M AGO ('000, NSA)		
	Aug 2024	Sep 2024	Payroll Net Increase (Decrease)	% Change	Sep 2023 Payrolls Change	Sep 2024 Payrolls Change	% Diff
20 industries with the most additions in payrolls	Payrolls	Payrolls					
Total Nonfarm	158,851	159,105	254	0.2%	490	460	-6.1%
Total Private	135,461	135,684	223	0.2%	-465	-458	n/a
1 Food services and drinking places	12,401	12,470	69.4	0.6%	-202	-143	n/a
2 Individual and family services	3,271	3,292	21.2	0.6%	1	2	21.4%
3 Nonresidential specialty trade contractors	2,826	2,843	17.0	0.6%	-23	1	n/a
4 Home health care services	1,782	1,794	12.7	0.7%	16	18	12.7%
5 Hospitals	5,586	5,598	11.5	0.2%	27	10	-62.7%
6 State government education	2,643	2,654	11.0	0.4%	370	369	-0.4%
7 Educational services	3,875	3,885	9.4	0.2%	259	252	-2.6%
8 Local government, excluding education	6,791	6,800	8.8	0.1%	-166	-179	n/a
9 Local government education	8,132	8,140	7.8	0.1%	749	741	-1.1%
10 Accommodation	1,921	1,928	6.6	0.3%	-92	-93	n/a
11 Management of companies and enterprises	2,560	2,567	6.4	0.2%	-12	-5	n/a
12 Computing infrastructure providers, data processing,	495	501	6.0	1.2%	-4	5	n/a
13 Residential specialty trade contractors	2,419	2,425	5.8	0.2%	-15	-23	n/a
14 Outpatient care centers	1,094	1,099	5.3	0.5%	1	4	260.0%
15 Insurance carriers and related activities	3,030	3,035	4.8	0.2%	-1	-1	n/a
16 Child day care services	1,061	1,066	4.2	0.4%	8	31	293.6%
17 Department stores	970	974	4.2	0.4%	-1	9	n/a
18 Health and personal care retailers	1,087	1,091	4.0	0.4%	4	10	150.0%
19 Nursing care facilities	1,471	1,475	3.9	0.3%	-2	-1	n/a
20 Heavy and civil engineering construction	1,152	1,156	3.8	0.3%	2	-2	-190.9%
Total 20 Industries	64,568	64,792	224	0.3%	919	1,001	9.0%

Source: Fundstrat, BLS



Industry	Monthly Chg ('000)			Delta of Monthly Chg ('000)	
	Jul '24	Aug '24	Sep '24	Aug '24	Sep '24
Payroll Employment (Thousands)	+144	+159	+254	+15	+95
<b>Private</b>	<b>+99</b>	<b>+114</b>	<b>+223</b>	<b>+15</b>	<b>+109</b>
<b>Goods-producing Sector</b>	<b>+21</b>	<b>+5</b>	<b>+21</b>	<b>-16</b>	<b>+16</b>
Mining and Logging	+1	+1	+3	-	+2
Construction	+14	+31	+25	+17	-6
Manufacturing	+6	-27	-7	-33	+20
Durable Goods	+5	-30	-3	-35	+27
Nondurable Goods	+1	+3	-4	+2	-7
<b>Private Service-Providing</b>	<b>+78</b>	<b>+109</b>	<b>+202</b>	<b>+31</b>	<b>+93</b>
Trade, Transportation, and Utilities	-	-5	+13	-5	+18
Wholesale Trade	+5	+0	+2	-5	+1
Retail Trade	-4	-9	+16	-5	+24
Transportation and Warehousing	-2	+3	-9	+5	-12
Utilities	+0	+0	+3	-0	+3
Information	-16	-7	+4	+9	+11
Financial Activities	-4	+10	+5	+14	-5
Finance and Insurance	-4	+3	+6	+7	+2
Real estate and rental and leasing	-0	+7	-2	+8	-9
Professional And Business Services	-4	-4	+17	-	+21
Professional and technical services	+1	+4	+12	+3	+8
Management of Companies and Enterprises	+8	-7	+6	-16	+14
Administrative and Waste Management Services	-13	-1	-2	+11	-1
Education and Health Services	+67	+60	+81	-7	+21
Educational services	+3	+7	+9	+4	+3
Health Care and Social Assistance	+64	+54	+72	-10	+18
Health Care	+48	+36	+45	-11	+9
Social Assistance	+16	+18	+27	+2	+9
Leisure and Hospitality	+38	+53	+78	+15	+25
Arts, entertainment, and recreation	+4	+11	+2	+8	-9
Accommodation and Food Services	+35	+42	+76	+7	+34
Other Services	-3	+2	+4	+5	+2
Repair and Maintenance	-7	-2	+0	+5	+2
Personal and laundry services	+7	+1	+2	-6	+1
Membership associations and organizations	-4	+3	+2	+6	-1
<b>Government</b>	<b>+45</b>	<b>+45</b>	<b>+31</b>	<b>-</b>	<b>-14</b>
Federal	-	+1	+2	+1	+1
Federal, except U.S. Postal Service	+1	+1	+1	-0	+0
U.S. Postal Service	-1	-1	+1	-0	+2
State Government	+23	+11	+13	-12	+2
State government education	+12	+7	+11	-5	+5
State government, excluding education	+11	+5	+2	-6	-3
Local Government	+22	+33	+16	+11	-17
Local government education	+38	+24	+8	-14	-16
Local government, excluding education	-16	+9	+9	+25	-0
OTHER SERIES:					
Service-Providing	+123	+154	+233	+31	+79



**42 SMID Granny Shot Ideas:** We performed our quarterly rebalance on 7/16. Full stock list here -> [Click here](#)

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