

■ First to Market

October 7, 2024

## Week Opens With Investors Eyeing Geopolitical Risk, Upcoming Inflation Data

A daily market update from FS Insight – what you need to know ahead of opening bell

*"I believe that man's noblest endowment is his capacity to change." ~Leonard Bernstein*

### Over the Weekend

Nobel Prize for medicine goes to scientists who discovered microRNA [SEM](#)

U.S. crude oil jumps nearly 3%, trades above \$76 as market waits for Israel strike against Iran [CNBC](#)

Bond traders buckle up for 'no landing' after jobs surprise [BBG](#)

Hurricane Milton has formed and could grow stronger before hitting Florida midweek [AP](#)

U.S. wiretap systems targeted in China-linked hack [WSJ](#)

Rio Tinto looks to snap up Arcadium before lithium prices recover [RT](#)

Big oil urges Trump not to gut Biden's climate law [WSJ](#)

Anxious Europeans hoard savings as US consumers boost global economy [FT](#)

Historic China rally is failing to convince top fund managers [BBG](#)

Corporate insiders are sitting out the 2024 market rally [WSJ](#)



Active ETFs triumph over passives in fees from new flows [ET](#)

Google's share of US search ad market is slipping as TikTok and AI startups present new competition [WSJ](#)

Wynn Resorts earned UAE's first gambling license [RT](#)

China-linked security breach targeted U.S. wiretap systems, WSJ reports

BP reportedly abandons goal to cut oil output, resets strategy [RT](#)

Italian prosecutors accuse 7 people, 2 firms over flawed Boeing plane parts [RT](#)

Earth's first-ever planetary defense test is nearing its end [SEM](#)

'It kills everything' – Amazon's indigenous people hit by record forest fires in Brazil [BBC](#)

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## Chart of the Day

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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

## Overnight

S&P Futures -29 ▼ point(s) (-0.5% ▼)  
overnight range: -37 ▼ to +8 ▲ point(s)

**APAC**

Nikkei +1.80% ▲  
Topix +1.68% ▲  
China SHCOMP +8.06% ▲  
Hang Seng +1.60% ▲  
Korea +1.58% ▲  
Singapore +0.28% ▲  
Australia +0.68% ▲  
India -0.87% ▼  
Taiwan +1.79% ▲

**Europe**

Stoxx 50 +0.04% ▲  
Stoxx 600 +0.09% ▲  
FTSE 100 +0.45% ▲  
DAX -0.22% ▼  
CAC 40 +0.18% ▲  
Italy +0.23% ▲  
IBEX +0.61% ▲

**FX**

Dollar Index (DXY) -0.04% ▼ to 102.48  
EUR/USD +0.04% ▲ to 1.0978  
GBP/USD -0.27% ▼ to 1.3087  
USD/JPY +0.34% ▲ to 148.19  
USD/CNY -0.11% ▼ to 7.0187  
USD/CNH +0.49% ▲ to 7.0640  
USD/CHF +0.36% ▲ to 0.8553  
USD/CAD -0.03% ▼ to 1.3580  
AUD/USD -0.04% ▼ to 0.6792



## UST Term Structure

2Y-3 ▼M Spread widened 5.7bps to -65.2bps ▼  
10Y-2 ▼Y Spread narrowed -4.5bps ▼ to -0.3bps ▼  
30Y-10 ▼Y Spread narrowed -1.8bps ▼ to 26.2bps

## Yesterday's Recap

SPX +0.90% ▲  
SPX Eq Wt +0.78% ▲  
NASDAQ 100 +1.22% ▲  
NASDAQ Comp +1.22% ▲  
Russell Midcap +0.86% ▲  
R2k +1.50% ▲  
R1k Value +0.77% ▲  
R1k Growth +1.10% ▲  
R2k Value +1.26% ▲  
R2k Growth +1.73% ▲  
FANG+ +1.83% ▲  
Semis +1.34% ▲  
Software +1.80% ▲  
Biotech +0.90% ▲  
Regional Banks +2.05% ▲ SPX GICS1 Sorted: REITs -0.65% ▼  
Utes -0.17% ▼  
Healthcare +0.08% ▲  
Cons Staples +0.22% ▲  
Materials +0.41% ▲  
Indu +0.63% ▲  
SPX +0.90% ▲  
Tech +0.99% ▲  
Energy +1.07% ▲  
Comm Srvcs +1.20% ▲



Cons Disc +1.62% ▲

Fin +1.64% ▲

**USD HY OaS**

All Sectors +0.4bps ▲ to 336bps

All Sectors ex-Energy -2.1bps ▼ 310bps

Cons Disc +0.1bps ▲ 292bps

Indu -7.6bps ▼ 240bps

Tech -1.1bps ▼ 331bps

Comm Svcs -1.0bps ▼ 554bps

Materials -2.9bps ▼ 306bps

Energy -0.8bps ▼ 306bps

Fin Snr +2.0bps ▲ 296bps

Fin Sub flat at 212bps

Cons Staples -6.0bps ▼ 306bps

Healthcare -2.6bps ▼ 360bps

Utes -2.8bps ▼ 203bps \*

DATE	TIME	DESCRIPTION	ESTIMATE	LAST
10/8	6:00 AM	Sep Small Biz Optimisum	92	91.2
10/8	8:30 AM	Aug Trade Balance	-70.5	-78.791
10/9	2:00 PM	Sep 18 FOMC Minutes	n/a	0
10/9	2:00 PM	Sep 18 FOMC Minutes	n/a	0
10/10	8:30 AM	Sep CPI m/m	0.1	0.2
10/10	8:30 AM	Sep Core CPI m/m	0.2	0.3
10/10	8:30 AM	Sep CPI y/y	2.3	2.5
10/10	8:30 AM	Sep Core CPI y/y	3.2	3.2
10/11	8:30 AM	Sep PPI m/m	0.1	0.2
10/11	8:30 AM	Sep Core PPI m/m	0.2	0.3
10/11	10:00 AM	Oct P UMich 1yr Inf Exp	2.7	2.7



DATE	TIME	DESCRIPTION	ESTIMATE	LAST
10/11	10:00 AM	Oct P UMich Sentiment	70.5	70.1

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## MORNING INSIGHT

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Good morning!

The market's response to Friday's September jobs report and the tentative strike resolution shows good news is good news. The bull market remains intact. However, that might not be enough to give a broader greenlight for stocks.

Click [HERE](#) for more.

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## TECHNICAL

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- Short-term SPX breakout should lead back to new highs into Yom Kippur.
- Financials look to outperform in the near-term after Friday's surge.
- Airlines and Cruise-liner stocks are both basing ahead of expected breakouts.

Click [HERE](#) for more.

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## CRYPTO

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Senate control flipping to Republicans post-election could lead to a more favorable regulatory environment for crypto, regardless of what happens in the White House. However, tactically, it is prudent to consider that prices will correlate with Trump's odds on election night.

Click [HERE](#) for more.

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## First News

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When GPS technology was first developed, its use was reserved exclusively for the U.S. military. However, in 1983, the Soviets shot down a Korean Airlines flight after the airliner accidentally wandered off course into their airspace. Hoping to prevent any similar tragedies in the future, President Ronald Reagan ordered that GPS technology be made available for civilian use. Four decades later, GPS technology has become ubiquitous and essential for our daily lives. Most of us walk around every day with a GPS-equipped smartphone in our pockets or bags, using them to navigate – or sometimes just to find the nearest coffee shop or gas station.

Now, GPS spoofing is threatening to render that technology unreliable, or worse. The practice is, apparently, far less high-tech or difficult than the producers of the [1997 Bond movie \*Tomorrow Never Dies\*](#) would have us believe. All that is needed is some open-source software and a powerful radio transmitter costing a few thousand dollars.

GPS spoofing has obvious military applications. For example, Ukrainian soldiers seeking to launch drone attacks against Russian forces have sometimes been stymied by [GPS spoofing and jamming](#) that left the drones unable to complete their missions – or sometimes even take off.

Such attacks had also put commercial planes flying near conflict zones – for example in Ukraine, around the India border with Pakistan, or near Israel – at risk, but now the risk has spread beyond those areas. This year, pilots are reporting an alarming surge in such incidents even when they are not anywhere near such areas. The number of reported incidents per day went from a few dozen in February to as many as 1,100 a day in August. Such spoofing attacks affect cockpit systems in multiple ways.



One incident reported by the *Wall Street Journal* involved a United Airlines flight that was hit by a spoofing attack while on its way from New Dehli, India to Newark, NJ. The pilots were able to use other navigation systems to make their way to Newark Liberty International and touch down safely, even as the plane's GPS not-so-helpfully informed the pilots that they were landing in the middle of the Atlantic Ocean. In another case reported by *Reuters*, counterfeit GPS signals caused an unidentified commercial airliner's clocks to move forward by several years. This cut off pilots' access to digitally encrypted communications systems.

Militaries are getting better at figuring out how to locate and destroy jamming equipment. For commercial pilots, however, there are no immediate solutions that commercial airline pilots can deploy when bad actors interfere with cockpit GPS signals, except to rely on backup systems such as the [Inertial Reference System](#). In the meantime, airlines, airliner manufacturers, and aviation regulators around the world are working on longer-term solutions that include both hardening existing systems to spoofing and developing [newer, more secure alternatives](#) to GPS navigation. ([WSJ](#) [FT](#) [BD](#), [GPSW](#))



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