

January 29, 2024 – Economic Commentary

January will end, this week, with an economic bang. US employment data for the end of 2023 and the start of 2024 will provide fitting book-ends for the Tuesday/Wednesday meeting of the Federal Open Market Committee (FOMC). The Personal Consumption Expenditures Price Index release from Friday pretty much ensured that the Fed would be able to continue with the dovish (victorious?) narrative Chairman Powell voiced in December; both the overall PCE for December and the Core PCE came in under 3% and the 6-month average inflation rate is, essentially, 2.5%. However, it was notable that following the PCE numbers, Atlanta Fed President Bostic — normally a voice arguing against interest rate hawkish-ness — expressed caution about the market's view on imminent interest rate *cuts*, fearing that inflation could rebound. The employment data may turn out to be the critical determinant of the argument. If job openings fall significantly, wage growth decelerates, or the unemployment rate rises, then the tone of the FOMC statement may change significantly. But if employment remains strong, the caution to the markets on interest rate cuts may very well be “not so fast,” especially given the massive 0.7% increase in personal spending in December that was revealed last week.

Data to Watch:

1. US Jolts Job Openings for December, released Tuesday, January 30
2. FOMC Interest Rate Statement and Chairman Powell Press Conference, released Wednesday, January 31
3. ADP Employment for January, released Wednesday, January 31
4. Nonfarm Payrolls, Unemployment Rate and Average Hourly Earnings for January, released Friday, February 2

Suggested Reading:

1. [Plummeting Inflation Raises New Risk for Fed: Rising Real Interest Rates](#)
2. [Evergrande Will Be Dismantled, a 'Big Bang' End to Years of Stumbles](#)
3. [Falling inflation, rising growth give U.S. the world's best recovery](#)
4. [House of Commons Library: International GDP](#)

Disclosures

Investment advisory services offered through Robertson Stephens Wealth Management, LLC (“Robertson Stephens”), an SEC-registered investment advisor. Registration does not imply any specific level of skill or training and does not constitute an endorsement of the firm by the Commission. This material is for general informational purposes only and should not be construed as investment, tax or legal advice. It does not constitute a recommendation or offer to buy or sell any security, has not been tailored to the needs of any specific investor, and should not provide the basis for any investment decision. Please consult with your Advisor prior to making any Investment decisions. The information contained herein was carefully compiled from sources believed to be reliable, but Robertson Stephens cannot guarantee its accuracy or completeness. Information, views and opinions are current as of the date of this presentation, are based on the information available at the time, and are subject to change based on market and other conditions. Robertson Stephens assumes no duty to update this information. Unless otherwise noted, any individual opinions presented are those of the author and not necessarily those of Robertson Stephens. Indices are unmanaged and reflect the reinvestment of all income or dividends but do not reflect the deduction of any fees or expenses which would reduce returns. Past performance does not guarantee future results. Forward-looking performance targets or estimates are not guaranteed and may not be achieved. Investing entails risks, including possible loss of principal. Alternative investments are only available to qualified investors and are not suitable for all investors. Alternative investments include risks such as illiquidity, long time horizons, reduced transparency, and significant loss of principal. This material is an investment advisory publication intended for investment advisory clients and prospective clients only. Robertson Stephens only transacts business in states in which it is properly registered or is excluded or exempted from registration. A copy of Robertson Stephens' current written disclosure brochure filed with the SEC which discusses, among other things, Robertson Stephens' business practices, services and fees, is available through the SEC's website at: www.adviserinfo.sec.gov. © 2024 Robertson Stephens Wealth Management, LLC. All rights reserved. Robertson Stephens is a registered trademark of Robertson Stephens Wealth Management, LLC in the United States and elsewhere.