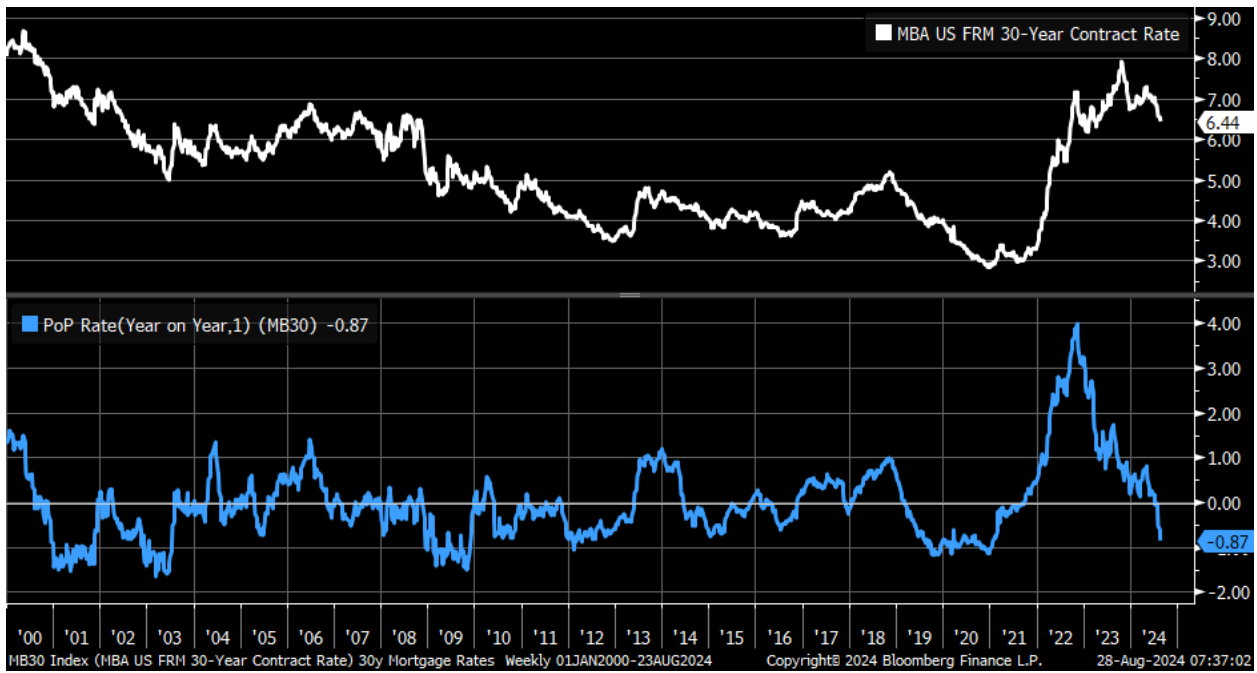


The graph below shows the MBA average 30-year mortgage rate, with its year-over-year change below. The good news is that mortgage rates have recently fallen rapidly. However, they remain well above rates seen since 2008. This creates a problem for the Fed. Over the last twenty years, there has been a strong correlation between mortgage refinancing and mortgage rates.

Can the Fed stimulate the economy with mortgage refinancings if most mortgage holders have interest rates below 4%? Yes, but to do so, they need to drop Fed Funds by much more than the market expects.



What To Watch Today

Earnings

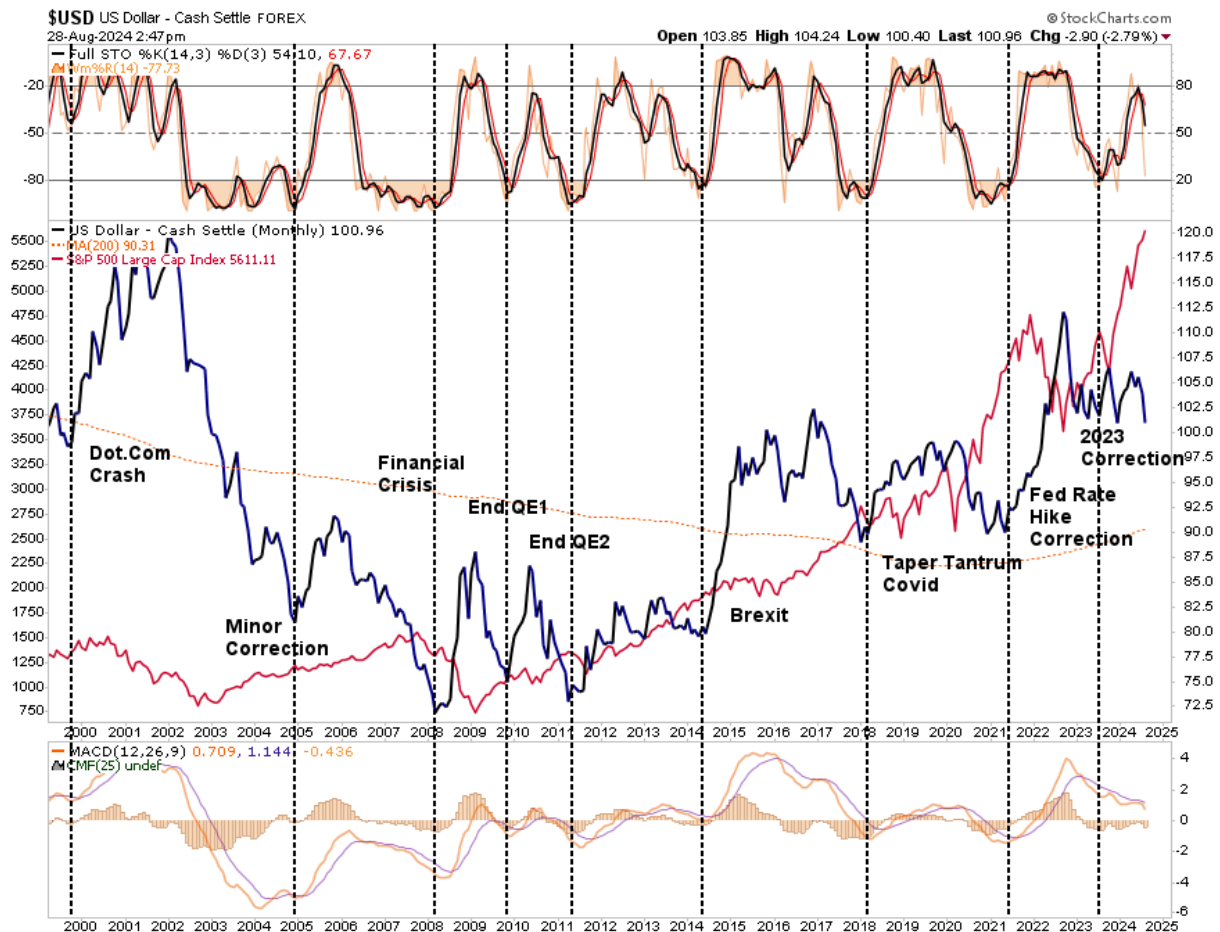
Time	Symbol	Company Name	Market Cap ▼	Fiscal Quarter Ending	Consensus EPS* Forecast	# Of Ests	Last Year's Report Date	Last Year's EPS*
📈	DELL	Dell Technologies Inc.	\$79,207,992,532	Jul/2024	\$1.49	4	8/31/2023	\$1.44
📈	MRVL	Marvell Technology, Inc.	\$59,570,592,000	Jul/2024	\$0.13	13	8/24/2023	\$0.18
📈	ADSK	Autodesk, Inc.	\$55,341,360,000	Jul/2024	\$1.35	8	8/23/2023	\$1.12
☀️	CM	Canadian Imperial Bank of Commerce	\$51,469,049,160	Jul/2024	\$1.28	5	8/31/2023	\$1.14
📈	LULU	lululemon athletica inc.	\$32,568,339,695	Jul/2024	\$2.93	14	8/31/2023	\$2.68
☀️	DG	Dollar General Corporation	\$27,341,701,029	Jul/2024	\$1.79	23	8/31/2023	\$2.13
☀️	BF.A	Brown Forman Corporation	\$21,666,732,841	Jul/2024		4	N/A	\$0.48
☀️	BF.B	Brown Forman Corporation	\$21,449,309,257	Jul/2024	\$0.46	7	8/30/2023	\$0.48
☀️	BBY	Best Buy Co., Inc.	\$19,174,795,593	Jul/2024	\$1.15	12	8/29/2023	\$1.22
📈	MDB	MongoDB, Inc.	\$18,044,270,970	Jul/2024	(\$0.75)	9	8/31/2023	(\$0.63)
📈	ULTA	Ulta Beauty, Inc.	\$17,892,682,547	Jul/2024	\$5.49	13	8/24/2023	\$6.02
☀️	BURL	Burlington Stores, Inc.	\$17,591,089,647	Jul/2024	\$0.94	8	8/24/2023	\$0.60
☀️	CPB	Campbell Soup Company	\$15,059,057,959	Jul/2024	\$0.62	9	8/31/2023	\$0.50
☀️	BIRK	Birkenstock Holding plc	\$11,401,813,425	Jun/2024	\$0.55	4	N/A	N/A
📈	ESTC	Elastic N.V.	\$10,931,330,931	Jul/2024	(\$0.34)	8	8/31/2023	(\$0.35)
📈	GAP	Gap, Inc. (The)	\$8,754,054,770	Jul/2024	\$0.39	7	8/24/2023	\$0.34

Economy

Time	Event	Impact	Actual	Dev	Consensus	Previous
THURSDAY, AUGUST 29						
12:30	🇺🇸 USD Continuing Jobless Claims (Aug 16)	🟡	-	-	- 1.863M	🔔
12:30	🇺🇸 USD Core Personal Consumption Expenditures (QoQ) (Q2) PREL	🟠	-	-	2.9% 2.9%	🔔
12:30	🇺🇸 USD Goods Trade Balance (Jul) PREL	🟡	-	-	-\$97.5B -\$97.4B	🔔
12:30	🇺🇸 USD Gross Domestic Product Annualized (Q2) PREL	🔴	-	-	2.8% 2.8%	🔔
12:30	🇺🇸 USD Gross Domestic Product Price Index (Q2) PREL	🟠	-	-	- 2.3%	🔔
12:30	🇺🇸 USD Initial Jobless Claims (Aug 23)	🟠	-	-	232K 232K	🔔
12:30	🇺🇸 USD Initial Jobless Claims 4-week average (Aug 23)	🟡	-	-	- 236K	🔔
12:30	🇺🇸 USD Personal Consumption Expenditures Prices (QoQ) (Q2) PREL	🟠	-	-	2.6% 2.6%	🔔
12:30	🇺🇸 USD Wholesale Inventories (Jul) PREL	🟡	-	-	0.2% 0.2%	🔔
14:00	🇺🇸 USD Pending Home Sales (MoM) (Jul)	🟠	-	-	0.4% 4.8%	🔔
14:00	🇺🇸 USD Pending Home Sales (YoY) (Jul)	🟡	-	-	- -2.6%	🔔
14:30	🇺🇸 USD EIA Natural Gas Storage Change (Aug 23)	🟡	-	-	33B 35B	🔔
15:30	🇺🇸 USD 4-Week Bill Auction	🟡	-	-	- 5.24%	🔔
17:00	🇺🇸 USD 7-Year Note Auction	🟡	-	-	- 4.162%	🔔
19:30	🇺🇸 USD Fed's Bostic speech	🟠			SPEECH	🔔

Market Trading Update

In [yesterday's commentary](#), we discussed the long-term overbought and deviated conditions of the market. The issue with that analysis is the missing catalyst for a broader correction. One such catalyst could be a strengthening in the U.S. dollar. As shown, when the dollar weakens, it supports increased asset prices. Previous reversals in the dollar coincided with corrections in the market. While the dollar is not extremely oversold and is on a current sell signal, we should be watching for the dollar to bottom and then begin to turn higher. Such will likely precede a more corrective event in the market.



First, let's dispel the myth of **"de-dollarization."** Both Michael and I have written several articles on this, but the reality is summed up as follows:

"The pundits will be right someday. The dollar's death as the reserve currency will come, and some other nation's currency, cryptocurrency, gold, shells, or something else will take its place. However, that day is not coming anytime soon. The four reasons we describe in the article leave the world with no alternative."

Secondly, what event causes the dollar to strengthen is always unknown. However, several factors contribute to the dollar's strength. The most important is basic supply and demand. The demand for the dollar increases when international parties, such as foreign citizens, foreign central banks, or foreign financial institutions, demand more dollars. Generally, that demand is driven by the need to stable currency values between trading partners. Other factors influencing whether or not the dollar rises in value include the currency reserve status, inflation, political stability, interest rates, speculation, trade deficits and surpluses, and public debt.

Keep a watch on the dollar. It could be a key indicator as we head into 2025.

SMCI Was A Poor Addition To The S&P 500

On March 18, 2024, Super Micro Computer Inc. (SMCI) was added to the S&P 500. At the start of the year, SMCI was one of the hottest AI stocks. When the S&P included the stock, it traded at

1,018, up over threefold from January 1, 2024. The stock hit its peak on the day it was included. SMCI was down 24% on Wednesday as they announced a delay to their annual report filing. Despite falling about 60% since March, the stock is still up 45% this year.

To make room for SMCI and DECK, they removed Whirlpool (WHR) and Zions Bancorp (ZION). WHR has been flat since the announcement, and ZION is up about 20%. Furthermore, DECK, the other inclusion, has fared better than SMCI but, like WHR, has been unchanged since the announcement.



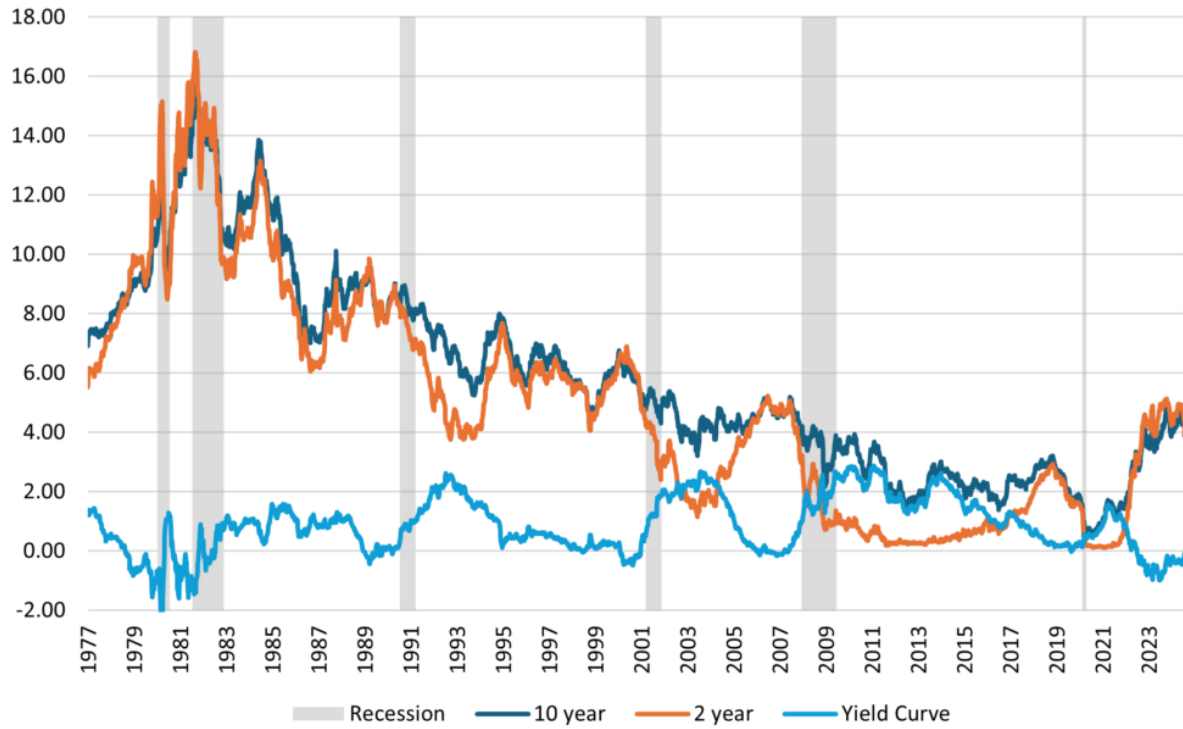
Yield Curve Shifts

Yield curves are essential indicators that bond investors closely follow. However, many stock investors do not track yield curves despite the importance of bond yields on stock returns. Therefore, in this two-part series, we start with an introductory discussion of the four primary types of yield curve shifts and what they often entail from an economic and inflation perspective.

In Part Two, we provide a quantitative perspective on what a continued bull steepening trade may mean for returns of the major stock indices, along with various sectors and factors.

[READ MORE...](#)

10 year- 2 year Treasury Yield Curve



Tweet of the Day

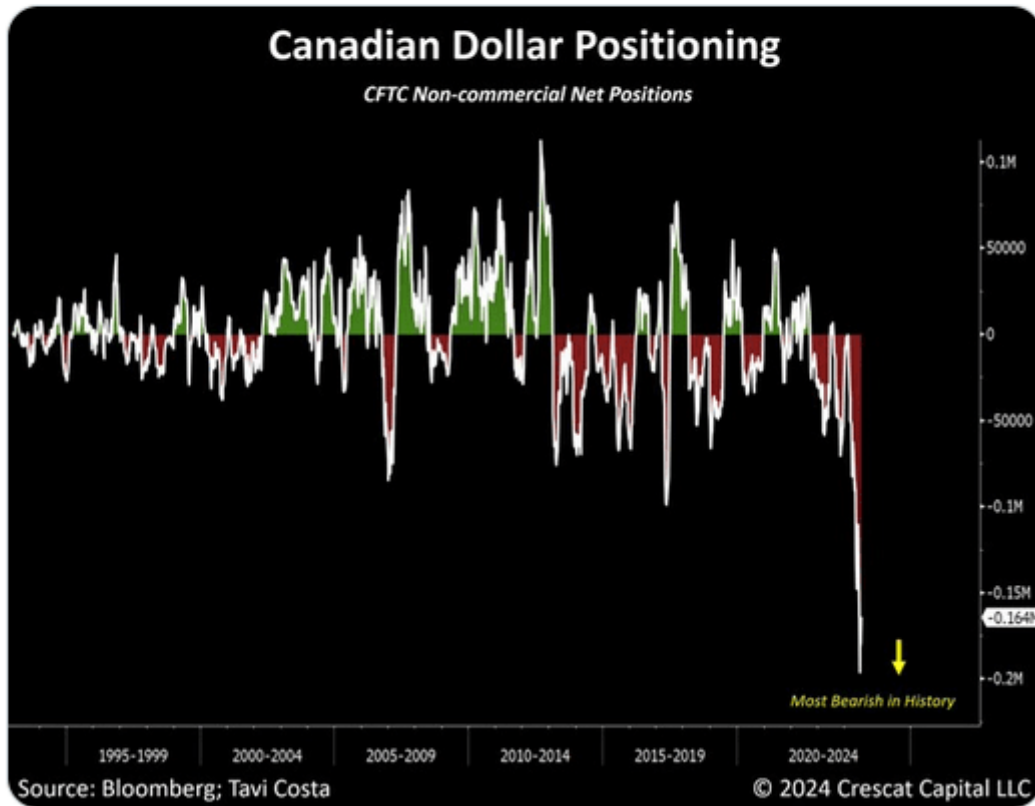
Sean Brodrick reposted



Otavio (Tavi) Costa @TaviCosta · Aug 26

Most bearish position ever in Canadian dollars.

Happy to take a contrarian view on this one.



?Want to achieve better long-term success in managing your portfolio? Here are our [15-trading rules for managing market risks](#)?

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