

Affordable Gas and Market Movements in July

August 26, 2024

- **Shedding Points** – The 2-year and 3-year Treasury notes lost 42 basis points in July 2024, while 1-year and 5-year notes shed 36 basis points (source: Y Charts).
- **Declining Dollars** – The Cost of Living Adjustment (COLA) for 2025 Social Security benefits is an estimated 2.6%. This follows a 5.9% increase in 2022, 8.7% in 2023, and 3.2% in 2024 (source: Yahoo Finance).
- **Minimizing Manufacturing** – The *United States ISM Manufacturing PMI, a composite index for production and manufacturing, declined to 46.80 in July 2024. This is the fourth straight decline following 48.50 in June, 48.70 in May, and 49.20 in April (source: Y Charts).
- **Time for Affordable Gas?** – Brent crude oil prices ended July 2024 at \$80.72. This is a 6.6% decline from \$86.41 on June 28, 2024 (source: Yahoo Finance).
- **Layoffs Linger** – Cisco, a software developer, announced a restructuring plan that includes laying off 7% of its workforce on August 14, 2024. The statement follows Intel, a software and hardware developer, laying off 15% of its workforce earlier in August 2024 (source: Seeking Alpha).
- **Shrinking Starts** – Single-family housing starts decreased to 851,000 in July 2024, which is 14.1% lower than June 2024 and 14.8% lower than July 2023. Total housing starts ended July 2024 at 1,238,000, which is 16% lower than July 2023 (source: Zillow).
- **Reclaiming Retail** – **The United States Retail and Food Services Sales, a measurement of changes in monthly sales, increased by 0.97% in July 2024. This follows a 0.21% decline in June 2024 (source: Y Charts).
- **Competing With the Big Dogs** – Advanced Micro Devices Inc (AMD), a semiconductor manufacturer, is acquiring ZT Systems, an AI company, in a deal valued at \$4.9 billion. AMD expects to pay 75% of the deal in cash and the remainder in stock and plans to use the newfound resources to compete with major chip manufacturers such as Nvidia (source: Reuters).
- **Another Notch Up** – Costco announced an increase in their annual fees, rising from \$60 to \$65 for a basic membership and a \$10 increase in the executive membership from \$120 to \$130. This is the first price increase since 2017 (source: Today).
- **Memory Lane** – The fedora worn by Harrison Ford in the 1984 Indiana Jones movie just sold at an auction by Propstore for \$630,000. Propstore also auctioned off a ghost costume worn in the 1996 Scream movie for \$270,900 (source: NBC News).

Definitions

- ***United States ISM Manufacturing Purchasing Managers' Index (PMI)** – A monthly indicator of U.S. activity based on surveys of purchasing managers from manufacturing firms across the country.
- ***United States Retail and Food Services Sales** – A measurement of changes in the total value of sales at the retail level to help track consumer spending.

Definitions and Indexes

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