

Gridlocked Growth: Power Struggles and Economic Shifts

November 11, 2024

- **An Even Unemployment** – The October 2024 unemployment rate remained unchanged at 4.1%. Manufacturing employment declined by 46,000, which was largely due to ongoing strikes in the transportation equipment industry. Similarly, employment in temporary help services decreased by 49,000 in October 2024. These declines were offset by 52,000 position increases in the healthcare sector and 40,000 in the government sector (source: U.S. Bureau of Labor Statistics).
- **A for Apple** – Apple released its fourth quarter earnings call for the period ended September 28, 2024, citing quarterly revenue of \$94.9 billion, which is a 6% increase from September 28, 2023. Similarly, diluted earnings per share were up 12% year-over-year at \$1.64 (source: Apple).
- **Gridlocked** – The Federal Energy Regulatory Commission (FERC) rejected a proposal from PJM, a grid operator, to increase the power supply to an Amazon AI data center. The FERC cited concerns that it could threaten power grid reliability and raise energy costs for the public (source: Yahoo Finance).
- **A Growing Gap** – Personal income increased \$71.6 billion in September 2024, while personal consumption expenditures grew by \$105.8 billion. Healthcare, housing, and utilities led the increase in expenditures in the service category. Prescription drugs, food and beverages, and motor vehicles and parts were notable leaders in the goods category (source: U.S. Bureau of Economic Analysis).
- **Back to Private** – Air Transport Services Group (ATSG) is returning to the private sector after solidifying a \$3.1 billion deal with Stonepeak, an investment firm. ATSG's primary business revenue comes from acquiring used passenger aircrafts and converting them to leased freighters for well-known companies like Amazon (source: Reuters).
- **New Beginnings** – Nvidia, a chip manufacturer, replaced Intel on the Dow Jones Industrial Average as of November 8. Intel was on the Dow Index since 1999 (source: Fortune).
- **A New Lawsuit** – Presidential Candidate Donald Trump has brought a \$10 billion lawsuit against CBS related to an interview with Kamala Harris that aired on its "60 Minutes" program. The lawsuit alleges CBS created a misleading interview (source: Reuters).
- **Picking the Right Tenants** – Vici Properties, a real estate investment trust in the hospitality, gaming, and entertainment space, released its third quarter results, noting \$2.9

billion in total liquidity and 90% margins when eliminating noncash items (source: The Motley Fool).

- **An Uneventful Opening** – “Venom: The Last Dance,” the third and final movie in Sony Marvel’s antihero series led by Tom Hardy, fell short of expectations at the box office, only generating \$51 million compared to the expected \$65 million. This is also the lowest opening weekend ever recorded for a comic book trilogy. The first and second Venom movies generated \$80 million and \$90 million, respectively (source: NBC News).
- **The Real Comeback Kids** – The Dodgers clinched the 2024 World Series against the Yankees, becoming the first team to secure a World Series-clinching win after being down by five or more runs (source: MLB).

Definitions and Indexes

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