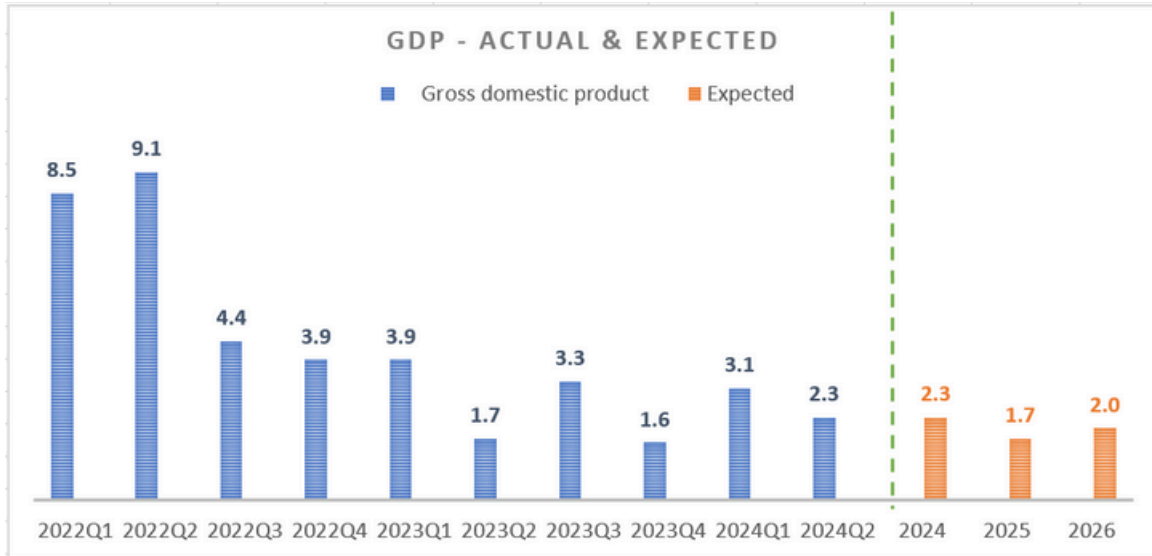


# NEWSLETTER

"LONG AWAITED BALANCING ACT OF USA: LOWER RATES, STABLE PRICES"



The US economy is currently in a period of transition. While the fundamentals remain relatively strong, there are clear signs of moderation. The ability to navigate challenges such as inflation and interest rate adjustments will be crucial for sustaining economic growth in the coming quarters.

The US economy demonstrated resilience in the Q2'2024, expanding at a solid pace of 2.8%. This growth was primarily driven by:

- **Real GDP Growth:** The economy grew at a solid pace of 2.8% in Q2'2024. The forecast for 2024 is 2.3%, with a further slowdown to 1.7% anticipated in 2025.
- **Unemployment Rate:** The unemployment rate is currently around 4.3%, and is expected to remain near 4.0% throughout 2024.
- **Inflation:** Inflation has declined to 2.89% as of July 2024, with a projected decrease to 2.3% by the end of 2024.

However, the recent performance also highlights challenges:

- **Net trade:** The US trade deficit is expected to weigh on growth.

- **Government spending:** While not a major drag, government spending is anticipated to contribute less to growth compared to the previous year.
- **Inflation:** Although declining, inflation remains a concern, and a resurgence could dampen economic activity.
- **Interest rates:** While the Fed may be nearing the end of its tightening cycle, the impact of higher interest rates on the economy will continue to unfold.

## Outlook

The forecast of a 2.3% GDP growth in 2024 and a subsequent slowdown to 1.7% in 2025 indicates a moderating economic pace. This is largely attributed to the expected normalization of factors that contributed to the strong growth in 2023.

The projected decline in inflation is a positive development. However, the persistence of low unemployment raises concerns about potential wage pressures and inflationary risks.

Subscribe

# NEWSLETTER

"LONG AWAITED BALANCING ACT OF USA: LOWER RATES, STABLE PRICES"

## Potential Risks

- **Inflationary resurgence:** A sudden spike in oil prices, new trade barriers, or supply chain disruptions could reignite inflationary pressures.
- **Tightening financial conditions:** Further interest rate hikes or increased financial market volatility could dampen economic activity.

## Potential Scenarios

- **Soft Landing:** The economy gradually slows down, inflation continues to moderate, and the labor market remains strong. This scenario would be ideal for policymakers.
- **Recession:** A more severe downturn occurs, characterized by declining GDP, rising unemployment, and financial market instability.
- **Stagflation:** A combination of high inflation and slow economic growth. This scenario would be particularly challenging for policymakers.

In summary, while the US economy demonstrates resilience, it is navigating a complex landscape. Balancing factors such as inflation, interest rates, and global economic conditions will be crucial for sustaining economic growth in the coming quarters.











## Our recent articles

- Embracing the Dawn: Exploring the Potential of Sunrise Sector
- Growth of GPU Acceleration – Future of Computing
- CrowdStrike Technical Outage: A Wake-Up Call for Cybersecurity
- Revolutionizing Healthcare: The Patient-Centered Design Blueprint











## ESG Company Reports

- ESG Report July 2024 - Starbucks Corp. (SBUX)
- ESG Report July 2024 – HP Inc.(HPQ)
- ESG Report July 2024 – NVIDIA Corp (NVDA)
- ESG Report July 2024 – Tata Consumer Products Limited (TACN.NS)
- ESG Report July 2024 – PayPal Holdings, Inc. (PYPL)

## Month in review

Date		Company Name	Report name	CMP	TP	Rating
Jul-16		Alibaba Group Holdings Ltd	Powering through AI, luxury & market leadership	HK\$ 73.80	82	BUY
Jul-23		FSN E-Commerce Ventures Ltd. (NYKAA)	Redefining beauty, expanding horizons	₹ 177.00	204	BUY
Jul-18		AstraZeneca PLC	Strong Performance with double-digit growth	\$ 78.12	97.45	BUY
Jul-09		Sanofi SA	Focusing on growth pipeline for better performance	€ 92.70	102.84	BUY
Jul-09		Nvidia Corporation	NVIDIA's Blackwell – New opportunity	\$ 128.28	144	BUY
Jul-16		Dell Technologies Inc	Growth accelerated by AI advancements	\$ 140.72	155	BUY
Jul-22		Palo Alto Networks Inc	IBM-PANW, a winning combination	\$ 333.27	365.43	BUY
Jul-26		Radware Ltd	Securing the future with AI-powered defense and global	\$ 22.02	19.29	HOLD
Jul-29		Siemens AG	Delivering Strong, Sustainable Growth	\$ 163.06	186.75	BUY
Jul-24		Energys	Powering a Sustainable Tomorrow	\$ 96.46	116.71	HOLD

## Up coming coverage

	Company Name	CMP
	Pandora A/S	1,068.00 kr.
	Lowe's Companies	\$ 240.06
	Pfizer Inc	\$ 28.71
	UnitedHealth Group Inc	\$ 579.61
	Apple Inc	\$ 224.72
	Qorvo Inc	\$ 112.38
	American Express Company	\$ 249.50
	Spotify Technology SA	\$ 335.59
	Tesla	\$ 214.14
	Cummins	\$ 299.80

## Sector report – July 2024

- The “FANG” HI’ 2024 Performance – FANGastic Tech Landscape
- Solar Energy Industry Report – 2024 – It’s Not Just Sunshine, It’s the Future
- Lithium: More Than Just a Battery – The energized landscape of lithium – 2024
- Electric Vehicles Industry Report 2024 – Charged up for Change


[Subscribe](#)