

Weekly Market Recap

The week in review

- Trade balance decreased to \$61.5 billion
- Initial claims decreased to 217K

The week ahead

- CPI
- PPI
- Retail Sales

Thought of the week

With almost 90% of market cap having reported, S&P 500 operating earnings are on track to finish 3Q23 +4.5% y/y. While results have fared well this quarter, we are beginning to see a slowdown on a sequential basis. We are currently tracking a q/q operating EPS decline of 3.8%, with many companies also downgrading guidance for 4Q23 and 2024. At the moment, the weaker than expected guidance falls in line with our view of 2024 earnings expectations as being overly optimistic. The current consensus estimate is for operating EPS to grow ~12% in 2024; we see operating EPS growing in the low-single digits, with the possibility of further downside dependent on economic activity and the dynamic between revenues and costs.

On the latter, the latest NFIB survey results and the October Jobs Reports have provided a timely update. So far this year, revenues have held up decently, as net pricing plans have increased on the back of strong consumption. With that being said, net sales expectations remain negative, perhaps suggesting we are beginning to see demand destruction. Turning to costs, as we show in this week's chart, since peaking in 2021, net compensation and hiring plans have declined notably and suggest a moderation in labor market strength. This was reiterated in the October jobs report, as nonfarm payrolls came in below expectations and average hourly earnings growth decelerated. Nevertheless, the October NFIB jobs survey also indicated that a high 43% of firms are still reporting they are unable to fill positions and could pose upside risk to the cooling we expect to see in wage growth; but, at the moment this has not materialized.

Labor market data over the coming months will be key, as they will help determine, in part, the path for earnings ahead.

Please see important disclosures on next page.

Weekly Data Center

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	4415	1.35	3.12	16.60	13.47	30.50
Dow Jones 30	34283	0.72	2.49	5.29	3.88	23.83
Russell 2000	4238	-3.11	-4.35	-1.92	-7.25	2.08
Russell 1000 Growth	1876	3.02	5.99	32.46	26.47	30.41
Russell 1000 Value	914	-0.99	-0.99	0.78	-0.47	23.70
MSCI EAFE	2012	-0.90	-0.84	6.69	11.07	10.83
MSCI EM	948	0.03	-0.36	1.80	9.93	-12.35
NASDAQ	13798	2.40	4.45	32.76	25.22	22.21

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	5.41	-0.29	0.39	-0.82	0.44	-14.05
U.S. Corporates	6.07	0.01	0.56	0.57	2.94	-14.07
Municipals (10yr)	3.76	0.69	1.64	0.05	3.50	-4.08
High Yield	9.01	-0.30	0.96	6.87	8.10	2.74

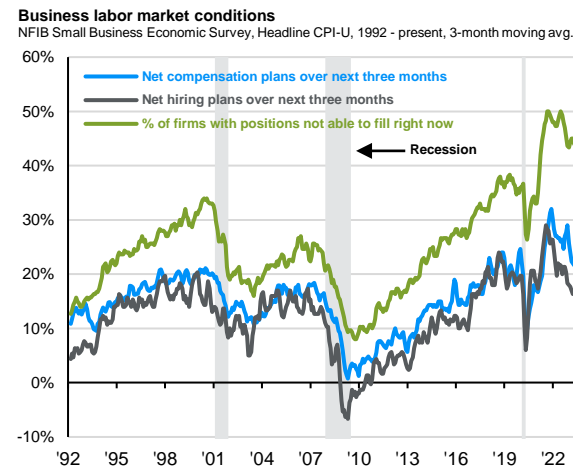
Key Rates	Levels (%)					
	11/10/23	11/3/23	9/29/23	12/30/22	11/10/22	11/10/20
2-yr U.S. Treasuries	5.04	4.83	5.03	4.41	4.34	0.19
10-yr U.S. Treasuries	4.61	4.57	4.59	3.88	3.82	0.98
30-yr U.S. Treasuries	4.73	4.77	4.73	3.97	4.03	1.75
10-yr German Bund	2.72	2.65	2.82	2.53	1.98	-0.49
3-mo. LIBOR	5.63	5.63	5.66	4.77	4.65	0.21
3-mo. EURIBOR	3.99	3.96	3.95	2.13	1.80	-0.51
6-mo. CD rate	2.19	2.19	2.21	1.80	1.41	0.28
30-yr fixed mortgage	7.61	7.61	7.53	6.58	7.00	2.98
Prime Rate	N/A	8.50	8.50	7.50	7.00	3.25

Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
18.26	4.01	1.55	37011
16.38	4.27	2.01	11129
18.40	1.59	1.61	2106
25.31	10.53	0.73	22118
13.57	2.20	2.47	18366
12.48	1.65	3.22	14616
11.49	1.52	2.57	6494
72.17	5.30	0.78	22402

Currencies	Levels		
	11/10/23	12/30/22	11/10/22
\$ per €	1.07	1.07	1.02
\$ per £	1.22	1.20	1.17
¥ per \$	151.48	131.95	141.59

Commod.	Levels		
	11/10/23	12/30/22	11/10/22
Oil (WTI)	75.72	80.16	86.52
Gasoline	3.40	3.09	3.80
Natural Gas	3.04	3.52	4.80
Gold	1942	1814	1745
Silver	22.50	23.95	21.09
Copper	8006	8387	8065
Corn	6.10	6.14	6.33
BBG Idx	231.56	245.89	251.35

Chart of the Week



Style Returns

	V	B	G
L	-1.0	1.4	3.0
M	-1.2	-0.7	0.3
S	-3.8	-3.1	-2.4

	V	B	G
L	0.8	16.6	32.5
M	-1.0	2.8	9.9
S	-4.0	-1.9	-0.3

S&P 500 Sector Returns

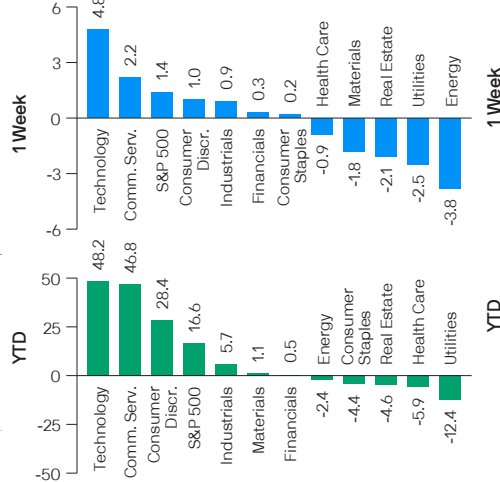




Chart of the Week: Source: FactSet, NFIB, J.P. Morgan Asset Management. All data series are net and represent the % of respondents answering higher less the % of respondents answering lower.

Thought of the week: Source: FactSet, NFIB, J.P. Morgan Asset Management. All data series are net and represent the % of respondents answering higher less the % of respondents answering lower.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.) ; provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI - EAFE; provided by: MSCI - gross official pricing. Index: MSCI - EM; provided by: MSCI - gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Bloomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI. 0903c02a81dbac80

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period.

Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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