

# Weekly Market Recap

## The week in review

- Headline CPI was unchanged m/m and rose 3.2% y/y in Oct.
- Retail sales fell 0.1% m/m in Oct.
- Industrial production declined 0.6% m/m in Oct.

## The week ahead

- FOMC minutes
- Prelim. Markit PMIs

## Thought of the week

It's not even Thanksgiving yet, but the holiday spending rush has already begun. The National Retail Federation is forecasting holiday spending growth of 3-4% from 2022, totaling between \$957.3-\$966.6 billion. This represents a normalization in holiday consumption growth to the pre-pandemic average of 3.6% y/y from 2010-19 after the last three years that were impacted by government stimulus. Higher prices and dwindling savings are putting pressure on consumers, but household balance sheets and debt service ratios remain healthy overall. However, holiday spending plans vary significantly between income groups. High-income households still have considerable savings, and those earning +\$200K annually are expected to spend 22% more than last year according to Deloitte. Lower-income shoppers may have already depleted their savings but will likely hunt for discounts, use more "buy now, pay later" options and rely on credit to continue spending.

Despite expectations for solid holiday spending growth, consumer companies need to be strategic given building headwinds such as increased difficulty in obtaining credit and lower consumer confidence. Those offering discounts and adapting to changes in customer preferences will likely see strong earnings results in 4Q.

Looking ahead, consumption is likely to soften further following October's retail sales decline of 0.1% m/m. More "normal" consumer spending activity in November and December could be favorable for markets and allow the Fed to cut rates earlier in 2024. While investors may want to wait for more data on how the economy is performing, slowly adding exposure to longer duration fixed income and equities is still prudent.

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	4514	2.31	5.51	19.29	16.30	31.09
Dow Jones 30	34947	2.06	4.60	7.46	6.43	24.73
Russell 2000	4468	5.49	0.90	3.46	-0.68	4.34
Russell 1000 Growth	1914	2.10	8.22	35.25	29.09	30.02
Russell 1000 Value	939	2.88	1.86	3.68	3.01	25.04
MSCI EAFE	2101	4.51	3.63	11.50	14.18	13.27
MSCI EM	977	2.99	2.62	4.84	6.86	-11.35
NASDAQ	14125	2.42	6.98	35.98	27.83	21.52

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	5.21	1.37	1.77	0.54	1.19	-13.40
U.S. Corporates	5.83	1.75	2.32	2.33	3.41	-13.37
Municipals (10yr)	3.54	1.25	2.92	1.30	3.25	-3.37
High Yield	8.82	0.88	1.85	7.81	8.40	3.61

Key Rates	Levels (%)					
	11/17/23	11/10/23	9/29/23	12/30/22	11/17/22	11/17/20
2-yr U.S. Treasuries	4.88	5.04	5.03	4.41	4.43	0.18
10-yr U.S. Treasuries	4.44	4.61	4.59	3.88	3.77	0.87
30-yr U.S. Treasuries	4.59	4.73	4.73	3.97	3.89	1.62
10-yr German Bund	2.58	2.72	2.82	2.53	2.02	-0.56
3-mo. LIBOR	5.63	5.64	5.66	4.77	4.68	0.23
3-mo. EURIBOR	3.98	3.99	3.95	2.13	1.80	-0.52
6-mo. CD rate	2.18	2.19	2.21	1.80	1.42	0.28
30-yr fixed mortgage	7.61	7.61	7.53	6.58	6.90	2.99
Prime Rate	8.50	8.50	8.50	7.50	7.00	3.25

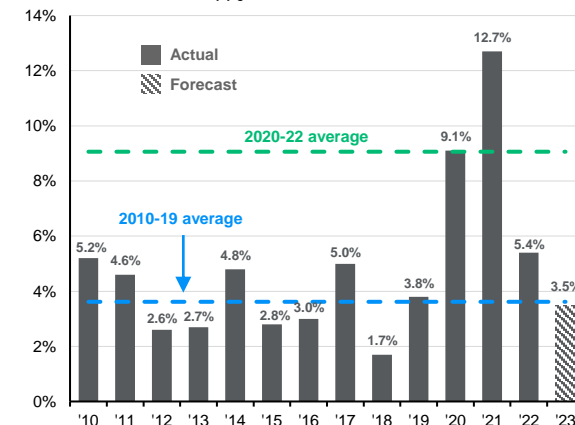
Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
18.63	4.10	1.51	37838
16.67	4.34	N/A	11275
19.55	1.66	1.53	2219
25.76	10.74	0.72	22574
13.94	2.25	2.40	18875
12.83	1.69	3.29	15266
11.68	1.55	3.18	6687
26.20	5.42	0.77	22940

Currencies	Levels		
	11/17/23	12/30/22	11/17/22
\$ per €	1.09	1.07	1.03
\$ per £	1.24	1.20	1.18
¥ per \$	149.58	131.95	140.58

Commod.	Levels		
	11/17/23	12/30/22	11/17/22
Oil (WTI)	72.92	80.16	81.69
Gasoline	3.35	3.09	3.76
Natural Gas	3.07	3.52	6.20
Gold	1981	1814	1759
Silver	24.00	23.95	21.08
Copper	8141	8387	8155
Corn	6.10	6.14	6.48
BBG Idx	232.50	245.89	249.65

## Chart of the Week

**Holiday sales growth is set to return to its pre-pandemic pace**  
November & December sales, % y/y growth, nsa



## Style Returns

	V	B	G
L	2.9	2.3	2.1
M	3.7	3.7	3.8
S	5.7	5.5	5.2

	V	B	G
L	3.7	19.3	35.2
M	2.7	6.6	14.0
S	1.5	3.5	4.9

## S&P 500 Sector Returns

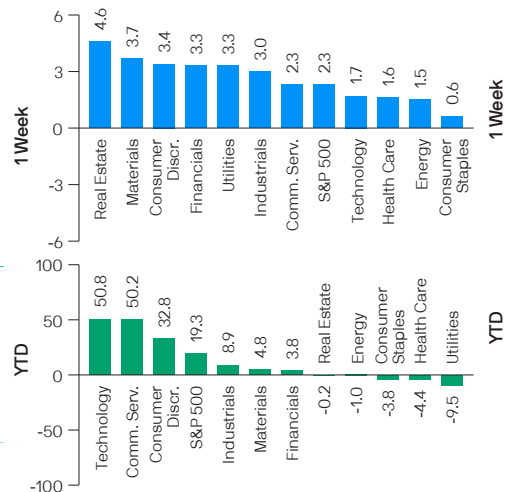




Chart of the Week: National Retail Federation (NRF), U.S. Census, J.P. Morgan Asset Management. NRF holiday spending is defined as the months of November and December. NRF's holiday sales exclude automobile dealers, gasoline stations and restaurants.

Thought of the week: 2023 Deloitte holiday retail survey, National Retail Federation (NRF), U.S. Census, J.P. Morgan Asset Management.

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.

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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**Diversification does not guarantee investment returns and does not eliminate the risk of loss.**

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