



# Weekly Market Recap

## The week in review

- Job openings fell from 9.4mn to 8.7mn
- Initial claims edged higher to 220k
- Nonfarm payrolls increased to 199k

## The week ahead

- CPI
- Retail sales
- FOMC meeting

## Thought of the week

This year, markets and the Federal Reserve have repeatedly danced the tango, with markets moving forward in anticipation of early interest rate cuts and then stepping back to realign with "Fedspeak" on inflation and the labor market. As the year draws to a close, the dance has resumed.

Last week's labor data painted a nuanced picture. While job openings fell by more than expected, to 8.7 million, non-farm payrolls rose by 199k, bringing the unemployment rate down to 3.7%. However, this increase in payrolls was anticipated, given the return of auto union workers to the workforce. Moreover, as shown in the chart of the week, wage growth declined to 4% alongside the quits rate, which has softened gradually from its April 2022 peak.

While current wage growth is above the Fed's target level, cumulative real wage growth since the end of the pandemic recession is still negative. As a result, wage pressure seems more in response to past inflation than an indicator of future inflation. However, it is still crucial to acknowledge that despite some recent moderation, the labor market is still very strong, and since the quits rate has stabilized over the last four months, any further moderation in wage growth will likely be gradual.

Currently, the futures market anticipates between four and five rate cuts in 2024, starting as early as 1Q. However, unless the labor market weakens significantly and inflation falls back promptly to the Fed's 2% target, the Fed may opt for a more measured pace of easing than the market expects. This week's FOMC meeting will be critical, with its revised dot plot set to clarify if market sentiment remains more dovish than actual Fed communications.

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	4604	0.24	7.73	21.81	18.11	30.36
Dow Jones 30	36248	0.04	8.75	11.72	9.64	27.71
Russell 2000	4674	1.00	5.67	8.36	5.10	2.04
Russell 1000 Growth	1955	0.72	10.57	38.18	31.58	27.87
Russell 1000 Value	963	-0.31	4.60	6.48	5.08	24.49
MSCI EAFE	2138	0.39	5.57	13.58	12.64	12.11
MSCI EM	975	-0.70	2.59	4.80	3.69	-15.14
NASDAQ	14404	0.70	9.14	38.73	31.09	17.17

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.95	0.15	3.91	2.66	0.67	-11.74
U.S. Corporates	5.51	0.25	5.16	5.17	2.52	-11.70
Municipals (10yr)	3.01	0.56	5.81	4.15	3.97	-1.35
High Yield	8.41	0.37	4.03	10.13	8.83	3.88

Key Rates	Levels (%)					
	12/8/23	12/1/23	9/29/23	12/30/22	12/8/22	12/8/20
2-yr U.S. Treasuries	4.71	4.56	5.03	4.41	4.31	0.14
10-yr U.S. Treasuries	4.23	4.22	4.59	3.88	3.48	0.92
30-yr U.S. Treasuries	4.31	4.40	4.73	3.97	3.44	1.67
10-yr German Bund	2.38	2.38	2.82	2.53	1.80	-0.62
SOFR	5.32	5.39	5.31	4.30	3.80	0.07
3-mo. EURIBOR	3.95	3.96	3.95	2.13	1.99	-0.54
6-mo. CD rate	2.22	2.22	2.21	1.80	1.66	0.27
30-yr fixed mortgage	7.17	7.17	7.53	6.58	6.41	2.90
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)
18.82	4.19	1.48	38622
17.09	4.50	N/A	11555
20.22	1.72	1.46	2318
25.88	11.06	0.70	23050
14.23	2.29	2.34	19354
12.98	1.71	3.14	15477
11.55	1.55	2.96	6730
26.07	5.56	0.75	23372

Currencies	Levels		
	12/8/23	12/30/22	12/8/22
\$ per €	1.08	1.07	1.05
\$ per £	1.25	1.20	1.22
¥ per \$	144.51	131.95	136.50

Commod.	Levels		
	12/8/23	12/30/22	12/8/22
Oil (WTI)	69.33	80.16	71.30
Gasoline	3.23	3.09	3.39
Natural Gas	2.59	3.52	4.79
Gold	2008	1814	1790
Silver	23.79	23.95	22.70
Copper	8348	8387	8537
Corn	6.10	6.14	5.78
BBG Idx	223.94	245.89	241.73

## Chart of the Week

**JOLTS quits rate and wages have declined in tandem**  
Quits as % of employed, wages for PP&NS workers, 3mo. MA



## Style Returns

	V	B	G
L	-0.3	0.2	0.7
M	0.2	0.0	-0.4
S	1.1	1.0	0.9
	V	B	G
L	6.5	21.8	38.2
M	6.7	10.9	18.8
S	6.5	8.4	9.7

## S&P 500 Sector Returns

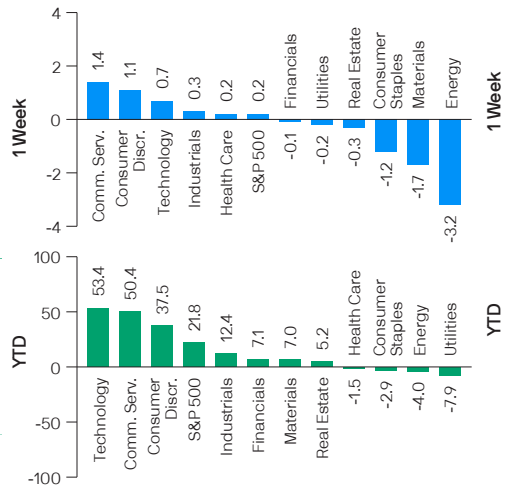




Chart of the Week: Source: BLS, FactSet, J.P. Morgan Asset Management.

Thought of the week: Source: BLS, FactSet, 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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