



Weekly Market Recap

The week in review

- New home sales: 679K
- Pending home sales: 1.5% m/m
- Headline/Core PCE: 3.0%/3.5% y/y

The week ahead

- JOLTs
- Services PMI
- Employment report

Thought of the week

Despite a decline over the past few weeks, the 30-year fixed-rate mortgage rate remains at nearly its highest level in 20 years and more than double its level at the start of last year. However, it is important to distinguish between the impact of this rate surge on the housing market and on consumption. This week's chart shows the yawning gap between the average rate on new 30-year fixed-rate mortgages and the average mortgage rate for existing mortgage holders. For home buyers, the change in the environment has been dramatic, leading to a very sharp decline in both housing starts and home sales. However, it is important to recognize that fewer than 4% of American households bought a home in the last year. For the vast majority of families who either don't have a mortgage or have a fixed-rate mortgage, the surge in mortgage rates has had no impact on their financial position. For this reason, while the Federal Reserve has been raising interest rates to slow aggregate demand, real consumer spending has remained strong, with a 2.2% year-over-year increase in October and a strong early start to the holiday retail season. In short, while the Fed's higher-for-longer interest rate policy continues to undermine the housing market, it is having little impact on consumer spending and today's housing crunch, unlike the bursting housing bust of the mid-2000s, and does not appear to be of a magnitude that will put the U.S. economy into a recession.

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	4595	0.83	7.47	21.52	14.60	31.51
Dow Jones 30	36246	2.60	8.71	11.68	7.71	29.24
Russell 2000	4629	3.12	4.63	7.29	0.57	5.55
Russell 1000 Growth	1941	0.38	9.78	37.20	26.63	28.32
Russell 1000 Value	966	1.95	4.93	6.81	2.60	27.11
MSCI EAFE	2130	0.40	5.15	13.14	10.30	12.69
MSCI EM	982	0.20	3.31	5.55	3.48	-12.42
NASDAQ	14305	0.41	8.38	37.76	25.65	18.52

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.91	2.04	3.76	2.51	1.03	-11.77
U.S. Corporates	5.48	2.26	4.89	4.91	3.17	-11.84
Municipals (10yr)	3.12	1.65	5.22	3.57	3.92	-1.75
High Yield	8.46	1.30	3.65	9.72	8.10	4.32

Key Rates	Levels (%)						
	12/1/23	11/24/23	9/29/23	12/30/22	12/1/22	12/1/20	
2-yr U.S. Treasuries	4.56	4.92	5.03	4.41	4.25	0.17	
10-yr U.S. Treasuries	4.22	4.47	4.59	3.88	3.53	0.92	
30-yr U.S. Treasuries	4.40	4.60	4.73	3.97	3.64	1.66	
10-yr German Bund	2.38	2.65	2.82	2.53	1.83	-0.53	
3-mo. LIBOR	5.64	5.65	5.66	4.77	4.77	0.23	
3-mo. EURIBOR	3.96	3.94	3.95	2.13	1.97	-0.53	
6-mo. CD rate	2.22	2.22	2.21	1.80	1.57	0.27	
30-yr fixed mortgage	7.37	7.37	7.53	6.58	6.49	2.92	
Prime Rate	8.50	8.50	8.50	7.50	7.00	3.25	

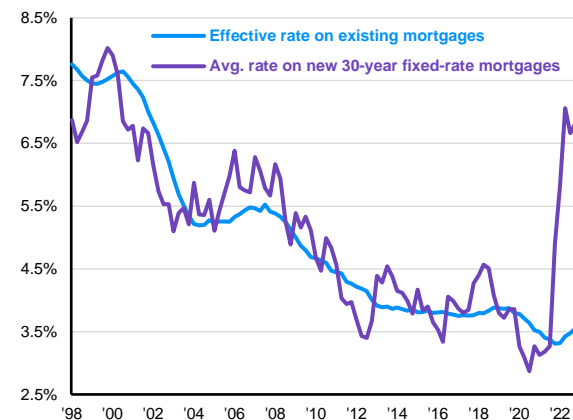
Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
18.83	4.17	1.49	38540
17.16	4.49	N/A	11522
20.08	1.72	1.48	2295
25.79	10.94	0.70	22885
14.31	2.30	2.33	19423
12.97	1.70	3.14	15419
11.64	1.56	2.96	6779
26.04	5.51	0.77	23216

Currencies	Levels		
	12/1/23	12/30/22	12/1/22
\$ per €	1.08	1.07	1.05
\$ per £	1.26	1.20	1.23
¥ per \$	147.66	131.95	135.93

Commod.	Levels		
	12/1/23	12/30/22	12/1/22
Oil (WTI)	76.04	80.16	81.06
Gasoline	3.24	3.09	3.53
Natural Gas	2.81	3.52	6.33
Gold	2045	1814	1803
Silver	25.16	23.95	22.14
Copper	8456	8387	8217
Corn	6.10	6.14	6.11
BBG Idx	231.96	245.89	252.15

Chart of the Week

Housing: Frozen in place by mortgage rate surge



Style Returns

	V	B	G
L	2.0	0.8	0.4
M	2.9	2.9	2.8
S	3.5	3.1	2.7
	V	B	G
L	6.8	21.5	37.2
M	6.5	10.9	19.3
S	5.3	7.3	8.8

S&P 500 Sector Returns

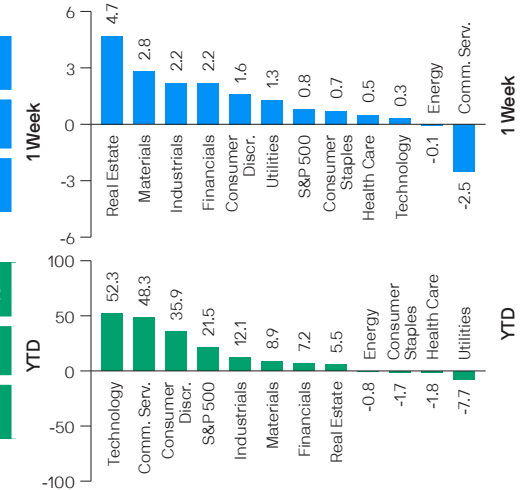




Chart of the Week: Source: BEA, Bloomberg, J.P. Morgan Asset Management.

Thought of the week: Source: BEA, Bloomberg, 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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