

# Weekly Market Recap

## The week in review

- Fed cut rates by 25bps to 4.50%-4.75%
- Consumer sentiment rose to 73.0 in Nov.

## The week ahead

- CPI
- PPI
- Retail sales

## Thought of the week

As the dust settles post-election, investors are keenly assessing what the next four years might bring. Despite the policy uncertainties that accompany a unified Republican government, the economic outlook remains largely stable. Additionally, market fundamentals look strong and matter more for returns, especially over the long term.

The U.S. economy continues to be a straight A student, with GDP growth above trend (3Q24: 2.8% q/q saar), full employment (October unemployment rate: 4.1%), and low inflation (September CPI: 2.4% y/y), as shown in this week's chart. Consumers are maintaining their spending habits despite dissatisfaction with mortgage rates, which are higher than before the pandemic, and the price increases of the past few years. However, this confidence may be shifting, as evidenced by the Consumer Confidence Index's significant monthly increase—the largest since March 2021—rising to 108.7 in October from 99.2 in September. Notably, all five components of the index improved, indicating growing confidence in future job availability and stock market gains.

This economic environment is favorable for equity markets. Declining interest rates and real wage gains are positive for consumer spending, and S&P 500 operating margins are 8% above long-term averages, showcasing the dynamism of U.S. companies. Additionally, secular trends continue to encourage corporate investment. Besides high valuations, there are few reasons to anticipate a disruption in the upward trajectory of equities.

The effects of the new administration's policies won't be apparent for a while, so investors should refocus on the fundamentals, which are undeniably strong.

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	5996	4.69	4.17	27.17	38.80	33.62
Dow Jones 30	43989	4.61	4.01	18.50	31.49	28.37
Russell 2000	5964	8.61	7.70	19.72	42.03	2.60
Russell 1000 Growth	2653	5.74	6.15	32.21	43.91	33.93
Russell 1000 Value	1186	3.99	2.88	20.04	33.11	24.89
MSCI EAFE	2337	0.07	-5.22	7.57	19.50	8.20
MSCI EM	1136	1.22	-2.92	13.82	22.06	-1.85
NASDAQ	19287	5.76	6.08	29.25	42.37	23.59

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.71	0.78	-2.16	2.20	8.02	-6.57
U.S. Corporates	5.09	1.25	-1.70	3.54	11.11	-6.02
Municipals (10yr)	3.41	0.38	-1.26	-0.25	5.45	-0.91
High Yield	7.34	0.74	0.25	8.28	14.70	9.27

Key Rates	Levels (%)					
	11/8/24	11/1/24	9/30/24	12/29/23	11/8/23	11/8/21
2-yr U.S. Treasuries	4.26	4.21	3.66	4.23	4.93	0.45
10-yr U.S. Treasuries	4.30	4.37	3.81	3.88	4.49	1.51
30-yr U.S. Treasuries	4.47	4.57	4.14	4.03	4.64	1.89
10-yr German Bund	2.36	2.39	2.12	2.00	2.64	-0.26
SOFR	4.82	4.86	4.96	5.38	5.32	0.05
3-mo. EURIBOR	3.03	3.09	3.28	3.91	3.97	-0.57
6-mo. CD rate	2.35	2.31	2.29	2.23	2.19	0.14
30-yr fixed mortgage	7.23	7.28	6.68	6.99	7.83	3.07
Prime Rate	8.00	8.00	8.00	8.50	8.50	3.25

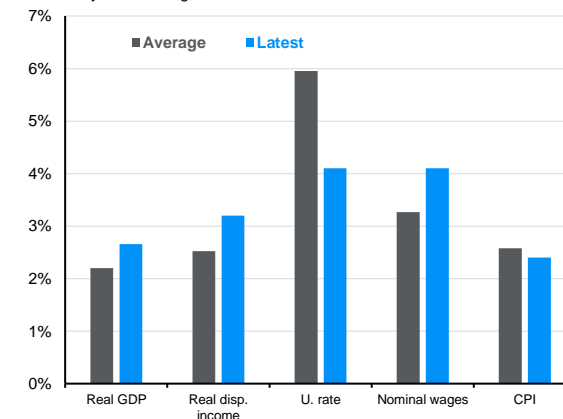
Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
22.30	4.98	1.19	50688
20.59	5.51	1.61	0.00
26.87	1.24	1.19	2844
29.74	12.77	0.51	29198
17.21	2.73	1.92	25892
13.90	1.81	2.92	16615
12.44	1.75	2.13	8032
28.55	6.64	0.62	31257

Currencies	Levels		
	11/8/24	12/29/23	11/8/23
\$ per €	1.07	1.10	1.07
\$ per £	1.29	1.27	1.23
¥ per \$	152.43	140.98	150.86

Commod.	Levels		
	11/8/24	12/29/23	11/8/23
Oil (WTI)	72.39	71.89	75.85
Gasoline	3.07	3.12	3.40
Natural Gas	2.69	2.58	2.18
Gold	2691	2078	1959
Silver	31.55	23.79	22.44
Copper	9323	8476	8088
Corn	4.23	4.59	4.61
BBG Idx	235.58	226.43	233.17

## Chart of the Week

**Economic fundamentals are undeniably strong**  
Year-over-year % change\* since 2000



## Style Returns

	V	B	G
L	4.0	4.7	5.7
M	4.6	5.7	9.2
S	8.1	8.6	9.0

	V	B	G
L	20.0	27.2	32.2
M	18.7	20.4	25.5
S	16.3	19.7	23.3

## S&P 500 Sector Returns

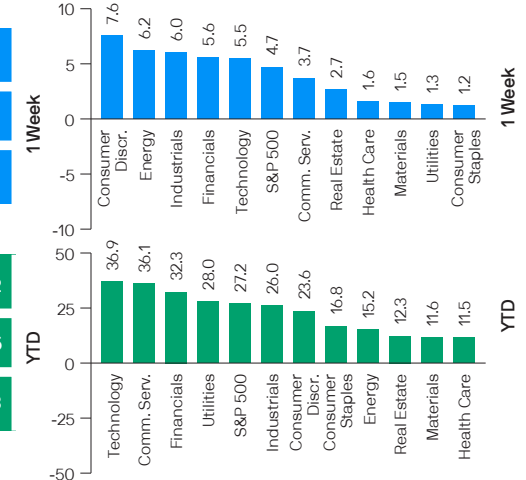




Chart of the Week: Source: BEA, BLS, J.P. Morgan Asset Management. \*All figures are y/y change, except for the unemployment rate (U. rate), which is a ratio. Nominal wages: Avg. hourly earnings of production and non-supervisory workers.

Thought of the week: Source: BEA, BLS, Conference Board, S&P, 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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