

Weekly Market Recap

The week in review

- Nonfarm payrolls rose by 227K, beating expectations
- The unemployment rate ticked higher to 4.2%

The week ahead

- CPI
- PPI

Thought of the week

The U.S. labor market, while having cooled from its red-hot state, has settled into a relatively healthy position. Following a month of hiring disruptions due to hurricanes and strikes, businesses added 227K jobs in November. However, the uneven nature of recent job growth has led many to question the true health of the labor market.

2024 employment growth has been concentrated in a few key sectors, primarily health care and government, which have contributed 41% and 21% of this year's job gains, respectively. Health care's hiring dominance seems less concerning as the sector is still addressing pandemic-related backlogs. However, employment growth dominated by the public sector, which tends to see increased hiring later in the economic cycle, may be viewed as a warning sign. That said, there are important nuances to consider. Keeping in mind that government employment currently accounts for 14.7% of total payrolls, its 21% share of total job growth, 90% of which has come at the state and local level, appears less troublesome. Moreover, the sector's share of payrolls remains below its pre-pandemic (2014 - 2019) average of 15.3%, suggesting its recent outsized growth reflects the continued uneven normalization of the labor market post-pandemic. Outside of these two sectors, sluggish manufacturing activity has been a headwind. Still, some cyclical sectors, including construction, leisure and transportation have seen solid job gains this year.

Despite data volatility, recent employment conditions and positive real wage gains have supported a resilient consumer and U.S. economy. With job openings back near pre-pandemic levels, this isn't a labor market that is likely to boom, but it shouldn't bust either. Steady economic growth and solid corporate profits should support a moderate pace of hiring in the year 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	6090	0.99	5.95	29.34	35.75	38.96
Dow Jones 30	44643	-0.53	5.83	20.57	26.10	34.64
Russell 2000	5987	-1.02	8.25	20.34	31.89	14.19
Russell 1000 Growth	2747	3.64	10.00	37.00	43.84	43.49
Russell 1000 Value	1188	-1.86	3.26	20.48	26.99	29.04
MSCI EAFE	2355	1.71	-4.34	8.58	13.64	15.27
MSCI EM	1105	2.47	-5.48	10.82	16.61	-0.24
NASDAQ	19860	3.36	9.32	33.19	41.40	33.60

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.58	0.45	-1.01	3.40	5.76	-5.33
U.S. Corporates	4.99	0.50	-0.62	4.66	7.42	-4.61
Municipals (10yr)	3.18	0.40	0.24	1.26	2.93	0.20
High Yield	7.28	0.42	1.03	9.11	12.33	11.20

Key Rates	Levels (%)					
	12/6/24	11/29/24	9/30/24	12/29/23	12/6/23	12/6/21
2-yr U.S. Treasuries	4.10	4.13	3.66	4.23	4.60	0.65
10-yr U.S. Treasuries	4.15	4.18	3.81	3.88	4.12	1.43
30-yr U.S. Treasuries	4.34	4.36	4.14	4.03	4.22	1.75
10-yr German Bund	2.10	2.11	2.12	2.00	2.21	-0.39
SOFR	4.59	4.59	4.96	5.38	5.32	0.05
3-mo. EURIBOR	2.87	2.93	3.28	3.91	3.95	-0.56
6-mo. CD rate	2.31	2.31	2.29	2.23	2.22	0.14
30-yr fixed mortgage	6.95	7.12	6.68	6.99	7.42	3.18
Prime Rate	7.75	7.75	8.00	8.50	8.50	3.25

Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
22.35	5.02	1.18	51519	
20.63	5.62	1.59	19262	
26.54	1.19	1.19	2842	
30.15	13.24	0.51	30236	
17.09	2.72	1.92	25931	
14.04	1.84	2.96	16777	
12.25	1.76	2.21	7876	
28.89	6.90	0.62	32327	

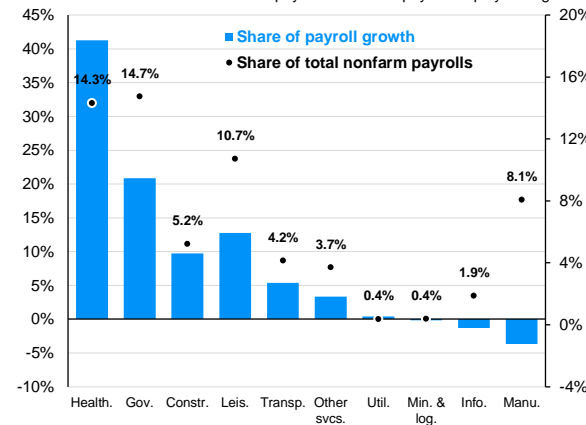
Currencies	Levels		
	12/6/24	12/29/23	12/6/23
\$ per €	1.06	1.10	1.08
\$ per £	1.27	1.27	1.26
¥ per \$	149.89	140.98	147.22

Commod.	Levels		
	12/6/24	12/29/23	12/6/23
Oil (WTI)	68.33	71.89	68.98
Gasoline	3.03	3.12	3.23
Natural Gas	3.08	2.58	2.76
Gold	2637	2078	2026
Silver	31.11	23.79	24.10
Copper	9040	8476	8297
Corn	4.35	4.59	4.63
BBG Idx	234.83	226.43	223.16

Chart of the Week

Employment by sector

Select sectors' share of total nonfarm payrolls and 2024 payroll employment growth



Style Returns

	V	B	G
L	-1.9	1.0	3.6
M	-1.7	-0.6	2.5
S	-1.5	-1.0	-0.5
	V	B	G
L	20.5	29.3	37.0
M	19.9	23.3	33.4
S	16.1	20.3	24.7

S&P 500 Sector Returns

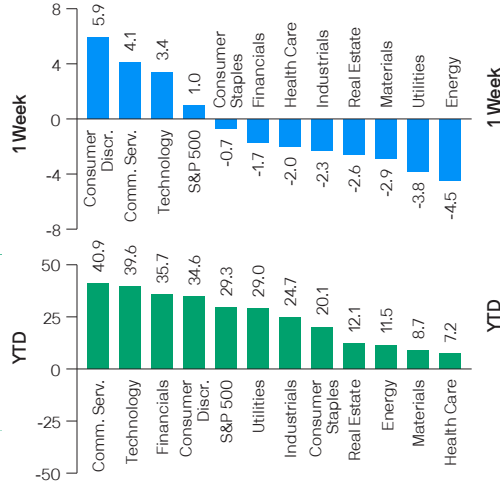




Chart of the Week: Source: Bloomberg, BLS, J.P. Morgan Asset Management. Health.: Health care and social assistance; Leis.: Leisure and hospitality; Transp.: Transportation and warehousing; Min. & log.: Mining and logging.

Thought of the week: Source: BLS, J.P. Morgan Asset Management. Health care refers to health care and social assistance.

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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