



WEEK OF NOVEMBER 4, 2024

Market Update

Hiring slowed notably in October, though the figure was affected by the Boeing strike and two hurricanes. Mega-caps showed mixed earnings, with some revealing signs of caution ahead. This week will include earnings, the U.S. election, and the Federal Reserve (Fed) rate decision.

Quick Hits

- 1. Report releases:** Hiring, hampered by the Boeing strike and two hurricanes, slowed notably in October.
- 2. Financial market data:** Mega-caps showed mixed earnings, with some revealing signs of caution ahead.
- 3. Looking ahead:** Earnings, the U.S. election, and another Fed rate cut decision are on tap this week.



Report Releases: October 28–November 1, 2024

Conference Board Consumer Confidence Index October (Tuesday)

Consumer confidence improved much more than expected, lifting the index to a nine-month high.

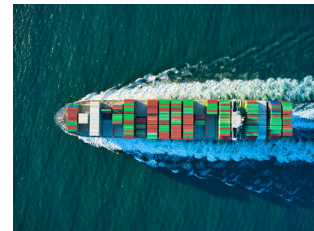
- Expected/prior month consumer confidence: 99.2/99.5
- Actual consumer confidence: 108.7



Advance Report of Annualized GDP Third Quarter (Wednesday)

Economic growth slowed modestly in the third quarter on an annualized basis. Personal consumption growth rose during the quarter, signaling continued consumer spending growth.

- Expected/prior quarter GDP growth: +2.9%/+3.0%
- Actual GDP growth: +2.8%



Personal Income and Spending September (Thursday)

Personal income and spending continued to improve in September. The strong personal spending growth during the month marked 18 consecutive months with spending growth.

- Expected/prior personal income monthly change: +0.3%/+0.2%
- Actual personal income change: +0.3%
- Expected/prior personal spending monthly change: +0.4%/+0.3%
- Actual personal spending change: +0.5%



Employment Report October (Friday)

Hiring slowed notably in October; headline hiring fell to just 12,000 jobs during the month. That said, two large hurricanes and a strike at Boeing were major headwinds that should fade in the months ahead.

- Expected/prior change in nonfarm payrolls: +100,000/+223,000
- Actual change in nonfarm payrolls: +12,000



>> The Takeaway

- Better-than-expected consumer confidence was reflected in the September spending figure.
- Hiring, hampered by the Boeing strike and two hurricanes, slowed notably in October.

Financial Market Data

Equity

Index	Week-to-Date	Month-to-Date	Year-to-Date	12-Month
S&P 500	-1.35%	0.41%	21.46%	37.12%
Nasdaq Composite	-1.50%	0.80%	22.21%	40.76%
DJIA	-0.15%	0.69%	13.28%	28.88%
MSCI EAFE	-1.05%	0.14%	7.56%	22.52%
MSCI Emerging Markets	-1.08%	0.25%	12.39%	26.08%
Russell 2000	0.11%	0.62%	10.23%	34.28%

Source: Bloomberg, as of November 1, 2024

Big technology dragged equities lower, with the S&P 500 falling 1.35 percent. Apple, Microsoft, Meta Platforms, and Eli Lilly helped drag the index lower. Apple sold off on weak guidance, Microsoft on slower cloud growth, Meta on increased capital expenditures, and Eli Lilly on higher wholesaler inventories. Amazon and Alphabet bucked the trend, posting strong earnings results. The Dow Jones Industrial Average and Russell 2000 fared a bit better than the S&P 500.

Fixed Income

Index	Month-to-Date	Year-to-Date	12-Month
U.S. Broad Market	-3.20%	1.40%	8.99%
U.S. Treasury	-3.10%	0.89%	7.04%
U.S. Mortgages	-3.55%	1.13%	9.53%
Municipal Bond	-1.72%	0.83%	9.54%

Source: Bloomberg, as of November 1, 2024

Bonds continued their recent lift beyond the 2-year Treasury maturity as the yield curve continues to flatten. The belly of the curve, between 2- and 10-year maturities, led the move, with the 5-year up 16 basis points (bps) to close the week at 4.21 percent.

>> The Takeaway

- Mega-cap names showed signs of potential headwinds ahead.
- The yield curve continued to flatten; the area beyond the 2-year yield moved higher.

Looking Ahead

This week will be extremely busy, with earnings, the U.S. election, and a Fed rate decision on tap.

- The data kicks off on Tuesday, with the release of the **U.S. trade balance** for September and the **Institute for Supply Management (ISM) Services index** for October. The trade balance is expected to be a slightly larger deficit, whereas service sector confidence is expected to fall modestly.
- On Thursday, the **Federal Open Market Committee (FOMC)** will release its rate decision. The Fed is widely expected to cut the federal funds rate 25 bps.
- Finally, on Friday, the **University of Michigan consumer sentiment survey** for November will be released. It's expected to show improving sentiment.





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measures the performance of all issues listed in the Nasdaq Stock Market, except for rights, warrants, units, and convertible debentures. The Dow Jones Industrial Average is computed by summing the prices of the stocks of 30 large companies and then dividing that total by an adjusted value, one which has been adjusted over the years to account for the effects of stock splits on the prices of the 30 companies. Dividends are reinvested to reflect the actual performance of the underlying securities. The MSCI EAFE Index is a float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a market capitalization-weighted index composed of companies representative of the market structure of 26 emerging market countries in Europe, Latin America, and the Pacific Basin. The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index. The Bloomberg US Aggregate Bond Index is an unmanaged market value-weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. The U.S. Treasury Index is based on the auctions of U.S. Treasury bills, or on the U.S. Treasury's daily yield curve. The Bloomberg US Mortgage Backed Securities (MBS) Index is an unmanaged market value-weighted index of 15- and 30-year fixed-rate securities backed by mortgage pools of the Government National Mortgage Association (GNMA), Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (FHLMC), and balloon mortgages with fixed-rate coupons. The Bloomberg US Municipal Index includes investment-grade, tax-exempt, and fixed-rate bonds with long-term maturities (greater than 2 years) selected from issues larger than \$50 million. One basis point is equal to 1/100th of 1 percent, or 0.01 percent.

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