Greensboro, North Carolina

Market Update

Consumer confidence improved more than expected. Equity markets continued to show signs of broadening beyond Nvidia and Tesla. We expect several important reports this week, highlighted by employment data on Friday.

Quick Hits

1. **Report releases:** Consumer confidence improved more than expected.

2. **Financial market data:** Equity markets continued to show signs of broadening beyond Nvidia and Telsa.

3. **Looking ahead:** We expect several important reports this week, highlighted by employment data on Friday.

Report Releases: November 25–29, 2024

Conference Board Consumer Confidence Index
November (Tuesday)

Confidence rose more than expected as consumers' assessment of current business and labor market conditions improved. The short-term outlook also improved for consumers.
• Expected/prior month consumer confidence level: 111.0/108.7
• Actual consumer confidence level: 111.7
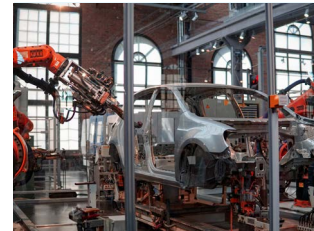
Federal Open Market Committee (FOMC) Meeting Minutes
November (Tuesday)

FOMC meeting minutes noted continued interest rate cuts but at a more gradual level because inflation remains higher than the Federal Reserve's (Fed's) long-term target.

Durable Goods Orders
October (Wednesday)

Durable goods orders were lower than expected but experienced a recovery in transportation equipment after two months of declines.
• Expected/prior month durable goods orders change: +0.5%/−0.4%
• Actual existing durable goods orders change: +0.2%

Personal Income and Spending
October (Wednesday)

Personal income rose more than expected in October, whereas personal spending was in line with expectations.
• Expected/prior release personal income change: +0.3%/+0.3%
• Actual personal income change: +0.6%
• Expected/prior release personal spending change: +0.4%/+0.6%
• Actual personal spending change: +0.4%

>> The Takeaway

• Consumer confidence and personal income were better than expected.

• FOMC meeting minutes showed the Fed expects future rate cuts to come at a more gradual pace.

Financial Market Data

Equity

Index	Week-to-Date	Month-to-Date	Year-to-Date	12-Month
S&P 500	1.08%	5.87%	28.06%	33.86%
Nasdaq Composite	1.14%	6.30%	28.88%	36.12%
DJIA	1.44%	7.74%	21.21%	27.19%
MSCI EAFE	1.84%	−0.55%	6.84%	12.54%
MSCI Emerging Markets	−0.77%	−3.58%	8.10%	12.37%
Russell 2000	1.19%	10.97%	21.57%	36.44%

Source: Bloomberg, as of November 29, 2024

The Developed Markets International Index in the MSCI EAFE led the way. Domestically, the Dow Jones Industrial Average outperformed. In the Nasdaq Composite, Tesla and Nvidia lagged. Apple, Amazon, Microsoft, Eli Lilly, Meta Platforms, Alphabet, and Berkshire Hathaway were top contributors.

Fixed Income

Index	Month-to-Date	Year-to-Date	12-Month
U.S. Broad Market	1.06%	2.93%	6.88%
U.S. Treasury	0.78%	2.15%	5.59%
U.S. Mortgages	1.33%	2.89%	7.33%
Municipal Bond	1.73%	2.55%	4.93%

Source: Bloomberg, as of November 29, 2024

The Treasury yield curve saw a deeper inversion as the areas beyond the 2-year moved notably lower. The 10-year declined more than 23 basis points (bps) amid a stronger-than-expected set of Treasury auctions.

>> The Takeaway

- Equity markets continued to show signs of broadening beyond Nvidia and Tesla.

- The back end of the yield curve came down notably amid stronger Treasury auctions.

Looking Ahead

This week, we expect several important reports, highlighted by Friday's employment data.

- The week kicks off Monday with the **Institute for Supply Management (ISM) Manufacturing index**. The sector is expected to see slight improvement but is expected to remain in contractionary territory.

- On Wednesday, the **ISM Services index** will be released. Services are expected to hold steady at 57, which remains firmly in expansionary territory.

- **The trade deficit**, anticipated on Thursday, is expected to drop by roughly $10 billion.

- The week will close Friday with **the employment report** for November. Employment is expected to improve notably after October's major miss.

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