



WEEK OF DECEMBER 9, 2024

# Market Update

Hiring rebounded swiftly in November after a weather-driven slowdown in October. The so-called Magnificent Seven (Apple, Alphabet, Amazon, Nvidia, Meta Platforms, Microsoft, and Tesla) led the rally. The yield curve was little changed, with very modest steepening. The focus this week will be on inflation.

## Quick Hits

- 1. Report releases:** Hiring rebounded swiftly in November after a weather-driven slowdown in October.
- 2. Financial market data:** The so-called Magnificent Seven led markets higher.
- 3. Looking ahead:** The focus this week will be on inflation.



## Report Releases: December 2–6, 2024

**Institute for Supply Management (ISM) Manufacturing Index:**  
November  
(Monday)

Manufacturer confidence improved more than expected, in part because of a rise in new orders.

- Expected/prior ISM Manufacturing index: 47.5/46.5
- Actual ISM Manufacturing index: 48.4



**ISM Services Index:**  
November  
(Wednesday)

Although service sector confidence fell notably, the index remained in expansionary territory.

- Expected/prior ISM Services index: 55.7/56.0
- Actual ISM Services index: 52.1



**U.S. Trade Balance:**  
October  
(Thursday)

The trade balance narrowed as imports of industrial supplies, consumer goods, and automotive vehicles parts and engines fell.

- Expected/prior month trade balance: -\$75.6B/-\$84.4B
- Actual trade balance: -\$73.8B



**Employment Report:**  
November  
(Friday)

Hiring rebounded after experiencing a weather-driven slowdown in October. Previous month reports were also revised upward, indicating a still-healthy labor market.

- Expected/prior change in nonfarm payrolls: +220,000/+12,000
- Actual change in nonfarm payrolls: +227,000



### >> The Takeaway

- Services weakened as manufacturing confidence got a boost in November.
- Hiring rebounded swiftly in November after a weather-driven slowdown in October.

## Financial Market Data

### Equity

Index	Week-to-Date	Month-to-Date	Year-to-Date	12-Month
S&P 500	0.99%	0.99%	29.33%	35.72%
Nasdaq Composite	3.36%	3.36%	33.21%	41.47%
DJIA	-0.53%	-0.53%	20.57%	26.10%
MSCI EAFE	1.71%	1.71%	8.67%	13.73%
MSCI Emerging Markets	2.47%	2.47%	10.77%	16.55%
Russell 2000	-1.03%	-1.03%	20.32%	31.89%

Source: Bloomberg, as of December 6, 2024

The technology-oriented Nasdaq Composite, paced by the Magnificent Seven, led U.S. markets. All seven firms were among the top 10 contributors to the S&P 500. Other names that fared well included Broadcom and Salesforce, each of which rose more than 9.7 percent. The Dow Jones Industrial Average trailed, falling 53 basis points (bps).

### Fixed Income

Index	Month-to-Date	Year-to-Date	12-Month
U.S. Broad Market	2.07%	3.40%	5.76%
U.S. Treasury	1.91%	2.54%	4.46%
U.S. Mortgages	2.29%	3.45%	6.27%
Municipal Bond	2.65%	2.88%	4.59%

Source: Bloomberg, as of December 6, 2024

The Treasury yield curve steepened as the front end of the curve (beyond the 5-year maturity) came down slightly and the longer end of the curve stayed put. The 2-year fell 7 bps to close the week at 4.1 percent. The 30-year fell just 3.5 bps to close at 4.33 percent.

### >> The Takeaway

- The Magnificent Seven led the rally in U.S. markets.
- The yield curve was little changed, with very modest steepening.

## Looking Ahead

After receiving employment data last week, the focus this week will be on inflation.

- On Monday, we expect **one-year inflation expectations** from the Federal Reserve Bank of New York.
- A report on **NFIB small business optimism** is expected Tuesday. Although optimism has been weak recently, we are looking for signs of improvement and potential broadening economic strength.
- On Wednesday, the **Consumer Price Index** for November will be released. Expectations are for a slight increase to 2.7 percent.
- Finally, on Thursday, the **Producer Price Index** for November will be released. Final demand is expected to increase from 0.2 percent to 0.3 percent.





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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. One basis point (bp) is equal to 1/100th of 1 percent, or 0.01 percent.

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