

Osaic

Market Week: December 2, 2024



Key Dates/Data Releases

12/2: S&P Global Manufacturing PMI

12/3: JOLTS

12/4: S&P Global Services PMI

12/5: International trade in goods and services

12/6: Employment situation

The Markets (as of market close November 29, 2024)

Thanksgiving week proved to be a positive one for stocks. Each of the benchmark indexes listed here closed higher, led by the Dow and the Russell 2000. Financials, consumer staples, and industrials led the market sectors, with only energy and communication services declining. Yields on 10-year Treasuries fell for the second consecutive week. Crude oil prices declined despite an apparent ceasefire between Israel and Hezbollah. The dollar lost about 1.7% for the week, while gold prices declined 2.0%.

The Dow reached a new high last Monday as stocks closed generally higher. The Russell 2000 gained 1.5% to lead the benchmark indexes listed here, followed by the Dow (1.0%) and the Global Dow (0.5%). The NASDAQ and the S&P 500 each climbed 0.3%. Ten-year Treasury yields closed at 4.27% after falling 14.5 basis points. The dollar, which had been rallying, declined 0.6%, while gold prices snapped a five-day winning streak after losing 3.1%. Crude oil prices slid 3.1%, settling at \$69.07 per barrel.

Both the S&P 500 (0.6%) and the Dow (0.3%) reached record highs last Tuesday. The NASDAQ gained 0.6%, while the Russell 2000 (-0.7%) and the Global Dow (-0.1%) declined. Investors wrestled with the potential economic effects of President-elect Trump's trade tariffs. Yields on 10-year Treasuries closed at 4.30%. Crude oil prices slid to \$68.63 per barrel. Gold prices rose 0.6% and the dollar inched up 0.1%.

Stocks fell the day before Thanksgiving as each of the benchmark indexes listed here closed the session in the red, with the exception of the Russell 2000, which ticked up 0.1%. The NASDAQ fell 0.6%, the S&P 500 lost 0.4%, and the Dow declined 0.3%. The Global Dow was flat. Crude oil prices closed at \$68.76 per barrel. Ten-year Treasury yields settled at 4.24%. The dollar declined 0.9%, while gold prices rose 0.6%. Investors saw the likelihood of another interest rate reduction in December diminish after the latest data showed inflation ticked up in October and over the last 12 months (see below), indicating that movement toward the Fed's 2.0% target has stalled.

The week ended as it began with stocks closing higher. The S&P 500 (0.6%) and the Dow (0.4%) reached record highs. The NASDAQ gained 0.8%, the Global Dow rose 0.5%, and the Russell 2000 edged up 0.4%. Ten-year Treasury yields lost 6.4 basis points to close at 4.17%. Crude oil prices dropped 1.1%, while gold prices increased 0.7%.

Stock Market Indexes

Market/Index	2023 Close	Prior Week	As of 11/29	Weekly Change	YTD Change
DJIA	37,689.54	44,296.51	44,910.65	1.39%	19.16%
NASDAQ	15,011.35	19,003.65	19,218.17	1.13%	28.02%
S&P 500	4,769.83	5,969.34	6,032.38	1.06%	26.47%
Russell 2000	2,027.07	2,406.67	2,434.73	1.17%	20.11%
Global Dow	4,355.28	4,971.05	5,016.35	0.91%	15.18%
fed. funds target rate	5.25%-5.50%	4.50%-4.75%	4.50%-4.75%	0 bps	-75 bps
10-year Treasuries	3.86%	4.41%	4.17%	-24 bps	31 bps
US Dollar-DXY	101.39	107.53	105.74	-1.66%	4.29%
Crude Oil-CL=F	\$71.30	\$71.25	\$68.00	-4.56%	-4.63%
Gold-GC=F	\$2,072.50	\$2,711.70	\$2,657.00	-2.02%	28.20%

Chart reflects price changes, not total return. Because it does not include dividends or splits, it should not be used to benchmark performance of specific investments.

Last Week's Economic News

- The second estimate for the third-quarter gross domestic product revealed the economy expanded at an annualized rate of 2.8%, unchanged from the initial estimate. In the second quarter, GDP increased 3.0%. Personal consumption expenditures, a measure of consumer spending, rose 3.5% in the third quarter. Nonresidential fixed investment advanced 3.8%, while residential fixed investment declined 5.0%. Exports rose 7.5% and imports, which are a negative in the calculation of GDP, advanced 10.2%. The personal consumption expenditures price (PCE) index increased 1.5% and 2.1% excluding food and energy.
- Personal income increased 0.6% in October, while disposable personal income, personal income less personal current taxes, increased 0.7%. Personal consumption expenditures (PCE) increased 0.4%. The PCE price index increased 0.2% in October. Excluding food and energy, the PCE price index increased 0.3%. Since October 2023, the PCE price index rose 2.3%. The PCE price index less food and energy increased 2.8% for the year.
- New orders for manufactured durable goods in October increased 0.2% following two consecutive monthly decreases. Excluding transportation, new orders increased 0.1%. Excluding defense, new orders increased 0.4%. Transportation equipment, also up following two consecutive monthly decreases, led the increase, advancing 0.5%. New orders for nondefense capital goods in October increased 1.4%, while new orders for defense capital goods in October decreased 4.0%.
- The advance report on international trade in goods for October showed the deficit was \$99.1 billion, down \$9.6 billion, or 8.8%, from the September estimate. Exports of goods for October were \$168.7 billion, \$5.6 billion, or 3.2%, less than September exports. Imports of goods for October were \$267.8 billion, \$15.2 billion, or 5.4% less than September imports.
- Sales of new single-family homes dropped 17.3% in October and fell 9.4% over the last 12 months. The median sales price of new houses sold in October 2024 was \$437,300. The average sales price was \$545,800. Inventory in October sat at a supply of 9.5 months.
- The national average retail price for regular gasoline was \$3.044 per gallon on November 25, \$0.002 per gallon below the prior week's price and \$0.194 per gallon less than a year ago. Also, as of November 25, the East Coast price ticked up \$0.008 to \$3.011 per gallon; the Midwest price decreased \$0.016 to \$2.866 per gallon; the Gulf Coast price rose \$0.006 to \$2.635 per gallon; the Rocky Mountain price fell \$0.089 to \$2.828 per gallon; and the West Coast price increased \$0.009 to \$3.884 per gallon.
- For the week ended November 23, there were 213,000 new claims for unemployment insurance, a decrease of 2,000 from the previous week's level, which was revised up by 2,000. According to the Department of Labor, the advance rate for insured unemployment claims for the week ended November 16 was 1.3%, unchanged from the previous week's rate. The advance number of those receiving unemployment insurance benefits during the week ended November 16 was 1,907,000, an increase of 9,000 from the previous week's level, which was revised down by 10,000. This is the highest level for insured unemployment since November 13, 2021, when it was 1,974,000. States and territories with the highest insured unemployment rates for the week ended November 9 were New Jersey (2.3%), California (1.9%), Washington (1.9%), Alaska (1.8%), Puerto Rico (1.8%), Nevada (1.6%), Rhode Island (1.6%), Illinois (1.5%), Massachusetts (1.5%), and New York (1.5%). The largest increases in initial



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claims for unemployment insurance for the week ended November 16 were in Utah (+538), Minnesota (+381), Missouri (+252), Idaho (+200), and Louisiana (+199), while the largest decreases were in California (-5,088), Georgia (-1,952), New Jersey (-1,423), Texas (-1,160), and Ohio (-1,125).

Eye on the Week Ahead

One of the most closely watched of all economic indicators is the employment situation report, which is released this week for November. October saw the labor force increase by a scant 12,000. However, Hurricane Milton may have impacted the surveys that support the employment data. It would not be surprising to see October's figures increase as more data is made available. However, the consensus for November, at about 125,000, is well below the monthly average for the year.

Data sources: Economic: Based on data from U.S. Bureau of Labor Statistics (unemployment, inflation); U.S. Department of Commerce (GDP, corporate profits, retail sales, housing); S&P/Case-Shiller 20-City Composite Index (home prices); Institute for Supply Management (manufacturing/services). Performance: Based on data reported in WSJ Market Data Center (indexes); U.S. Treasury (Treasury yields); U.S. Energy Information Administration/Bloomberg.com Market Data (oil spot price, WTI, Cushing, OK); www.goldprice.org (spot gold/silver); Oanda/FX Street (currency exchange rates).

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The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 largest, publicly traded companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the Nasdaq stock exchange. The Russell 2000 is a market-cap weighted index composed of 2,000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks worldwide. The U.S. Dollar Index is a geometrically weighted index of the value of the U.S. dollar relative to six foreign currencies. Market indexes listed are unmanaged and are not available for direct investment.

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