

# Weekly Market Recap

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## Stocks

U.S. large growth-oriented stocks posted modest gains while stocks of smaller-capitalization companies fell slightly. The 5.53% outperformance of growth stocks to value stocks was the largest gap since March 2023. Non-U.S. stocks managed to produce modest gains as well, despite turbulent headlines in France and South Korea.

## Bonds

Yields of U.S. Treasury notes and bonds fell slightly. Money market yields fell more, indicating higher market conviction in a December interest rate policy cut by the U.S. Federal Reserve (Fed). The Bloomberg U.S. Aggregate Bond® Index gained 0.45%, while the high yield bond index performed well in comparison.

## Macro

The Labor Department reported an increase in monthly job openings for October with layoffs steady and the quit rate increasing. This latter element of the report is a sign of job market strength. The ADP Employment Survey showed private sector payroll additions of 146,000 for November, under the consensus expected (161,500) and the prior month (184,000). The Labor Department's monthly nonfarm payroll report was an addition of 227,000 jobs for the month

of November. This was higher than the consensus of 200,000. Other economic data included above-consensus manufacturing data and below-consensus services data from the ISM and Markit PMI reports, a steady factory orders report, and slight increase in durable orders.

## Earnings

According to FactSet, earnings growth (year-over-year) for Q4 2024 for S&P 500® Index companies is estimated to be 11.9%, which would be the highest since the fourth quarter of 2021. The estimate is down modestly from the beginning of quarter mark of 14.5%, from downward revisions to EPS estimates. For this quarter, 67 companies have issued negative EPS guidance while 35 have issued positive guidance. On valuation, the forward 12-month P/E ratio for S&P 500 companies is 22.3, remaining higher than the 5-year (19.7) and the 10-year (18.1) average.

## This Week

Wholesale inventories and China Loan Growth (Mon.); Unit Labor Costs and Productivity (Tues.); Consumer Price Index and Treasury Budget (Wed.); Producer Price Index (Thurs.); U.K and Eurozone Industrial Production (Fri.).

### KEY TAKEAWAYS

Economic data added to expectations of a Fed interest rate cut at its meeting next week. This would potentially mark the third consecutive rate cut since September.

## INDEX RETURNS

as of 12/06/2024	Level	1 Week	QTD	YTD	1 Year	3 Year
S&P 500	6,090	0.99%	5.95%	29.34%	35.75%	11.59%
Dow Jones Industrial Average	44,643	-0.53%	5.83%	20.57%	26.10%	10.42%
NASDAQ Composite	19,860	3.36%	9.32%	33.19%	41.40%	10.14%
Russell 2000	5,987	-1.02%	8.25%	20.34%	31.89%	4.52%
MSCI EAFE	2,355	1.71%	-4.37%	8.05%	13.07%	4.32%
MSCI Emerging Markets	1,105	2.45%	-5.62%	10.29%	16.01%	-0.53%
Bloomberg US Agg Bond Index	2,235	0.45%	-1.01%	3.40%	5.76%	-1.81%
Bloomberg US Corporate High Yield Index	2,706	0.42%	1.03%	9.11%	12.33%	3.60%

Source: Morningstar Direct<sup>SM</sup>

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**Dow Jones Industrial Average** is a price-weighted average of 30 actively traded Blue Chip stocks, primarily industrials, but also including other service-oriented firms; may be used as a benchmark for large cap stocks

**NASDAQ Composite** is a broad-based index of over 3,000 companies, which measures all domestic, and non-U.S.-based common stocks listed on the NASDAQ Stock Market, Inc.

The **Russell 2000® Index** is a widely recognized, unmanaged index representative of common stocks of smaller capitalized U.S. companies.

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The **MSCI Emerging Markets (EM) Index** is an unmanaged market capitalization-weighted index of equity securities of companies domiciled in various countries. The Index is designed to represent the performance of emerging stock markets throughout the world and excludes certain market segments unavailable to U.S.-based investors.

The **Bloomberg U.S. Aggregate Bond Index** is an unmanaged index of fixed-rate investment-grade securities with at least one year to maturity, combining the Bloomberg U.S. Treasury Bond Index, the Bloomberg U.S. Government-Related Bond Index, the Bloomberg U.S. Corporate Bond Index, and the Bloomberg U.S. Securitized Bond Index.

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