

### Equities

U.S. stocks ended the week modestly higher as the bond selloff took a breather. Rate-sensitive sectors such as real estate, utilities, and consumer durables led the way, while energy and health care lagged. Poor results from ASML sent the chip bellwether down -14% but gains from Nvidia were able to keep the industry in the black. Financials kicked off Q3 earnings in largely positive fashion, as capital markets and wealth management-focused results from firms like Morgan Stanley combined with the prior week's earnings beats from banking titans JPMorgan and Wells Fargo to paint a rosy picture of the sector. Earnings season kicks into high gear this week. Internationally, Chinese stocks fell -2.84% and have now retraced half of their stimulus-fueled rally.

### Fixed income

Yields ended the week about where they started, although the data continued to prompt selloffs. The 10-year yield briefly probed below 4% midweek only to be immediately driven higher by the strong retail sales data. Markets still expect a quarter point rate cut at the November 7 FOMC meeting, but the conviction in a final 25bps rate cut in December is weakening.

### Commodities

Crude prices dipped -8%, its largest weekly drop in a year as the boost from Chinese optimism faded and the death of Hamas' leader led to hopes of a truce in Gaza. U.S. crude production hit a fresh all-time high of 13.5 mmbpd, adding to concerns around oversupply. Copper continues to trade in lockstep with Chinese stocks, falling -2% last week. Gold breached \$2,700/oz for the first time ever, extending its remarkable run.

### Economic overview

Consumers once again defied expectations of moderation as retail sales rose 0.4% m/m in September and were up 0.7% m/m (vs Cons 0.3%) in the "control" category that aligns with GDP. This rounds out another quarter of blockbuster household consumption and the Atlanta Fed's Q3 GDPNow estimate was pushed up to 3.4%. Industrial production was a weak spot with a -0.3% m/m decline, although this partly reflects disruptions from the hurricane and the Boeing strike. Initial jobless claims eased to 241,000 from 260,000 previously, also likely impacted by the natural disasters hitting multiple states.

Equities (price index)		MTD	QTD	YTD	2023
S&P 500	5,864.67	1.77%	1.77%	22.95%	24.23%
DJIA	43,275.91	2.23%	2.23%	14.82%	13.70%
NASDAQ	18,489.55	1.65%	1.65%	23.17%	43.42%
Russell 2000	2,276.09	2.07%	2.07%	12.28%	15.09%
MSCI World	3,753.04	0.81%	0.81%	18.42%	21.77%
MSCI Europe	2,174.34	-2.30%	-2.30%	7.62%	16.68%
MSCI EAFE	2,409.36	-2.40%	-2.40%	7.75%	15.03%
MSCI Asia	191.39	-1.87%	-1.87%	12.99%	8.76%
MSCI EM	1,155.12	-1.34%	-1.34%	12.83%	7.04%
VIX	18.03	1.30	1.30	5.58	-9.22

Fixed income (total return index)		MTD	QTD	YTD	2023
Barclays U.S. Agg	2,226.43	-1.41%	-1.41%	2.98%	5.53%
Inv. grade bonds	3,351.15	-1.22%	-1.22%	4.04%	8.52%
High yield bonds	2,674.84	-0.14%	-0.14%	7.86%	13.45%
Leveraged Loans	4,000.62	0.72%	0.72%	7.31%	13.32%

Alternatives (total return index)		MTD	QTD	YTD	2023
FTSE NAREIT	27,341.20	0.05%	0.05%	14.29%	11.36%
REIT Index					
GS Commodity Index	531.99	-0.17%	-0.17%	-0.68%	-12.20%
Alerian MLP Index	2,235.87	-0.03%	-0.03%	18.52%	26.56%

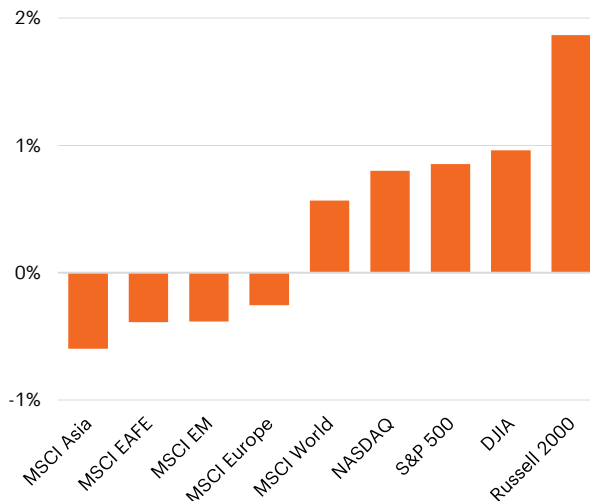
Commodities		MTD	QTD	YTD	2023
WTI Crude	\$69.22	1.54%	1.54%	-3.39%	-10.73%
Brent Crude	\$73.06	1.80%	1.80%	-5.17%	-10.32%
Natural Gas	\$2.26	-22.75%	-22.75%	-10.18%	-43.82%
Gold	\$2,714	2.94%	2.94%	30.98%	13.45%

Currency		MTD	QTD	YTD	2023
Dollar Index (DXY)	103.49	2.69%	2.69%	2.13%	-2.11%
USDCNY	7.10	1.19%	1.19%	0.03%	2.92%
Bitcoin	68,420	7.27%	7.27%	60.96%	157.01%

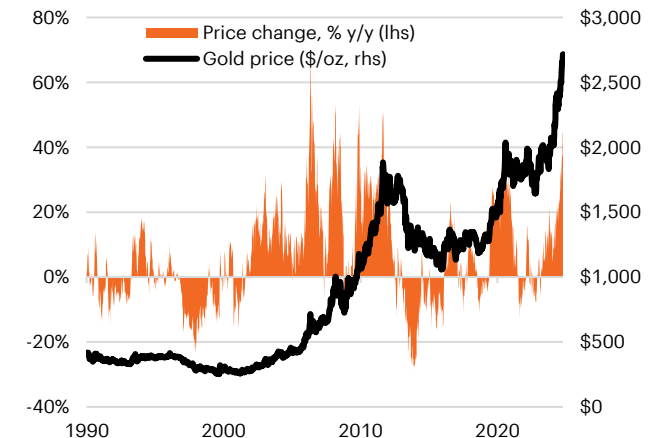
Spreads		MTD	QTD	YTD	2023
Inv. grade bonds	81 bps	-8 bps	-8 bps	-18 bps	-31 bps
High yield bonds	286 bps	-9 bps	-9 bps	-37 bps	-146 bps
Leveraged loans	411 bps	-12 bps	-12 bps	-48 bps	-101 bps
Emerging markets	231 bps	-16 bps	-16 bps	-66 bps	-42 bps

Interest rates		MTD	QTD	YTD	2023
Fed Funds Target	4.875%	5.375%	5.375%	5.375%	4.38%
SOFR	4.85%	-11 bps	-11 bps	-53 bps	108 bps
2-year Treasury	3.95%	31 bps	31 bps	-30 bps	-18 bps
10-year Treasury	4.08%	30 bps	30 bps	20 bps	0 bps
30-year Treasury	4.39%	27 bps	27 bps	36 bps	7 bps
Barclays U.S. Agg	4.51%	27 bps	27 bps	-2 bps	-15 bps
Inv. grade bonds	4.93%	21 bps	21 bps	-13 bps	-36 bps
High yield bonds	7.16%	17 bps	17 bps	-43 bps	-137 bps

### Last week's equity returns



### Gold is on a historic run



Source: Bloomberg Finance, as of 11:30am on October 18, 2024.

## Equities

**S&P 500:** Leading single benchmark of large-cap U.S. equities, representing approximately 500 of the largest U.S. companies. **Dow Jones Industrial Average:** Price-weighted measure of 30 U.S. blue-chip companies. **NASDAQ:** Stock market index of stocks listed on the NASDAQ. Index is heavily weighted toward technology companies. **Russell 2000:** Index measuring performance of approximately 2,000 small-cap U.S. equities. **MSCI World Index:** Broad global equity benchmark including both developed and emerging markets. **MSCI Europe Index:** Equity benchmark that measures the performance of large and mid-cap equities across 15 developed countries in Europe. **MSCI EAFE Index:** Equity benchmark that represents the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East. **MSCI Asia Index:** Equity benchmark that captures large and mid-cap representation across developed market countries and emerging market countries in Asia. **MSCI Emerging Markets Index:** Equity benchmark representing 24 developing or emerging market countries, representing 10% of world market cap. For more info on these MSCI indices, visit MSCI.com. **CBOE Volatility Index (VIX):** Key measure of market expectations of near-term volatility conveyed by S&P 500 stock option price.

## Credit

**Bloomberg Barclays U.S. Aggregate Bond Index:** Broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. **Bloomberg Barclays U.S. Corporate Index:** Measures the USD-denominated, investment-grade, fixed-rate bond market. **Bloomberg Barclays U.S. Corporate High Yield Index:** Measures the USD-denominated, high yield, fixed-rate bond market. **S&P/LSTA U.S. Leveraged Loan Index:** Market value-weighted index designed to measure the performance of the U.S. leveraged loan market.

## Alternatives

**FTSE NAREIT All Equity REITs Index:** Free-float adjusted market cap-weighted index that includes all tax-qualified REITs listed in the NYSE, AMEX, and NASDAQ. **S&P GSCI:** First major investable commodity index. It is one of the most widely recognized benchmarks that is broad-based and production-weighted to represent the global commodity market beta. **Alerian MLP Index:** Leading gauge of energy MLPs, representing about 85% of total industry market cap. **HFRX Global Hedge Fund Index:** Index designed to be representative of the overall composition of the hedge fund universe, comprised of all eligible hedge fund strategies.

## Commodities

**Generic 1st Crude Oil (WTI Crude):** Front-month West Texas Intermediate Crude Oil futures. **Generic 1st Brent Crude Oil (Brent Crude):** Front-month Brent Crude futures. **Generic 1st Natural Gas:** Front-month natural gas futures. **Generic 1st Gold, 100 oz:** Front-month gold (100 oz) futures.

## Currency

**Dollar Spot Index:** Indicates the general international value of the USD by averaging the exchange rates between the USD and major world currencies. **USDCNY:** price of 1 USD in CNY (the Chinese renminbi, or yuan). **Bitcoin:** price of 1 Bitcoin in USD.

## Spreads

**Bloomberg Barclays U.S. Corporate Index:** Measures the USD-denominated, investment grade, fixed-rate, taxable bond market. **Bloomberg Barclays U.S. Corporate High Yield Index:** Measures the USD-denominated, high yield, fixed-rate bond market. **Bloomberg S&P/LSTA U.S. Leveraged Loan Index:** Market value-weighted index designed to measure the performance of the U.S. leveraged loan market. **Barclays EM USD Aggregate Index:** Flagship hard currency emerging market debt benchmark that includes USD-denominated debt from sovereign, quasi-sovereign and corporate EM issuers.

## Interest rates

**Fed funds target:** Target rate for the federal funds policy rate, set by the Federal Reserve each meeting. This rate is an “overnight rate,” i.e., it is the rate charged by depository institutions (banks) to each other for overnight loans. **SOFR:** Secured Overnight Financing Rate (SOFR) measures the cost of borrowing cash overnight collateralized by Treasuries. **ICE 3-Month London Interbank Offered Rate (LIBOR):** Average interest rate at which leading banks borrow funds of a sizable amount from other banks in the London market. LIBOR is the most widely used “benchmark” or reference rate for short-term interest rates. **Treasury rates:** Market yields for U.S. Treasury securities with maturities of 2, 10 and 30 years. **Bloomberg Barclays U.S. Aggregate Bond Index:** Broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. **Bloomberg Barclays U.S. Corporate Index:** Measures the USD-denominated, investment grade, fixed-rate, taxable bond market. **Bloomberg Barclays U.S. Corporate High Yield Index:** Measures the USD-denominated, high yield, fixed-rate bond market.

**Sources:** Bureau of Labor Statistics (BLS), Department of Labor, Bureau of Economic Analysis (BEA), International Monetary Fund (IMF), OECD, Federal Reserve, Institute for Supply Management (ISM), Mortgage Bankers Association (MBA), U.S. Census Bureau, Standard & Poor's, Bank of America Merrill Lynch, Bloomberg, Macrobond.

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