



Equities

U.S. equities made steady gains throughout the week despite some volatility. The Russell 2000 surged to a 4.46% gain, while the S&P 500 returned a more modest 1.68% as some members of the Mag 7 acted as drags on returns. Alphabet was the largest laggard as the company was the subject of a DoJ antitrust suit focused on its Chrome browser. In the biggest event of the week, Nvidia's earnings announcement was initially met with mild disappointment, but the stock ended flat. Tesla continued its post-election surge, now up 40% since Nov 5. Foreign equities lagged again as the U.S. dollar strengthened to a two-year high.

Fixed income

Fed expectations continue to shift rapidly, both for this year's final FOMC meeting on December 18 and for 2025. Markets are now evenly split on whether the Fed will cut rates -25bps in December and now expect only two 25 bps cuts in 2025. This wild swing in policy expectations has catalyzed a steady uptrend in the 2-year Treasury yield, which ended the week at 4.37%, up 85 bps from its low in late September. The 10-year Treasury yield traded sideways in a 13 bps range that ended close to flat. Broader fixed income performance benefitted at the margin and high yield bonds outperformed with a 0.28% gain as spreads tightened.

Commodities

Crude oil prices rose back above \$70/bbl on escalations in the Russia-Ukraine war and growing belief OPEC+ will yet again delay plans to reintroduce supply. The IEA still expects a global oversupply of around 1 mmbpd next year, which has put a ceiling on prices. Geopolitical tensions and the reflationary Trump trade also drove a 5.53% rebound in gold prices, its best week in over a year. Meanwhile, Bitcoin surged to near \$100,000 as investors anticipate a much friendlier crypto regulatory regime.

Economic overview

Initial jobless claims fell to 213,000, a 6-month low, while continuing claims jumped to 1.9 million, a 3-year high. This highlights the two-speed nature of the employment picture: few layoffs but sluggish hiring. Housing data was mixed, as existing home sales posted a 3.4% m/m increase to 3.96 million units in October, but housing starts disappointed with a -3.1% m/m decline to 1.311 million units and building permits fell a tad.

Equities (price index)		MTD	QTD	YTD	2023
S&P 500	5,969.34	4.63%	3.59%	25.15%	24.23%
DJIA	44,296.51	6.07%	4.65%	17.53%	13.70%
NASDAQ	19,003.65	5.02%	4.48%	26.60%	43.42%
Russell 2000	2,406.67	9.56%	7.92%	18.73%	15.09%
MSCI World	3,765.96	3.26%	1.15%	18.83%	21.77%
MSCI Europe	2,018.31	-3.55%	-9.32%	-0.10%	16.68%
MSCI EAFE	2,274.28	-2.51%	-7.87%	1.70%	15.03%
MSCI Asia	182.20	-2.09%	-6.58%	7.56%	8.76%
MSCI EM	1,087.27	-2.88%	-7.14%	6.21%	7.04%
VIX	15.24	-7.92	-1.49	2.79	-9.22

Fixed income (total return index)		MTD	QTD	YTD	2023
Barclays U.S. Agg	2,194.90	-0.33%	-2.80%	1.52%	5.53%
Inv. grade bonds	3,302.06	-0.24%	-2.67%	2.52%	8.52%
High yield bonds	2,682.87	0.71%	0.16%	8.18%	13.45%
Leveraged Loans	4,031.74	0.64%	1.50%	8.14%	13.32%

Alternatives (total return index)		MTD	QTD	YTD	2023
FTSE NAREIT	26,817.82	1.81%	-1.87%	12.10%	11.36%
REIT Index					
GS Commodity Index	547.19	2.43%	2.69%	2.16%	-12.20%
Alerian MLP Index	2,431.93	10.21%	8.74%	28.92%	26.56%

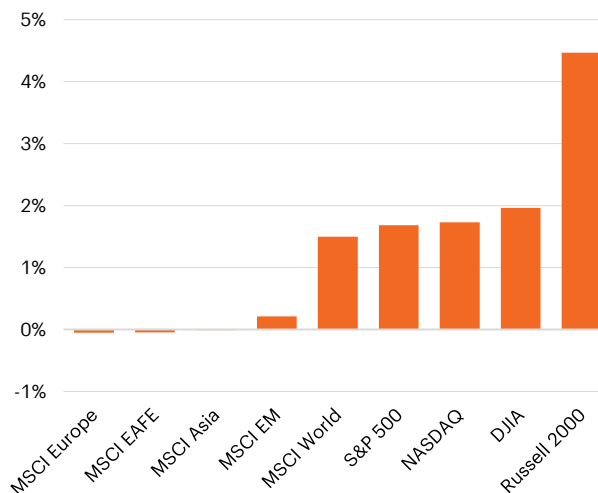
Commodities		MTD	QTD	YTD	2023
WTI Crude	\$71.24	2.86%	4.50%	-0.57%	-10.73%
Brent Crude	\$75.17	2.75%	4.74%	-2.43%	-10.32%
Natural Gas	\$3.13	15.59%	7.05%	24.46%	-43.82%
Gold	\$2,712	-1.35%	2.89%	30.91%	13.45%

Currency		MTD	QTD	YTD	2023
Dollar Index (DXY)	107.55	3.44%	6.72%	6.14%	-2.11%
USDCNY	7.25	1.83%	3.27%	2.08%	2.92%
Bitcoin	99,420	42.16%	55.87%	133.89%	157.01%

Spreads		MTD	QTD	YTD	2023
Inv. grade bonds	78 bps	-6 bps	-11 bps	-21 bps	-31 bps
High yield bonds	258 bps	-24 bps	-37 bps	-65 bps	-146 bps
Leveraged loans	403 bps	-12 bps	-20 bps	-56 bps	-101 bps
Emerging markets	214 bps	-12 bps	-33 bps	-83 bps	-42 bps

Interest rates		MTD	QTD	YTD	2023
Fed Funds Target	4.625%	5.375%	5.375%	5.375%	4.38%
SOFR	4.57%	-33 bps	-39 bps	-81 bps	108 bps
2-year Treasury	4.85%	0 bps	0 bps	-74 bps	83 bps
10-year Treasury	4.37%	20 bps	73 bps	12 bps	-18 bps
30-year Treasury	4.40%	12 bps	62 bps	52 bps	0 bps
Barclays U.S. Agg	4.59%	11 bps	47 bps	56 bps	7 bps
Inv. grade bonds	4.84%	12 bps	61 bps	31 bps	-15 bps
High yield bonds	5.25%	9 bps	53 bps	19 bps	-36 bps

Last week's equity returns



Price of 1 bitcoin



Source: Bloomberg Finance, L.P., as of 12:30pm on November 22, 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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