

Primary Market Drivers

Economic Data

Last week's economic data was mostly good, as JOLTS, ADP Employment, Pending Home Sales, Weekly Jobless Claims, Personal Spending, PMI Manufacturing, and Construction Spending all came in better than expected. Nonfarm Payrolls was a huge miss (+12k vs +112.5k), though the result wasn't comparable due to recent hurricanes. This week's economic calendar is extremely light with only PMI Services (11/5), ISM Non-Manufacturing (11/5), Q3 Unit Labor Costs & Productivity (11/7), Consumer Credit (11/7), and Michigan Consumer Sentiment (11/8) on tap. Expect the presidential election to dominate headlines and market action this week as fundamentals take a back seat.

Fed Policy

The Fed's November policy decision is this week (11/7) and the market odds for a 25bps cut are pegged as a near certainty (97.9% via CME's FedWatch tool). With the decision practically a foregone conclusion, investors will be closely monitoring the language employed and Powell's press conference. And prior to that there is an election to get through. A recap of how we got here: The Fed cut rates by 50bps at its last meeting. The dot plot release indicated that the Fed expects another 50bps worth of cuts in 2024 and 100bps of cuts in 2025. While a September cut had been a foregone conclusion for some time, the Fed opting for 50bps over 25bps was surprisingly dovish. Now that the easing cycle has officially begun, market participants will be keeping a close eye on economic data, particularly labor market data as Jerome Powell made it very clear that the central bank's focus had shifted from inflation to the other side of its dual mandate - promoting maximum employment.

Earnings

Big tech earnings last week were mostly positive, though reactions were a mixed bag as investors nitpicked certain metrics. Strong revenue growth and soaring demand remain the pervasive theme, though middling guidance and capex concerns had investors less enthusiastic than in recent quarters. This week, 95 S&P 500 companies (19% of the index) report. Noteworthy releases are mostly focused in Energy, Utilities, and Materials, and with the presidential election on Tuesday, we doubt the announcements this week will have much of an impact on overall prices. Nevertheless, we'll be keeping an eye on results from Marriot International (MAR 11/4), DuPont de Nemours (DD 11/5), Marathon Petroleum (MPC 11/5), Targa Resources (TRGP 11/5), Archer-Daniels-Midland (ADM 11/5), Williams Companies (WMB 11/6), Take-Two Interactive (TTWO 11/6), Gilead Sciences (GILD 11/6), Qualcomm (QCOM 11/6), Duke Energy (DUK 11/7), and Air Products and Chemicals (APD 11/7), among others.

All referenced market information, statistics, and economic data were gathered from StreetAccount, a paid subscription data service provided by FactSet Research Systems Inc.

Market Returns 11/1/2024

Category	Ticker	YTD%
Domestic Equity		
S&P 500	SPY	21.28%
Dow Jones	DIA	13.06%
Large-Cap Growth	QQQ	18.67%
Large-Cap Value	IVE	13.70%
Mid Caps	MDY	12.67%
Small Caps	IWM	10.06%
International Equity		
Developed Intl	EFA	7.21%
Emerging Markets	EEM	11.41%
Fixed Income		
Core Bonds	AGG	1.51%
Corporate Bonds	LQD	1.24%
High Yield Bonds	HYG	7.06%
ST Treasuries	IEI	1.75%
LT Treasuries	TLT	-5.07%
International Bonds	BNDX	2.59%



Performance data and stock chart were gathered from eSignal, a paid market screening application provided by Intercontinental Exchange, Inc.

Current Environment Summary

What's Working	What's Not	What's Next
Inflation Subdued	Economy Slowing	Presidential Election (11/5)
Fed Easing Cycle	Elevated Volatility	Fed Policy Decision (11/7)
Strong Earnings Growth	Interest Rates Continue to Rise	19% of S&P 500 Reporting Earnings
Long-Term Bull Market; All Time Highs	Earnings Guidance	Earnings: MAR, DD, MPC, QCOM, APD
Positive Slope for Yield Curve	Geopolitical Conflicts	Will election results be final this week?
Broad Market Rally	Election Tension	DJIA adds NVDA, SHW

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