

WEEK OF DECEMBER 2, 2024

Market Update

Consumer confidence improved more than expected. Equity markets continued to show signs of broadening beyond Nvidia and Tesla. We expect several important reports this week, highlighted by employment data on Friday.

Quick Hits

- 1. Report releases:** Consumer confidence improved more than expected.
- 2. Financial market data:** Equity markets continued to show signs of broadening beyond Nvidia and Tesla.
- 3. Looking ahead:** We expect several important reports this week, highlighted by employment data on Friday.



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Report Releases: November 25–29, 2024

Conference Board Consumer Confidence Index November (Tuesday)

Confidence rose more than expected as consumers' assessment of current business and labor market conditions improved. The short-term outlook also improved for consumers.

- Expected/prior month consumer confidence level: 111.0/108.7
- Actual consumer confidence level: 111.7



Federal Open Market Committee (FOMC) Meeting Minutes November (Tuesday)

FOMC meeting minutes noted continued interest rate cuts but at a more gradual level because inflation remains higher than the Federal Reserve's (Fed's) long-term target.



Durable Goods Orders October (Wednesday)

Durable goods orders were lower than expected but experienced a recovery in transportation equipment after two months of declines.

- Expected/prior month durable goods orders change: +0.5%/–0.4%
- Actual existing durable goods orders change: +0.2%



Personal Income and Spending October (Wednesday)

Personal income rose more than expected in October, whereas personal spending was in line with expectations.

- Expected/prior release personal income change: +0.3%/+0.3%
- Actual personal income change: +0.6%
- Expected/prior release personal spending change: +0.4%/+0.6%
- Actual personal spending change: +0.4%



>> The Takeaway

- Consumer confidence and personal income were better than expected.
- FOMC meeting minutes showed the Fed expects future rate cuts to come at a more gradual pace.

Financial Market Data

Equity

Index	Week-to-Date	Month-to-Date	Year-to-Date	12-Month
S&P 500	1.08%	5.87%	28.06%	33.86%
Nasdaq Composite	1.14%	6.30%	28.88%	36.12%
DJIA	1.44%	7.74%	21.21%	27.19%
MSCI EAFE	1.84%	-0.55%	6.84%	12.54%
MSCI Emerging Markets	-0.77%	-3.58%	8.10%	12.37%
Russell 2000	1.19%	10.97%	21.57%	36.44%

Source: Bloomberg, as of November 29, 2024

The Developed Markets International Index in the MSCI EAFE led the way. Domestically, the Dow Jones Industrial Average outperformed. In the Nasdaq Composite, Tesla and Nvidia lagged. Apple, Amazon, Microsoft, Eli Lilly, Meta Platforms, Alphabet, and Berkshire Hathaway were top contributors.

Fixed Income

Index	Month-to-Date	Year-to-Date	12-Month
U.S. Broad Market	1.06%	2.93%	6.88%
U.S. Treasury	0.78%	2.15%	5.59%
U.S. Mortgages	1.33%	2.89%	7.33%
Municipal Bond	1.73%	2.55%	4.93%

Source: Bloomberg, as of November 29, 2024

The Treasury yield curve saw a deeper inversion as the areas beyond the 2-year moved notably lower. The 10-year declined more than 23 basis points (bps) amid a stronger-than-expected set of Treasury auctions.

>> The Takeaway

- Equity markets continued to show signs of broadening beyond Nvidia and Tesla.
- The back end of the yield curve came down notably amid stronger Treasury auctions.

Looking Ahead

This week, we expect several important reports, highlighted by Friday's employment data.

- The week kicks off Monday with the **Institute for Supply Management (ISM) Manufacturing index**. The sector is expected to see slight improvement but is expected to remain in contractionary territory.
- On Wednesday, the **ISM Services index** will be released. Services are expected to hold steady at 57, which remains firmly in expansionary territory.
- **The trade deficit**, anticipated on Thursday, is expected to drop by roughly \$10 billion.
- The week will close Friday with **the employment report** for November. Employment is expected to improve notably after October's major miss.





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measures the performance of all issues listed in the Nasdaq Stock Market, except for rights, warrants, units, and convertible debentures. The Dow Jones Industrial Average is computed by summing the prices of the stocks of 30 large companies and then dividing that total by an adjusted value, one which has been adjusted over the years to account for the effects of stock splits on the prices of the 30 companies. Dividends are reinvested to reflect the actual performance of the underlying securities. The MSCI EAFE Index is a float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a market capitalization-weighted index composed of companies representative of the market structure of 26 emerging market countries in Europe, Latin America, and the Pacific Basin. The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index. The Bloomberg US Aggregate Bond Index is an unmanaged market value-weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. The U.S. Treasury Index is based on the auctions of U.S. Treasury bills, or on the U.S. Treasury's daily yield curve. The Bloomberg US Mortgage Backed Securities (MBS) Index is an unmanaged market value-weighted index of 15- and 30-year fixed-rate securities backed by mortgage pools of the Government National Mortgage Association (GNMA), Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (FHLMC), and balloon mortgages with fixed-rate coupons. The Bloomberg US Municipal Index includes investment-grade, tax-exempt, and fixed-rate bonds with long-term maturities (greater than 2 years) selected from issues larger than \$50 million. One basis point is equal to 1/100th of 1 percent, or 0.01 percent. One basis point (bp) is equal to 1/100th of 1 percent, or 0.01 percent.

Authored by the Investment Research team at Commonwealth Financial Network®

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