

## MONDAY MORNING RECAP - November 25, 2024

### Last Week

Dow Jones Industrial Average (DJIA)	44,296.51	+851.52	+1.96%
S&P 500 Index	5,969.34	+98.72	+1.68%
NASDAQ Composite Index	19,003.65	+323.53	+1.73%
U.S. 10 yr. Treasury Note Yield	4.41%	-2 Basis Points	
Gold (\$ per troy oz.)	\$2,709.90	+\$144.20	+5.62%
WTI Oil (\$ per barrel)	\$71.24	+\$4.32	+6.46%

### Market Summary

**GLOBAL EQUITIES:** US equities rose last week as key earnings reports within the technology sector helped drive AI enthusiasm. Ultimately, the S&P 500 ended the week 1.68% higher. Outside the US, the STOXX 600 and FTSE 100 rose 1.13% and 2.53%, respectively, despite weak activity data in the Euro area and escalation of the conflict between Russia and Ukraine.

**COMMODITIES:** Oil prices rose last week as heightened geopolitical risk outweighed the effects of a larger-than-expected increase in US crude oil inventories. WTI and Brent crude ultimately finished the week higher at \$71.24 and \$75.17/bbl, respectively. After three weeks of losses, gold rebounded to \$2709.90/ troy oz, underscoring its role as a safe haven asset in periods of geopolitical uncertainty.

**FIXED INCOME:** In the US, Treasury yields diverged slightly last week, with the 2-Year yield rising in response to the Fed adopting a hawkish tone, whereas the 10-Year yield fell against a backdrop of worsening conflict in Eastern Europe. Ultimately, the 2-Year and 10-Year US Treasury yields closed the week at 4.37% and 4.41%, respectively. Elsewhere, the 10-Year German Bund yield fell to 2.24% as the market moved on from the recent collapse of the country's government to focus on weak European economic data.

**FX:** The US dollar strengthened against a basket of currencies last week behind a recent influx of hawkish Fed commentary indicating that further Fed cuts may proceed cautiously. Ultimately, the US dollar index ended the week up 0.96%. Across the pond, with market participants becoming less willing to unwind their long dollar positions, the euro depreciated against the dollar, closing the week at \$1.0411, while the pound sterling hit a six-month low against the dollar, ultimately ending the week at \$1.2526.

## **Economic Summary**

**ACTIVITY:** In the US, Manufacturing PMI remained below the all-important 50 level in November, although it rose from 48.5 to 48.8. Services PMI, by contrast, surged from 55.0 to 57.0, well above consensus expectations. Alternatively, Euro area flash composite PMI was back in contractionary territory at 48.1 in November, below consensus expectations of 50.0. The slowdown was driven by both weaker-than-expected manufacturing and services PMIs, which were at 45.2 and 49.2, respectively. In the UK, the flash composite PMI fell to 49.9 as British businesses adopted a cautious stance following the Autumn Budget. UK retail sales were down by 0.7% in October, with shoppers reining in spending ahead of the Budget.

**HOUSING:** In the US, housing starts were down by -3.1% in October, somewhat worse than consensus expected. Furthermore, September's reading was revised down by -1.4% to -1.9%. October's decline was driven by fewer starts in the Northeast and South, possibly reflecting the effects of hurricanes. However, existing home sales were up by 3.4% in October to 3.96M units, slightly above consensus expectations. This was 2.9% higher than the same month last year, the first year-over-year increase since July 2021.

**INFLATION:** UK headline and core CPI inflation edged up in October to 2.3% and 3.3% year-over-year, respectively.

**CONSUMER:** The University of Michigan's index of consumer sentiment increased by 1.3pt to 71.8 in the November preliminary report, below consensus expectations. November's print marked the fourth straight month of increases and was largely influenced by an uptick in sentiment amongst Republicans following the US election result.



## **Key Economic Releases**

**Monday, November 25:**  
No economic releases

**Tuesday, November 26:**  
US New Home Sales (Cons.: N/A, Prior: 738K)

**Wednesday, November 27:**  
US GDP QoQ (Cons: N/A, Prior: 2.8%)  
US Initial Jobless Claims (Cons: N/A, Prior: 213K)  
US Core PCE YoY (Cons.: N/A, Prior: 2.7%)

**Thursday, November 28:**  
US Markets closed in observance of Thanksgiving Day

**Friday, November 29:**  
Euro Area CPI YoY (Cons: N/A, Prior: 2.0%)

Source: Goldman Sachs Asset Management: "Market Monitor", 11/22/2024

"WTI" refers to West Texas Intermediate crude oil, a common US benchmark for oil prices. "Brent" refers to a global benchmark for oil prices worldwide. "Bbl" refers to barrel. "Oz" refers to ounce. "AI" refers to Artificial Intelligence. "PMI" refers to refers to Purchasing Managers' Index. "CPI" refers to Consumer Price Index. "pp" refers to percentage point. "BoE" refers to Bank of England.

### **Disclosure Statement**

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