



Investors get mixed results.

The economy

- U.S. equities saw varied performance for the week ending October 25, as investor sentiment fluctuated in response to mixed corporate results. The tech-heavy Nasdaq Composite Index eked out a gain, while the Dow Jones Industrial Average and the broad-market S&P 500 Index moved lower. The yield on the 10-year U.S. Treasury note rose 15 basis points, ending the week at a three-month high of 4.24% amid concerns that the Federal Reserve will pause or slow the pace of interest-rate cuts.
- There was notable news this week regarding the U.S. housing market. The National Association of Realtors (NAR) reported that sales of existing homes were down 1.0% in September and fell 3.5% year-over-year to an annualized rate of 3.84 million. (Home sales are viewed as an indicator of housing market trends, and by extension, the health of the broader economy.) The median existing-home sale price rose 3.0% over the previous 12-month period to \$404,500—the fourth consecutive monthly gain. The inventory of unsold existing homes as of the end of July stood at 1.39 million—up 1.5% from the end of August—equivalent to a 4.3-month supply at the current monthly sales pace. The NAR considers a six-month supply of homes to be a “balanced market,” in which prices rise modestly. Inventories of greater than six months typically have favored buyers, while a supply of homes that will be depleted in less than six months denotes a “seller’s market.” According to the Federal Home Loan Mortgage Corporation (Freddie Mac), the average interest rate on a 30-year fixed-rate mortgage rose 10 basis points to 6.54% during the week ending October 24—the highest level in nearly three months.
- The Census Bureau reported that sales of new single-family homes climbed 4.1% and 6.3% in September and year-over-year, respectively, to a seasonally adjusted annual rate of 738,000. At the end of September, the seasonally adjusted estimate of new homes for sale was 470,000, up 0.4% from August, representing a 7.6-month supply at the current rate of sales.
- The Conference Board Leading Economic Index[®] (LEI), which is designed to signal peaks and troughs in the U.S. business cycle, dipped 0.5% to 99.7 in September. The LEI fell 2.6% for the six-month period of April 1 to September 30, representing a further downturn from the 2.4% decline over the previous six months (October 1, 2023 to March 31, 2024). The decline in the index in September was attributable mainly to relative weakness in new orders and building permits for private housing. There was slight improvement in weekly initial claims for unemployment insurance.
- The University of Michigan’s Index of Consumer Sentiment edged up 0.4 points (0.6%) to 70.5 in October—the highest reading in six months. According to the survey, consumers’ expectations for inflation over the next year was unchanged month-over-month at 2.7%. Consumers’ long-term inflation expectation of 3.0% was down marginally from 3.1% in September. In a press release announcing the results of its survey, the University of Michigan commented, “Sentiment is now more than 40% above the June 2022 trough. This month’s increase was primarily due to modest improvements in buying conditions for [durable goods], in part due to easing interest rates.”

Stocks

- Global equities declined during the week. Emerging markets modestly outperformed developed markets.
- U.S. stocks were mixed. Consumer discretionary and information technology were the top-performing sectors, while materials and health care were the primary market laggards.
- Growth stocks led value, while large caps outperformed small caps.

Bonds

- The 10-year U.S. Treasury note yield rose to 4.24% during the week.
- Global bond markets lost ground during the week.
- High-yield bonds led the markets, followed by corporate bonds and government bonds.

The Numbers as of October 25, 2024	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI (\$)	-1.3%	16.3%	34.1%	845.7
MSCI EAFE (\$)	-2.0%	5.5%	21.5%	2360.2
MSCI Emerging Mkts (\$)	-1.8%	10.8%	24.5%	1134.5
US & Canadian Equities				
Dow Jones Industrials (\$)	-2.7%	11.7%	28.5%	42114.4
S&P 500 (\$)	-1.0%	21.8%	40.4%	5808.1
NASDAQ (\$)	0.2%	23.4%	47.0%	18518.6
S&P/ TSX Composite (C\$)	-1.4%	16.7%	29.6%	24463.7
UK & European Equities				
FTSE All-Share (£)	-1.3%	6.6%	13.9%	4509.4
MSCI Europe ex UK (€)	-1.2%	7.8%	19.4%	1816.4
Asian Equities				
Topix (¥)	-2.6%	10.6%	17.7%	2618.3
Hong Kong Hang Seng (\$)	-1.0%	20.8%	20.8%	20590.2
MSCI Asia Pac. Ex-Japan (\$)	-1.9%	13.3%	27.4%	599.2
Latin American Equities				
MSCI EMF Latin America (\$)	-0.9%	-18.5%	-2.2%	2169.2
Mexican Bolsa (peso)	-2.3%	-9.7%	5.4%	51834.1
Brazilian Bovespa (real)	-0.4%	-3.2%	13.2%	129955.5
Commodities (\$)				
West Texas Intermediate Spot	1.8%	-1.7%	-15.3%	70.4
Gold Spot Price	0.8%	32.5%	38.0%	2739.3
Global Bond Indices (\$)				
Bloomberg Global Aggregate (\$)	-0.9%	0.5%	9.9%	473.6
JPMorgan Emerging Mkt Bond	-1.0%	6.1%	18.1%	900.2
10-Year Yield Change (basis points*)				
US Treasury	15	36	-61	4.24%
UK Gilt	18	70	-36	4.23%
German Bund	11	27	-57	2.29%
Japan Govt Bond	-2	34	8	0.96%
Canada Govt Bond	13	15	-74	3.26%
Currency Returns**				
US\$ per euro	18	70	-36	4.23%
Yen per US\$	11	27	-57	2.29%
US\$ per £	-2	34	8	0.96%
C\$ per US\$	13	15	-74	3.26%

Source: Bloomberg. Equity-index returns are price only, others are total returns.

*100 basis points = 1 percentage point.

**Increases in U.S. dollars (USD) per euro or pound indicate a decline in the value of the USD; increases in yen or Canadian dollars per USD indicate an increase in the value of the USD.

Important information

Index returns are for illustrative purposes only and do not represent actual investment performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged, and one cannot invest directly in an index. Past performance does not guarantee future results.

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