WEEKLY MARKET UPDATE | NOVEMBER 22, 2024

Mega caps chip in for a market rally.

The economy

- Major U.S. equity market indexes moved higher during the week ending November 22. Mega-cap tech stocks led the market upturn as several companies—most notably chipmaker NVIDIA Corp.—posted better-than-expected quarterly results. Additionally, investors were encouraged by generally upbeat economic data. These positive factors offset a selloff in shares of Google parent Alphabet Inc. after the U.S. Department of Justice said that the company should be forced to divest its Chrome web browser, alleging that Alphabet has a monopoly in the web search market.
- There was significant news this week regarding the U.S. housing market. The National Association of Realtors (NAR) reported that sales of existing homes rose 3.4% to an annualized rate of 3.96 million in October. The 2.9% increase over the previous 12-month period was the first year-over-year gain since July 2021. (Home sales are viewed as an indicator of housing market trends, and by extension, the health of the broader economy.) All four regions of the U.S. posted sales gains in October, while three regions saw year-over-year increases; existing-home sales in the Northeast were flat over the 12-month period. The inventory of unsold existing homes as of the end of October stood at 1.37 million—up 0.7% from the end of September—equivalent to a 4.2-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 Census Bureau, new housing starts, another gauge of the health of the residential real estate market, declined 3.1% and 4.0% in October and year-over-year, respectively, to an annual rate of 1,311,000. The downturn in October was attributable mainly to an 8.8% decline in new construction activity in the South region of the U.S.—particularly Florida and North Carolina—as two hurricanes caused significant damage in late September and early October. The number of building permits, an indicator of new construction activity in the near term, decreased 0.6% in September and fell 4.0% over the previous 12-month period.
- The U.S. labor market remains resilient. The Department of Labor announced that initial unemployment insurance claims, a barometer of the health of the labor market, decreased 6,000 to 213,000 during the week ending November 16, below market expectations. The total matched the number of claims filed during the same week in 2023. The four-week moving average of initial claims was down 3,750 week-over-week to 217,750, and 500 fewer than the four-week average of 218,250 a year earlier.
- The S&P Global Flash US PMI Composite Output Index rose 1.2 points to 55.3 in November—its highest level since May 2022. A purchasing managers' index (PMI) is an indicator of the prevailing direction of economic trends in the manufacturing and service sectors. A reading above 50.0 indicates expansion of activity in the two sectors, while a reading below 50.0 indicates a contraction. The Flash US Services Business Activity Index reached a 32-month high in November, while the Flash US Manufacturing Output Index remained in contraction territory despite ticking up to a four-month high.

Stocks

- Global equities saw mixed performance for the week. Developed markets outperformed emerging markets.
- U.S. stocks rose during the week. Consumer staples and materials were the top-performing sectors, while communication services recorded a negative return and was the primary market laggard.
- Value stocks led growth, while small caps outperformed large caps.

Bonds

- The 10-year U.S. Treasury note yield decreased to 4.41% over the week.
- Global bond markets posted modest gains during the week.
- High-yield bonds led the markets, followed by government bonds and corporate bonds.

The Numbers as of November 22, 2024	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI ($)	1.0%	17.1%	23.1%	851.4
MSCI EAFE ($)	-0.2%	1.5%	7.6%	2270.8
MSCI Emerging Mkts ($)	0.0%	6.0%	9.9%	1085.5
US & Canadian Equities				
Dow Jones Industrials ($)	2.0%	17.5%	25.6%	44296.5
S&P 500 ($)	1.7%	25.1%	31.0%	5969.3
NASDAQ ($)	1.7%	26.6%	33.2%	19003.7
S&P/ TSX Composite (C$)	2.2%	21.4%	26.5%	25444.3
UK & European Equities				
FTSE All-Share (£)	2.2%	6.5%	10.6%	4507.6
MSCI Europe ex UK (€)	-0.6%	3.7%	7.5%	1747.2
Asian Equities				
Topix (¥)	-0.6%	14.0%	13.4%	2696.5
Hong Kong Hang Seng ($)	-1.0%	12.8%	7.4%	19230.0
MSCI Asia Pac. Ex-Japan ($)	0.3%	9.1%	13.8%	577.1
Latin American Equities				
MSCI EMF Latin America ($)	-0.8%	-22.7%	-16.7%	2059.7
Mexican Bolsa (peso)	0.0%	-12.1%	-4.9%	50470.8
Brazilian Bovespa (real)	0.9%	-3.9%	1.9%	128956.9
Commodities ($)				
West Texas Intermediate Spot	5.2%	-1.6%	-8.2%	70.5
Gold Spot Price	5.6%	31.0%	35.8%	2706.9
Global Bond Indices ($)				
Bloomberg Global Aggregate ($)	0.1%	-1.1%	3.9%	466.1
JPMorgan Emerging Mkt Bond	0.4%	6.2%	12.5%	901.1
10-Year Yield Change (basis points*)				
US Treasury	-3	53	0	4.41%
UK Gilt	-9	86	13	4.38%
German Bund	-11	22	-38	2.24%
Japan Govt Bond	2	48	36	1.09%
Canada Govt Bond	15	32	-28	3.43%
Currency Returns**				
US$ per euro	-1.2%	-5.6%	-4.5%	1.042
Yen per US$	0.3%	9.8%	3.5%	154.83
US$ per £	-0.7%	-1.6%	0.0%	1.253
C$ per US$	-0.8%	5.5%	2.1%	1.398

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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