

MARKET UPDATE

DECEMBER 2024

Market and Economic Highlights

- ▶ U.S. equities bounced back strong in November
- ▶ Small caps were the standout with monthly returns over 10%
- ▶ The S&P 500 is on track for consecutive annual gains of at least 20%
- ▶ The Fed cut rates by 0.25% in November
- ▶ Economic data and corporate earnings reports and projections were strong

Sources: FactSet, Bloomberg

Market Returns

Market Index	1-Month	3-Month	YTD	1-Year
Bloomberg 9-12 Month T-Bill	0.34%	1.13%	4.62%	5.32%
Bloomberg 1-5 Year Government	0.38%	0.15%	3.41%	5.01%
Bloomberg Intermediate U.S. Gov/ Credit A or Better	0.56%	-0.03%	3.35%	5.60%
Bloomberg Intermediate U.S. Agg.	0.85%	-0.05%	3.43%	6.51%
S&P 500	5.87%	7.14%	28.06%	33.86%
Russell 2000	10.97%	10.13%	21.57%	36.44%

Source: Bloomberg; As of 11/30/24

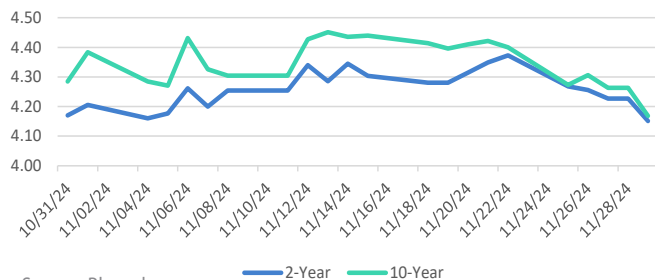
FEATURED MARKET DATA

Bond Market Volatility

The Federal Reserve cut rates by 0.25% as expected on November 7th, yet 2-year Treasury yields began the month with a continuation of rising yields. Higher yields reflected the market's belief that the Fed would cut rates less than previously anticipated as well as U.S. Fiscal worries. The 2-year peaked on November 22nd, 20 basis points higher than it began the month before giving back all of the increase by month-end. Volatility was also high for 10-year yields, which peaked near the middle of the month. President-elect Trump's pick for Treasury Secretary appeared to allay markets and yields declined in the second half of the month along with inflation expectations. The 10-year Treasury finished the month 10 basis points lower than it began, with the bond market possibly signaling lower growth expectations.

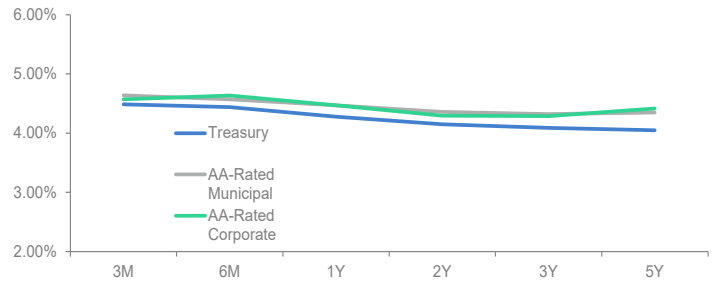
Sources: MUF, Bloomberg

U.S. Treasury Yields



Source: Bloomberg

Market Yields



Source: Bloomberg Finance L.P. 11/30/24

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Consumer Price Index (YoY)	11/13/24	OCT	2.6%	2.6%	2.4%
Chicago Fed National Activity Index	11/25/24	OCT	-0.28	-0.40	-0.27 (R)
Consumer Confidence	11/26/24	NOV	111.8	111.7	109.6 (R)
Personal Income	11/27/24	OCT	0.3%	0.6%	0.3%
Personal Spending	11/27/24	OCT	0.4%	0.4%	0.6% (R)
Core PCE (MoM)	11/27/24	OCT	0.3%	0.3%	0.3%
Core PCE (YoY)	11/27/24	OCT	2.8%	2.8%	2.7%
Change in Nonfarm Payrolls	12/06/24	NOV	200K	--	12K
Unemployment Rate	12/06/24	NOV	4.1%	--	4.1%

Source: Bloomberg Finance L.P. 12/02/24. Glossary terms on following page.

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Glossary of Terms

Term	What is it:
Building Permits	Records the number of permits for future housing construction.
Capacity Utilization	Tracks the extent to which capacity is being used in the production of goods and services.
Change in Nonfarm Payrolls	This indicator measures the change in the number of employees on business and government payrolls.
Chicago Fed National Activity Index	A nationwide measure of economic activity and inflation pressures. An index value of zero indicates that the national economy is expanding at its historical trend rate of growth.
Consumer Confidence	Index examines how consumers feel about jobs, the economy and spending.
Consumer Price Index (CPI)	Measures the average change in retail prices over time for a basket consisting of more than 200 categories of assorted goods and services paid directly by consumers.
Core Consumer Price Index (Core CPI)	This measure of CPI excludes food and energy costs.
Durable Goods Orders	A measure of new orders placed with domestic manufacturers for durable goods, which are items that last three years or more.
Existing Home Sales	Measures monthly sales of previously owned single-family homes.
GDP Annualized QoQ	Measures the annualized quarterly growth of the final market value of all goods and services produced within a country. GDP is the foremost report on how fast or slow the economy is growing.
Housing Starts	Records the number of new housing units started during a period.
Index of Leading Economic Indicators (LEI)	An index designed to predict the direction of the economy.
Initial Jobless Claims	Tracks new filings for unemployment insurance benefits.
ISM Manufacturing	Measures manufacturing activity based on a monthly survey of purchasing managers.
MBA Mortgage Applications	The Mortgage Bankers Association's weekly mortgage application survey includes home loan application activity for conventional and government loans for home purchases and refinances.
Mortgage Delinquencies	A measure of the percent of total conventional and government loans which are at least one payment past due, but not in the process of foreclosure.
Personal Consumption Expenditure (PCE)	The Federal Reserve's preferred measure of inflation tracks overall price changes for goods and services. Core PCE excludes food and energy.
Personal Income and Spending	Index records the income Americans receive, how much they spend, and what they save.
Retail Sales	Tracks the sale of new and used goods for personal or household consumption.
Retail Sales Ex. Auto	Retail sales excluding motor vehicles and parts.
S&P Case-Shiller Home Price Index	Tracks the value of single-family housing within the U.S. There are multiple indexes including the 20-City Composite.
Unemployment Rate	The U-3 unemployment rates tracks the percentage of the civilian workforce that is unemployed.

Source: Bloomberg, The Secrets of Economic Indicators by Bernard Baumohl; PMA Asset Management, LLC

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