Weekly Recap

Equity markets reversed course after a three-month selloff, with robust gains to open November. Softer economic data and a dovish tone following the Federal Reserve's November FOMC meeting caused bond yields to drop sharply, resulting in sizable equity gains. As expected, the Federal Reserve held the Fed fund's target rate steady at 5.25-5.50% and remains data dependent. Bond yields fell after the Fed meeting as investors interpreted the Fed's comments to indicate that the rate hiking cycle is likely over. The nonfarm payroll report showed the economy created 150,000 jobs in October, below the consensus of 180,000, and supported the soft-landing scenario. This month's print increased the unemployment rate to 3.9% from 3.8%, the highest level since January 2022. In other economic news, consumer confidence in October dropped for the third straight month, coming in at 102.6, down from a revised print of 104.3 in September. Despite a 3-month slide, September's JOLTS number beat consensus estimates of 9500k with 9553k openings but down from 9610k a month prior. Third-quarter earnings are in full swing, with 81% of S&P 500 companies having already reported. Overall, earnings were better than expected with 82% of names reporting earnings per share (EPS) better than expected, with 62% beating revenue consensus estimates. However, analysts have lowered EPS guidance for 8 out of 11 sectors for the fourth quarter. All three major indices ended the week on a higher note with the S&P 500 up 5.85%, NASDAQ up 6.61%, and DJIA up 5.07%, while growth outperformed value by 58 basis points.

Key Thought for The Week

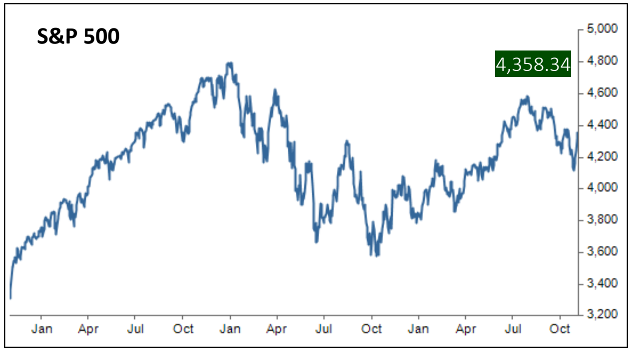
The U.S. Federal Reserve left the Fed funds rate unchanged at their most recent meeting on Wednesday which effectively put to rest the "every other meeting" campaign. Since July 26th when the FOMC last tightened 25 basis points to a target range of 5.25% to 5.5%, the committee held steady at two subsequent meetings. The probability of a hike at the next meeting in December is 18% and has been dubbed "The Santa Pause". With supply chains back to normal, headline CPI components moving lower, and shelter related costs having hit their peak, an astute strategist recently pointed out that Fed tightening should be near its end, particularly when observing that Core PCE is close to the Fed's 2% target when accounting for the most recent 3-month change. The 10-year Treasury yield traded in a 50-basis point range the past month between 4.51% and 5.01%. It was also pointed out that since the mid-1980s, yields always peaked around the time the Fed last raised interest rates. Furthermore, yields have always moved lower after the peak in inflation.

11/3/2023 STOCKS	Close	Wk Net Change	Wk % Change	Div Yield	YTD % Change	12 Mos % Change
DJIA	34,061.32	1,643.73	5.07	2.13	2.76	6.44
S&P 500	4,358.34	240.97	5.85	1.59	13.51	17.16
NASDAQ	13,478.28	835.27	6.61	0.80	28.78	30.31
S&P MidCap 400	2,478.34	151.52	6.51	1.82	1.97	4.71
EAFE	2,006.05	60.70	3.12	3.38	3.20	15.91
Emerging Market	930.62	10.84	1.18	2.99	-2.69	8.10

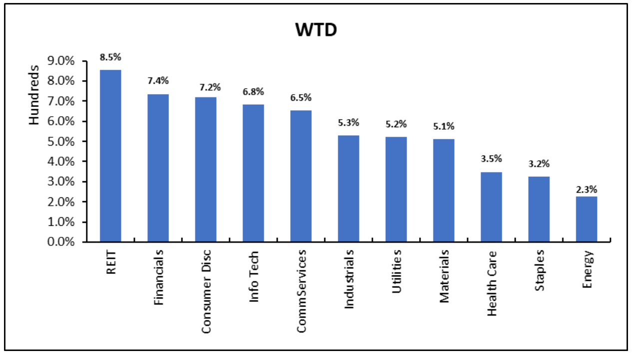
TREASURIES	Yield
1-Year	5.28
2-Year	4.84
5-Year	4.50
10-Year	4.57
30-Year	4.77

FOREX	Price	Wk % Change
USD/EUR	1.07	1.57
JPY/USD	149.36	0.20
USD/GBP	1.24	2.14
CAD/USD	1.37	1.50

Source: FactSet/Bloomberg



Sector - Large Cap	Close	Wk Net Change	WTD	MTD	QTD	YTD
Defensive						
Staples	726.66	22.86	3.2%	1.3%	(0.1%)	(6.7%)
Health Care	1,484.19	49.93	3.5%	2.3%	(1.1%)	(6.4%)
CommServices	226.89	13.92	6.5%	4.2%	2.1%	42.4%
Eco Sensitive						
Consumer Disc	1,268.86	85.29	7.2%	5.1%	0.4%	26.2%
Energy	663.24	14.66	2.3%	1.7%	(4.5%)	(1.4%)
Industrials	858.95	43.15	5.3%	3.2%	0.2%	3.3%
Info Tech	3,048.66	195.18	6.8%	5.0%	4.9%	40.4%
Materials	495.87	24.04	5.1%	3.6%	0.3%	1.3%
Interest Rate Sensitive						
Financials	561.39	38.46	7.4%	4.4%	1.7%	(1.5%)
Utilities	313.83	15.56	5.2%	3.6%	4.9%	(12.5%)
REIT	220.12	17.33	8.5%	6.1%	2.9%	(5.3%)



COMING UP NEXT WEEK		Consensus	Prior
11/07 Trade Balance SA	(Sep)	-$59.0B	-$58.3B
11/07 Consumer Credit SA	(Sep)	$7.5B	-$15.6B
11/08 Wholesale Inventories SA M/M (Final)	(Sep)	0.0%	0.0%
11/10 Michigan Sentiment NSA (Preliminary)	(Nov)	63.8	63.8
11/10 Treasury Budget NSA	(Oct)	$2.5%	-$171.0B

Russell Style Return

WTD	Value	Blend	Growth
Large	5.67%	5.98%	6.25%
Medium	6.44%	6.41%	6.34%
Small	8.45%	7.59%	6.67%

YTD	Value	Blend	Growth
Large	1.77%	14.72%	28.57%
Medium	0.15%	3.54%	9.57%
Small	(0.23%)	1.19%	2.08%

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