

Monthly Newsletter December 2023



Monthly Market Recap

This November, aside from the start of the holiday season, there was a lot to be thankful for. November is historically the best month for the stock market and this year it did not disappoint. The S&P 500 increased by 9.1%. The DJIA also increased by 9.2% and the NASDAQ moved higher by 10.8%.

The first few days of November have been the longest positive streak since 2021. To start off the month, the Fed announced that they would leave the policy interest rate unchanged at 5.25% - 5.5%. Jerome Powell continued to reinforce the fact that the committee would proceed carefully, relying on data for their decisions of additional firming of monetary policy and how long it will stay restrictive.

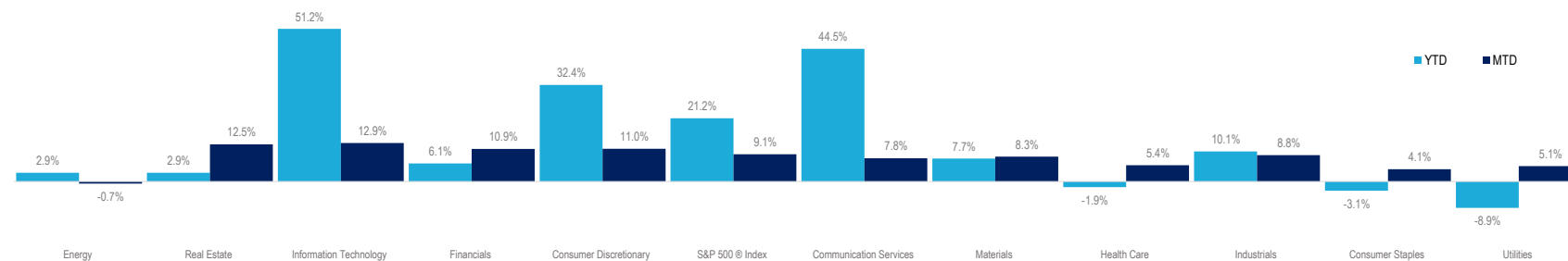
The unemployment rate came in at 3.9% for October, increasing from September. This is the highest level seen since January 2022, but it remains below 4% for the 21st month in a row. Jobs added in October began to see a cooling off period as we go into the winter months, but still indicated a strong economy and employment growth. Overall, the labor market remains tight, but supply and demand are continuing to come into balance.

Inflation continued to remain flat in October, with CPI showing no change for the month and at 3.2% from a year ago. Although there was no change, the numbers came in below the projections, which generated positive sentiment for the markets by signaling a possible trend in the right direction for inflation. Consumers started to see some relief at the gas pump this month with the energy index falling 2.5%. Excluding energy and shelter, Core CPI fell to an annual rate of 4% in October from 4.1% in September.

As the earning season for the third quarter comes to an end, 82% of companies in the S&P 500 have reported earnings per share (EPS) above estimates. This is higher than the 5-year and 10-year averages and if this holds, it will be the highest since Q3 2021. Corporate profits accelerated at 4.3%, up sharply from the 0.8% gain in the second quarter. The US economy continued to show strength, as Gross Domestic Product (GDP) came in at 5.2%, exceeding all predictions.

The month of December is known for its "Santa Claus Rally" coined back in 1972, which is the tendency for the stock market to increase during the Christmas Season due to holiday shopping, and season spirit. All signs point to the U.S. entering a stage of steady and stable growth in the economy and the consumer is hoping the bull market will continue for at least another month. As we come to the end of 2023, inflation is cooling, interest rates are predicted to remain unchanged for now, and consumer spending is still strong with Black Friday spending reaching a record high. Moving into 2024, an election year, we remain cautiously optimistic and look forward to what the New Year will bring.

This will be our last newsletter of the year. We want to wish you all a joyous holiday season and to thank you for your continued partnership and trust.



	Index Return %	
Equities	MTD	YTD
S&P 500	9.1%	20.8%
Russell 3000	9.3%	19.6%
Nasdaq	10.8%	37.0%
Dow Jones	9.2%	10.7%
Fixed Income		
US Aggregate	4.5%	1.6%
US Corporate High Yield	4.5%	9.4%
Economic Metrics		
	Rate %	
	Oct-23	
US Unemployment Rate	3.9%	
US Inflation Rate	3.2%	
Commodities		
	Levels	
	Oct-23	Nov-23
Oil (WTI)	81.64	74.46
Gold	1,996.90	2,000.90
DowJ. Commodity Index	997.69	982.93
Interest Rates		
	Rate %	
	Oct-23	Nov-23
10 Year Treasury Rate	4.88%	4.27%
30 Year Treasury Rate	5.04%	4.44%
30 Year Mortgage Rate	7.79%	7.22%
US Corp. AAA Effective Yield	5.56%	4.87%

All numbers reported are as of Nov 30, 2023

Major Economic Events	Date
Employment Situation	8-Dec
Inflation Rate	12-Dec
FOMC Meeting	13-Dec

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Sources

S&P 500 Performance	https://ycharts.com/indices/%5ESPXTR/level
Russell 3000 Performance	https://ycharts.com/indices/%5ERUATR/level
Nasdaq Performance	https://ycharts.com/indices/%5ENA100TR/level
Dow Jones Performance	https://ycharts.com/indices/%5EDJITR
US Aggregate Performance	https://ycharts.com/indices/%5EBBUSATR
US Corporate High Yield Performance	https://ycharts.com/indices/%5EBBUSCOHYTR
US Unemployment Rate	https://ycharts.com/indicators/us_unemployment_rate
US Inflation Rate	https://ycharts.com/indicators/us_inflation_rate
10 Year Treasury Rate	https://ycharts.com/indicators/10_year_treasury_rate
30 Year Treasury Rate	https://ycharts.com/indicators/30_year_treasury_rate
30 Year Mortgage Rate	https://ycharts.com/indicators/30_year_mortgage_rate
US Corp. AAA Effective Yield	https://ycharts.com/indicators/us_corporate_aaa_effective_yield
European Markets Performance	https://russellinvestments.com/middle-east/global-market-outlook#ColorBoxesRoot_5c2d1932-eb2f-4ad5-a377-5c496b847736
Sectors & Industries Performance	https://ycharts.com
Dow Jones Commodity Index	https://ycharts.com/indices/%5EDJIC
Gold Price	https://ycharts.com/indicators/gold_price_in_us_dollar
Crude Oil Price	https://ycharts.com/indicators/wti_crude_oil_spot_price

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