



 **Week of November 18, 2024**

## Jingle Bells Are Ringing For A Jolly Holiday Season

**In January of this year, most investors neither expected nor believed that the equity market could rally by 20% or more.**

Well, here we are, with stocks up over 20%. Remember: the consensus is often wrong. As Sir John Templeton famously said, “Bull markets are born on pessimism, grow on skepticism, mature on optimism, and die on euphoria.” Consensus is still in the skepticism phase. The economy has been growing by over 2%, earnings have come in better than expected, and the Federal Reserve (Fed) has begun a cycle of cutting interest rates. The equity markets have celebrated this goldilocks environment by rallying strongly despite five corrections throughout the year.

Going into the end of the year, the seasonals are bullish for stocks, and we expect the gains to hold. We may have some choppiness, as the recent Consumer Price Index (CPI) and Producer Price Index (PPI) came in slightly higher than expected. So, in a speech last Thursday, Fed Chair Jerome Powell said that there is no need to hurry to cut interest rates. This has lowered the probability of an interest rate cut in December and has rattled the equity markets. But with a strong economic backdrop, sticky inflation, and strong earnings – and a 75-basis-point rate cut already in place – it looks prudent to pause further rate cuts for now.

## Equity Price Momentum Remains Up

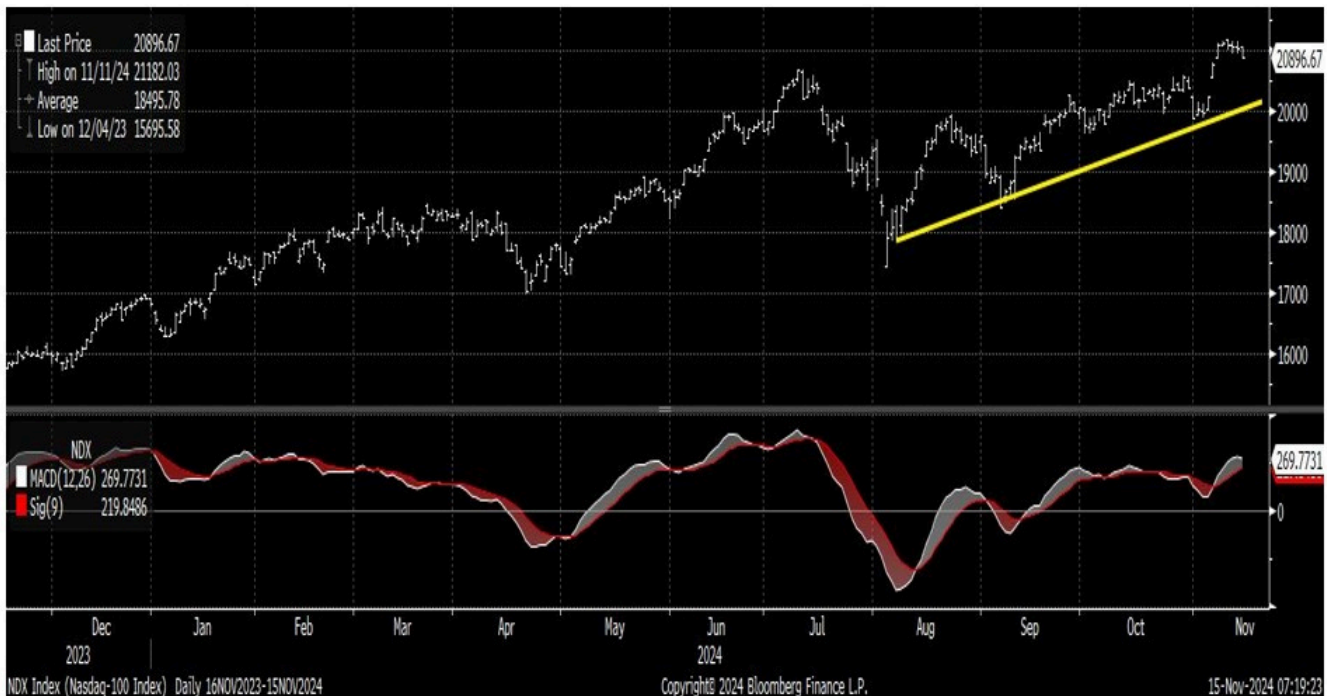
With strong positive seasonals and a positive economic and earnings backdrop, we look at where price momentum is, using the Moving Average Convergence/Divergence (MACD) indicator, and the trend remains up. So, even if markets get a little choppy over the coming weeks, we do expect stocks to continue their uptrend into December.

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## S&P 500 With MACD: Price Momentum Remains Bullish



## Nasdaq 100 With MACD: Price Momentum Remains Bullish



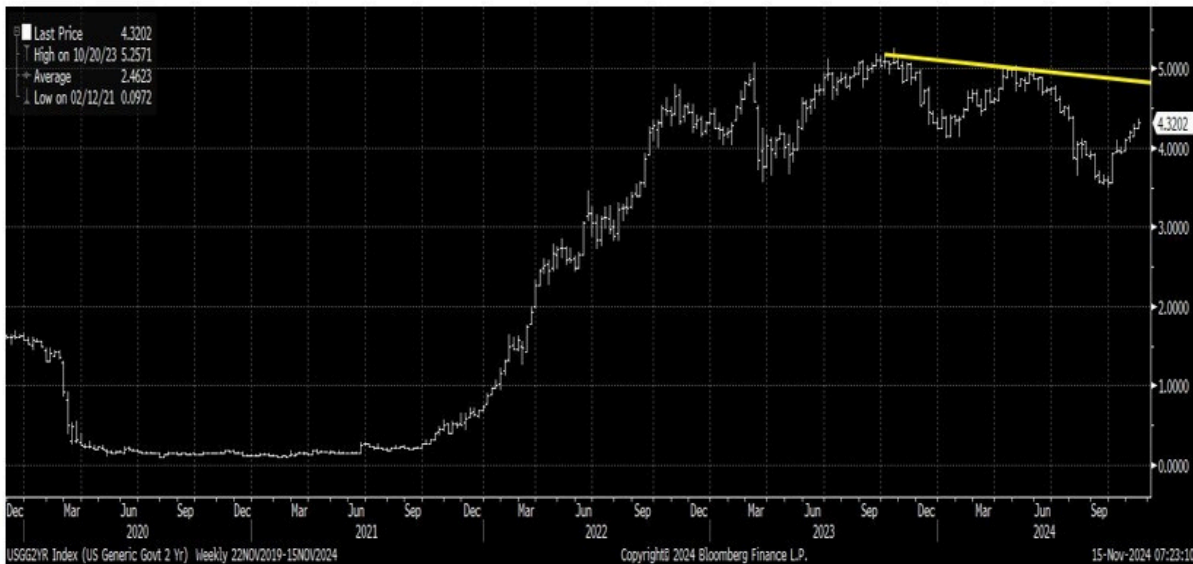
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## Interest Rates Rise But Remain In A Short-Term Downtrend

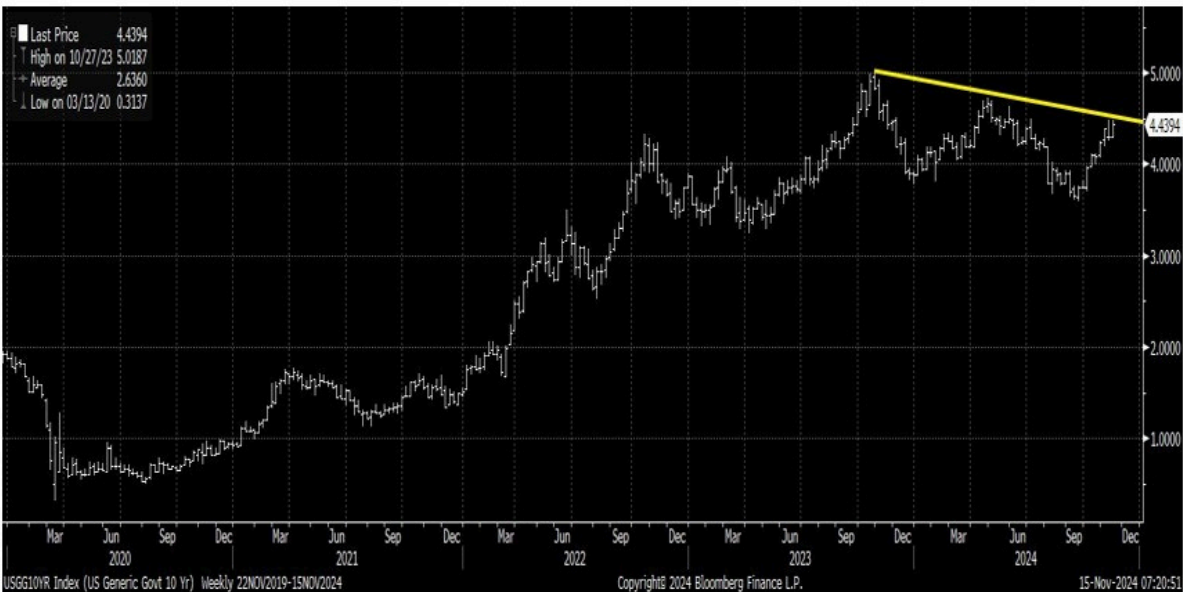
Interest rates have rallied strongly with stronger economic data and with inflation remaining sticky. But the short-term trend remains down. In our view, if the Fed resumes cutting rates, we would expect to get to a neutral rate near 3.5%, allowing the 2-Year Treasury yield to fall again. The 2-Year Treasury is approaching resistance near 4.4%-4.5% and we expect this to hold.

The 10-Year Treasury Yield is challenging the short-term downtrend line near 4.5%. Longer rates have been responding to a stronger economy. But let's remember longer rates have historically been in the 4%-5% range. If the economy remains strong, the 10-year is likely to remain firm. If the short-term trendline is broken to the upside, the rate could track up near 5%. This could rattle equity markets temporarily, but we don't believe it will stop the Bull from charging ahead. The yield curve is attempting to go back to normal (what is known as steepening), where shorter interest rates are below longer-term rates. This is a longer-term positive.

### 2-Year Treasury Yield In Short-Term Downtrend



### 10-Year Treasury Yield Testing Short-Term Down Trendline Near 4.5%





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## Transports Are Finally Chugging Along

The Dow Jones Transportation Average (TRAN) has lagged the broader equity markets, not hitting new record highs. But the index is now moving and broke out of a trading range that we believe will bring it to new record highs. This is part of the equity market broadening out, confirming that we remain in a secular bull market.

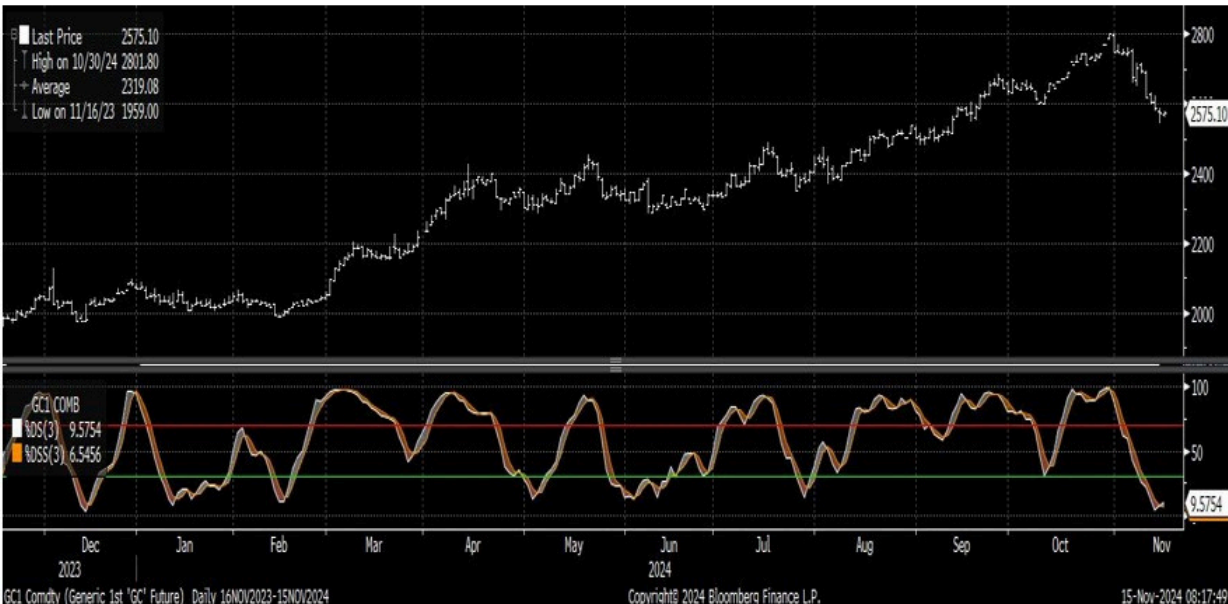
### Dow Jones Transportation Average (TRAN) Finally Joining the Bull Run



## Gold In A Bullish Correction & Oversold Near Term

Gold rallied over 30% by the end of October. Gold is currently in a bullish correction and is oversold with the 14-Day Stochastic. For investors who want to own Gold, we believe you are getting a buying opportunity.

### Gold In A Bullish Correction and Oversold With 14-Day Stochastic





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## Market Performance

	Last 11/15/2024	Month End 10/31/2024	Month to Date	Quarter End 9/30/2024	Quarter to Date	Year End 12/29/2023	Year to Date	Year Ago 11/16/2023	Year To Year
S&P 500	5870.62	5705.45	2.9%	5762.48	1.9%	4769.83	23.1%	4508.24	30.2%
NASDAQ Composite	18680.12	18095.15	3.2%	18189.17	2.7%	15011.35	24.4%	14113.67	32.4%
NASDAQ 100	496.57	483.85	2.6%	488.07	1.7%	409.52	21.3%	385.95	28.7%
Russell 2000	2303.84	2196.65	4.9%	2229.97	3.3%	2027.07	13.7%	1773.76	29.9%
S&P Consumer Discretionary Sector	1721.70	1580.24	9.0%	1605.41	7.2%	1418.09	21.4%	1314.32	31.0%
S&P Consumer Staples Sector	860.88	861.70	-0.1%	887.78	-3.0%	762.32	12.9%	733.69	17.3%
S&P Energy Sector	722.04	681.25	6.0%	676.47	6.7%	640.05	12.8%	630.13	14.6%
S&P Financial Sector	828.75	773.41	7.2%	754.16	9.9%	626.35	32.3%	578.13	43.4%
S&P Health Care Sector	1651.82	1711.50	-3.5%	1796.48	-8.1%	1590.36	3.9%	1495.29	10.5%
S&P Industrials Sector	1174.44	1131.09	3.8%	1147.06	2.4%	964.73	21.7%	885.93	32.6%
S&P Information Technology Sector	4478.00	4359.55	2.7%	4403.72	1.7%	3397.16	31.8%	3256.90	37.5%
S&P Materials Sector	573.77	586.14	-2.1%	607.70	-5.6%	539.62	6.3%	503.85	13.9%
S&P Real Estate Sector	269.25	270.90	-0.6%	280.46	-4.0%	251.58	7.0%	225.47	19.4%
S&P Communications Sector	324.93	320.25	1.5%	314.60	3.3%	246.00	32.1%	238.36	36.3%
S&P Utilities Sector	401.46	405.90	-1.1%	410.28	-2.1%	321.92	24.7%	314.16	27.8%
S&P 500 Total Return	12864.42	12493.74	3.0%	12608.07	2.0%	10327.83	24.6%	9743.22	32.0%
3 month Treasury Bill Price	98.87	98.86	0.0%	98.85	0.0%	98.66	0.2%	98.65	0.2%
3 month Treasury Bill Total Return	255.51	254.95	0.2%	253.94	0.6%	243.98	4.7%	242.35	5.4%
10 Year Treasury Bond Future	109.53	110.47	-0.8%	114.28	-4.2%	112.89	-3.0%	108.86	0.6%
10 Year Treasury Note Total Return	294.91	296.88	-0.7%	305.92	-3.6%	294.12	0.3%	282.80	4.3%
iShares 20+ Year Treasury Bond ETF	90.08	92.45	-2.6%	98.10	-8.2%	98.88	-8.9%	89.62	0.5%
S&P Municipal Bond Total Return	278.61	277.16	0.5%	280.82	-0.8%	272.94	2.1%	261.23	6.7%
iShares S&P National Municipal Bond NAV	107.12	106.78	0.3%	108.52	-1.3%	108.42	-1.2%	104.51	2.5%
S&P 500 Investment Grade Corporate Bond Total Return	465.66	468.10	-0.5%	478.79	-2.7%	455.89	2.1%	429.82	8.3%
S&P Investment Grade Corporate Bond	90.81	91.37	-0.6%	93.58	-3.0%	91.76	-1.0%	87.28	4.1%
S&P Investment Grade Corporate Bond Total Return	496.04	498.19	-0.4%	508.34	-2.4%	482.66	2.8%	456.69	8.6%
SPDR Bloomberg High Yield Bond ETF	96.36	96.30	0.1%	97.79	-1.5%	94.73	1.7%	91.33	5.5%
iShares iBoxx High Yield Corporate Bond ETF	79.23	79.14	0.1%	80.30	-1.3%	77.39	2.4%	74.60	6.2%
Gold	2563.25	2743.97	-6.6%	2634.58	-2.7%	2062.98	24.2%	1980.90	29.4%
Bitcoin	91740.37	69937.51	31.2%	63785.09	43.8%	41935.34	118.8%	35965.50	155.1%

Source: Bloomberg, Sanctuary Wealth, November 15, 2024

## Trump And Nvidia To Grab Headlines

**This week the murmurs of data and whispers of FedSpeak won't drown out the noisy charging Bull.**

It's a lighter week for economic data, along with a just a smattering of FedSpeak. In essence, the 3Q24 earnings season is finished. But all eyes will be on Nvidia's (NVDA) earnings this Wednesday, November 20. That report can move not only the NVDA stock, but the market as well. The economic data we get this week will be on the state of the housing market, which has been facing higher interest rates over the past month. We will also get the latest insights into the mood of the investor with the University of Michigan Consumer Confidence data. But the headlines will still belong to President-elect Donald Trump as he continues to announce appointments and nominations for his incoming administration.



# Calendar

- Mon.** 10:00 am Home builder confidence index, Chicago Fed President Austan Goolsbee welcoming remarks  
Earnings: Brady, BellRing Brands\*
- Tue.** 8:30 am Housing starts, Building permits  
12:25 pm Chicago Fed President Austan Goolsbee speaks  
Earnings: Walmart, Energizer, Medtronic, Lowe's, Alcon, La-Z-Boy
- Wed.** 11:00 a.m. Fed Gov. Lisa Cooks speaks  
12:15 pm Fed Gov. Michelle Bowman speaks  
Earnings: Target, TJX Companies, Nvidia, Jack In The Box
- Thu.** 8:30 am Initial jobless claims, Philadelphia Fed manufacturing survey  
8:45 am Cleveland Fed President Beth Hammack welcoming remarks  
10:00 am Existing home sales, Leading economic index  
1:10 pm Kansas City Fed President Jeff Schmid speaks  
4:40 pm Fed Vice Chair for Supervision Michael Barr speaks  
Earnings: Deere & Company, BJ's Wholesale, Warner Music Group, Gap, Intuit, Ross Stores  
9:45 am S&P flash U.S. services PMI  
10:00 am Consumer sentiment (final)
- Fri.** 6:15 pm Fed Gov. Michelle Bowman speaks

Source: MarketWatch/Kiplinger/CNBC

\*Earnings reflect highlights

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