



WEEK OF OCTOBER 28, 2024

Market Update

The pace of existing home sales fell more than expected in September. Tesla soared on better-than-expected profitability from regulatory credits. Despite the recent Federal Reserve (Fed) rate cut, rates continued to climb across the curve.

Quick Hits

- 1. Report releases:** The pace of existing home sales fell more than anticipated last month.
- 2. Financial market data:** Tesla soared on better-than-expected profitability from regulatory credits.
- 3. Looking ahead:** This week's data will focus on consumer confidence, economic growth, and employment.

Report Releases: October 21–25, 2024

Existing Home Sales September (Tuesday)

The pace of existing home sales fell more than expected as prospective homebuyers waited on the sideline.

- Expected/prior month existing home sales change: +0.5%/–2.0%
- Actual existing home sales change: –1.0%



Fed's Beige Book September (Wednesday)

The Fed Beige Book was little changed across all districts since early September, with two districts reporting modest growth and most reporting declining manufacturing activity.



S&P Service and Manufacturing Purchasing Manager Indices (PMIs) October (Thursday)

Service and manufacturing PMIs surprised to the upside in October, lifting the composite PMI to 54.3, above expectations of 53.8.

- Expected/prior month service PMI: 55.0/55.2
- Actual service PMI: 55.3
- Expected/prior month manufacturing PMI: 47.5/47.3
- Actual manufacturing PMI: 47.8



Preliminary Durable Goods Orders September (Friday)

Headline durable goods orders fell less than expected and core durable goods orders increased more than anticipated.

- Expected/prior durable goods orders monthly change: –1.0%/–0.8%
- Actual durable goods orders change: –0.8%
- Expected/prior core durable goods orders monthly change: –0.1%/+0.6%
- Actual core durable goods orders change: +0.4%



>> The Takeaway

- Existing home sales were weaker than expected; rates have risen in recent weeks.
- Durable goods orders were better than expected, particularly within core orders.

Financial Market Data

Equity

Index	Week-to-Date	Month-to-Date	Year-to-Date	12-Month
S&P 500	-0.96%	0.86%	23.12%	40.72%
Nasdaq Composite	0.16%	1.83%	24.07%	45.59%
DJIA	-2.66%	-0.43%	13.45%	30.00%
MSCI EAFE	-1.98%	-4.29%	8.68%	24.12%
MSCI Emerging Markets	-1.75%	-3.03%	13.59%	26.77%
Russell 2000	-2.99%	-0.95%	10.11%	35.63%

Source: Bloomberg, as of October 25, 2024

U.S. equities were mixed. The S&P 500 snapped its six-week winning streak at six. The Nasdaq Composite, on the other hand, was lifted by consumer discretionary and technology firms. Tesla rose more than 22 percent after beating profit expectations on regulatory credit sales. In addition, CEO Elon Musk estimated 20 percent–30 percent vehicle growth in 2025, led by lower cost and autonomous vehicles. Struggling sectors included materials, health care, and industrials.

Fixed Income

Index	Month-to-Date	Year-to-Date	12-Month
U.S. Broad Market	-2.31%	2.03%	11.13%
U.S. Treasury	-2.28%	1.47%	8.83%
U.S. Mortgages	-2.62%	1.80%	12.54%
Municipal Bond	-1.33%	0.84%	9.82%

Source: Bloomberg, as of October 25, 2024

Bonds continued their recent climb higher, with the belly of the curve between 2- and 10-year maturities seeing the largest increases. The 5-year rose 17.4 bps to close at 4.05 percent. The 30-year fixed-rate mortgage closed at 6.9 percent, up 22 bps.

>> The Takeaway

- Tesla and other technology firms lifted the Nasdaq slightly despite broader softening.
- Yields continued to climb and the 30-year fixed-rate mortgage rate rose to 6.9 percent.

Looking Ahead

This week will be full of important data releases and earnings. On the economic side, consumer confidence, economic growth, and employment are on tap.

- On Tuesday, the **Conference Board Consumer Confidence Index** for October will be released. Consumer confidence is expected to increase modestly.
- The advance report of **third-quarter GDP** is expected on Wednesday. This first look at third-quarter GDP growth is set to show a 3 percent annualized increase.
- On Thursday, we expect **personal income and spending data** for September. Both are set to rise.
- Finally, on Friday, **the employment report** for October will be unveiled. Hiring is expected to slow notably, with 120,000 jobs expected after a hiring surge in September.





This material is intended for informational/educational purposes only and should not be construed as investment advice, a solicitation, or a recommendation to buy or sell any security or investment product. Please contact your financial professional for more information specific to your situation.

Certain sections of this commentary contain forward-looking statements that are based on our reasonable expectations, estimates, projections, and assumptions. Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. All indices are unmanaged and are not available for direct investment by the public. Past performance is not indicative of future results. The S&P 500 is based on the average performance of the 500 industrial stocks monitored by Standard & Poor's. The Nasdaq Composite Index

measures the performance of all issues listed in the Nasdaq Stock Market, except for rights, warrants, units, and convertible debentures. The Dow Jones Industrial Average is computed by summing the prices of the stocks of 30 large companies and then dividing that total by an adjusted value, one which has been adjusted over the years to account for the effects of stock splits on the prices of the 30 companies. Dividends are reinvested to reflect the actual performance of the underlying securities. The MSCI EAFE Index is a float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a market capitalization-weighted index composed of companies representative of the market structure of 26 emerging market countries in Europe, Latin America, and the Pacific Basin. The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index. The Bloomberg US Aggregate Bond Index is an unmanaged market value-weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. The U.S. Treasury Index is based on the auctions of U.S. Treasury bills, or on the U.S. Treasury's daily yield curve. The Bloomberg US Mortgage Backed Securities (MBS) Index is an unmanaged market value-weighted index of 15- and 30-year fixed-rate securities backed by mortgage pools of the Government National Mortgage Association (GNMA), Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (FHLMC), and balloon mortgages with fixed-rate coupons. The Bloomberg US Municipal Index includes investment-grade, tax-exempt, and fixed-rate bonds with long-term maturities (greater than 2 years) selected from issues larger than \$50 million. One basis point is equal to 1/100th of 1 percent, or 0.01 percent. One basis point (bp) is equal to 1/100th of 1 percent, or 0.01 percent.

Authored by the Investment Research team at Commonwealth Financial Network®

©2024 Commonwealth Financial Network®

Pickler Wealth Advisors

1135 Halle Park Circle | Collierville, TN 38017

901.316.0160 | 901.316.0155 fax | www.picklerwealthadvisors.com