

Economic & Market Commentary

Stocks and bonds finished mixed last week as investors tried to maneuver through a litany of economic and political dynamics. The "higher for longer" rate theme is being put to the test as the bond market is signaling the Fed is done raising rates while the Fed is indicating they are in wait and see mode and will adjust accordingly to incoming data. At an IMF conference last week, Fed Chair Powell said inflation has given policymakers a few "head fakes," and that the Fed will not hesitate to tighten further if it becomes apparent that more tightening is required. However, Powell added the Fed will continue to move carefully in order to address both the risk of being misled by a few good months of data and the risk of overtightening. Higher rates continue to put pressure on consumer and business demand. The latest addition of the Fed's quarterly Senior Loan Officer Opinion Survey (SLOOS) observed tighter standards for commercial and industrial (C&I) loans of all loan sizes during Q3, with lenders citing a more uncertain outlook, reduced risk tolerance, and less aggressive competition. C&I demand was also weaker, with respondents noting a decrease in inquiries from potential borrowers. Banks noted tighter standards and lower demand for both commercial and residential real estate loans. Consumer auto and credit card loan standards also saw additional credit tightening as delinquencies are moving higher. Speaking of consumer credit, the Federal Reserve Bank of New York released their quarterly report on household debt for the 3rd quarter which showed Americans now owe a record \$1.08 trillion in credit card debt. Consistent with the SLOOS report, the household debt report noted that delinquency rates rose across the board especially among millennials. On the political front, a funding showdown looms this week as Congress has five days to avoid a government shutdown this weekend. After the close Friday, Moody's credit rating agency downgraded its rating outlook on U.S. debt from stable to negative citing expected increasing deficits, higher funding and debt service costs and continued dysfunctional government.

Index Total Returns - November 10, 2023				U.S Home Sales			
	1-Wk	YTD	1-Yr	7,500 — New Residential Sales, New Houses Sold, SA, (000's) — Existing H	ome Sales, SA, Units - (000's)		
NASDAQ	2.40	32.76	25.22	7,000		Μ	1,000
S&P 500	1.35	16.60	13.47				
MSCI-Developed	-0.90	6.17	10.48	6,500			900
Dow Jones	0.72	5.29	3.88	6,000			
S&P 400	-1.53	1.81	-1.44	۸۸۸ /	_	,	800
MSCI-Emerging	0.02	1.44	9.47	5,500	MM	\sim	
Russell 2000	-3.11	-1.92	-7.25	5,000		MI	// / 710
Barclay's U.S. Bond Inde	X			4500		V	
High Yield	-0.30	6.87	8.10		* \\	V	V4/_ ""
Int. Gov. Credit	-0.36	1.12	1.83	4,000			398.6
5-year Muni	0.50	0.47	2.92	3,500			
Municipal	0.80	0.38	3.58				400
Aggregate	-0.29	-0.82	0.44	3,000 14 15 16 17	18 19	'20 '21	"22 "23 GFactSet Research Systems
U.S. Treasury Yields				S&P 500 Sector Total Returns - November 10, 2023			
	Latest	Week	1-Year	Sector	1-Wk	YTD	1-Yr
Treasury Yields	Close	Ago	Ago	Info Tech	4.81	48.23	40.92
U.S. 1-Yr	5.36	5.40	4.62	Communication Services			
	5.50	3.40	4.62	Communication Services	2.21	46.82	44.08
U.S. 2-Yr	5.05	4.87	4.82	Consumer Discretionary	2.21 0.95	46.82 28.42	44.08 17.29
U.S. 2-Yr	5.05	4.87	4.31	Consumer Discretionary	0.95	28.42	17.29
U.S. 2-Yr U.S. 3-Yr U.S. 5-Yr U.S. 10-Yr	5.05 4.82	4.87 4.62	4.31 4.19	Consumer Discretionary Industrials	0.95 0.93	28.42 5.72	17.29 4.72 -1.57 -2.76
U.S. 2-Yr U.S. 3-Yr U.S. 5-Yr U.S. 10-Yr U.S. 30-Yr	5.05 4.82 4.66 4.61 4.73	4.87 4.62 4.48 4.52 4.70	4.31 4.19 3.95	Consumer Discretionary Industrials Materials Financials Energy	0.95 0.93 -1.80 0.34 -3.82	28.42 5.72 1.07 0.55 -2.45	17.29 4.72 -1.57 -2.76 -4.82
U.S. 2-Yr U.S. 3-Yr U.S. 5-Yr U.S. 10-Yr	5.05 4.82 4.66 4.61 4.73	4.87 4.62 4.48 4.52 4.70	4.31 4.19 3.95 3.84 4.08	Consumer Discretionary Industrials Materials Financials Energy Consumer Staples	0.95 0.93 -1.80 0.34 -3.82 0.23	28.42 5.72 1.07 0.55 -2.45 -4.45	17.29 4.72 -1.57 -2.76 -4.82 -2.49
U.S. 2-Yr U.S. 3-Yr U.S. 5-Yr U.S. 10-Yr U.S. 30-Yr	5.05 4.82 4.66 4.61 4.73	4.87 4.62 4.48 4.52 4.70	4.31 4.19 3.95 3.84	Consumer Discretionary Industrials Materials Financials Energy Consumer Staples Real Estate	0.95 0.93 -1.80 0.34 -3.82 0.23 -2.25	28.42 5.72 1.07 0.55 -2.45 -4.45	17.29 4.72 -1.57 -2.76 -4.82 -2.49 -8.15
U.S. 2-Yr U.S. 3-Yr U.S. 5-Yr U.S. 10-Yr U.S. 30-Yr Municipal Yields - Blooml	5.05 4.82 4.66 4.61 4.73 berg/Barclay Latest Close	4.87 4.62 4.48 4.52 4.70 s Index Week Ago	4.31 4.19 3.95 3.84 4.08 1-Year Ago	Consumer Discretionary Industrials Materials Financials Energy Consumer Staples Real Estate Health Care	0.95 0.93 -1.80 0.34 -3.82 0.23 -2.25 -0.90	28.42 5.72 1.07 0.55 -2.45 -4.45 -4.70 -5.92	17.29 4.72 -1.57 -2.76 -4.82 -2.49 -8.15 -4.79
U.S. 2-Yr U.S. 3-Yr U.S. 5-Yr U.S. 10-Yr U.S. 30-Yr Municipal Yields - Blooml Issue Type U.S. AAA	5.05 4.82 4.66 4.61 4.73 berg/Barclay Latest Close 3.89	4.87 4.62 4.48 4.52 4.70 s Index Week Ago 3.99	4.31 4.19 3.95 3.84 4.08 1-Year Ago 3.64	Consumer Discretionary Industrials Materials Financials Energy Consumer Staples Real Estate	0.95 0.93 -1.80 0.34 -3.82 0.23 -2.25 -0.90 -2.52	28.42 5.72 1.07 0.55 -2.45 -4.45 -4.70 -5.92 -12.43	17.29 4.72 -1.57 -2.76 -4.82 -2.49 -8.15 -4.79 -9.59
U.S. 2-Yr U.S. 3-Yr U.S. 5-Yr U.S. 10-Yr U.S. 30-Yr Municipal Yields - Blooml Issue Type U.S. AAA U.S. AA	5.05 4.82 4.66 4.61 4.73 berg/Barclay Latest Close 3.89 3.95	4.87 4.62 4.48 4.52 4.70 s Index Week Ago 3.99 4.07	4.31 4.19 3.95 3.84 4.08 1-Year Ago 3.64 3.81	Consumer Discretionary Industrials Materials Financials Energy Consumer Staples Real Estate Health Care Utilities	0.95 0.93 -1.80 0.34 -3.82 0.23 -2.25 -0.90 -2.52 P/E	28.42 5.72 1.07 0.55 -2.45 -4.45 -4.70 -5.92 -12.43 P/E NTM	17.29 4.72 -1.57 -2.76 -4.82 -2.49 -8.15 -4.79 -9.59 Dividend
U.S. 2-Yr U.S. 3-Yr U.S. 5-Yr U.S. 10-Yr U.S. 30-Yr Municipal Yields - Blooml Issue Type U.S. AAA U.S. AA U.S. A	5.05 4.82 4.66 4.61 4.73 berg/Barclay Latest Close 3.89 3.95 4.48	4.87 4.62 4.48 4.52 4.70 s Index Week Ago 3.99 4.07 4.59	4.31 4.19 3.95 3.84 4.08 1-Year Ago 3.64 3.81 4.40	Consumer Discretionary Industrials Materials Financials Energy Consumer Staples Real Estate Health Care Utilities Index Characteristics	0.95 0.93 -1.80 0.34 -3.82 0.23 -2.25 -0.90 -2.52 P/E NTM	28.42 5.72 1.07 0.55 -2.45 -4.45 -4.70 -5.92 -12.43 P/E NTM 10yr-Avg.	17.29 4.72 -1.57 -2.76 -4.82 -2.49 -8.15 -4.79 -9.59 Dividend Yield
U.S. 2-Yr U.S. 3-Yr U.S. 5-Yr U.S. 10-Yr U.S. 30-Yr Municipal Yields - Blooml Issue Type U.S. AAA U.S. AA U.S. AA U.S. Baa	5.05 4.82 4.66 4.61 4.73 berg/Barclay Latest Close 3.89 3.95 4.48 5.01	4.87 4.62 4.48 4.52 4.70 s Index Week Ago 3.99 4.07 4.59 5.11	4.31 4.19 3.95 3.84 4.08 1-Year Ago 3.64 3.81 4.40 4.95	Consumer Discretionary Industrials Materials Financials Energy Consumer Staples Real Estate Health Care Utilities Index Characteristics S&P 500 - Large Cap	0.95 0.93 -1.80 0.34 -3.82 0.23 -2.25 -0.90 -2.52 P/E NTM 18.38	28.42 5.72 1.07 0.55 -2.45 -4.45 -4.70 -5.92 -12.43 P/E NTM 10yr-Avg. 17.82	17.29 4.72 -1.57 -2.76 -4.82 -2.49 -8.15 -4.79 -9.59 Dividend Yield 1.53
U.S. 2-Yr U.S. 3-Yr U.S. 5-Yr U.S. 10-Yr U.S. 30-Yr Municipal Yields - Blooml Issue Type U.S. AAA U.S. AA U.S. A	5.05 4.82 4.66 4.61 4.73 berg/Barclay Latest Close 3.89 3.95 4.48	4.87 4.62 4.48 4.52 4.70 s Index Week Ago 3.99 4.07 4.59	4.31 4.19 3.95 3.84 4.08 1-Year Ago 3.64 3.81 4.40	Consumer Discretionary Industrials Materials Financials Energy Consumer Staples Real Estate Health Care Utilities Index Characteristics	0.95 0.93 -1.80 0.34 -3.82 0.23 -2.25 -0.90 -2.52 P/E NTM	28.42 5.72 1.07 0.55 -2.45 -4.45 -4.70 -5.92 -12.43 P/E NTM 10yr-Avg.	17.29 4.72 -1.57 -2.76 -4.82 -2.49 -8.15 -4.79 -9.59 Dividend Yield