



**Economic & Market Commentary**

Well, the stock market reacted rather favorable to President Trump's resounding victory. The bond market, not so much. President Trump's win sparked a big rally last week, especially last Wednesday. Small-cap stocks rose +5.9% on Wednesday alone and finished up +8.6% for the week. All other major domestic stock markets saw strong gains as well. At the S&P 500 sector level, consumer discretion, energy, financials and information technology were the leaders while defensive sectors like utilities and staples lagged but still posted gains. Initially, treasuries sold off sharply following President Trump's election with concerns that Trump tax/budget proposals, tariff proposals, and immigration policy could all add upside inflationary risk. Last Wednesday, the yield on the 10-year treasury rose to 4.50% but as the week unfolded the yield drifted lower amid thoughts that inflationary Trump policy measures might not be enacted as quickly as previously expected and that any tariffs would be targeted and implemented gradually. Amongst all the election drama, the Federal Reserve lowered the target rate 0.25% to 4.75%. There was some focus on the deletion of a statement that the Committee has gained confidence that inflation is moving sustainable toward the 2% target, but Chairman Powell played down the changes as any sort of policy signal. Chair Powell also said that economic activity has been stronger than expected, and the Fed will have to wait to see where data leads ahead of the December rate decision. The bond market is now showing a 30% chance of a pause in December, up 17% from a week ago. Following Tuesday's election and the deletion of the inflation confidence statement, the bond market is now pricing in only two 25 bp cuts next year, down from four as recently as mid-October. Leading into and after the election, we have received many questions and concerns about how the outcome could impact the market. Regardless of the outcome, economic fundamentals, inflation, and earnings growth are the factors that ultimately drive market performance and while each administration has seen its share of market declines and advances, the long-term trend clearly favors investors.

**Index Total Returns - November 8, 2024**

	1-Wk	YTD	1-Yr
NASDAQ	5.76	29.25	51.24
S&P 500	4.69	27.17	45.08
S&P 400	6.29	20.02	41.59
Russell 2000	8.61	19.72	46.51
Dow Jones	4.61	18.50	35.72
MSCI-Emerging	1.21	13.30	27.15
MSCI-Developed	0.07	7.07	23.22
<b>Barclay's U.S. Bond Index</b>			
High Yield	0.74	8.28	17.40
Int. Gov. Credit	0.31	3.07	8.27
Aggregate	0.78	2.20	10.91
5-year Muni	0.20	1.37	6.81
Municipal	0.50	1.33	10.27

**U.S. Mortgage Rates**



**U.S. Treasury Yields**

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.31	4.27	5.32
U.S. 2-Yr	4.25	4.21	4.95
U.S. 3-Yr	4.20	4.18	4.70
U.S. 5-Yr	4.19	4.22	4.53
U.S. 10-Yr	4.30	4.37	4.52
U.S. 30-Yr	4.46	4.57	4.64

**S&P 500 Sector Total Returns - November 8, 2024**

Sector	1-Wk	YTD	1-Yr
Info Tech	5.47	36.93	60.47
Comm. Services	3.72	36.10	53.81
Financials	5.60	32.35	54.73
Utilities	1.30	28.04	37.24
Industrials	5.96	25.99	46.72
Con. Discretion	7.63	23.60	45.46
Consumer Staples	1.20	16.75	24.73
Energy	6.24	15.21	14.03
Real Estate	2.69	12.33	37.31
Materials	1.46	11.56	26.39
Health Care	1.61	11.48	22.57

**Municipal Yields - Bloomberg/Barclays Index**

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.45	3.52	3.88
U.S. AA	3.48	3.53	3.94
U.S. A	3.84	3.89	4.47
U.S. Baa	4.29	4.35	4.99
U.S. Municipal	3.60	3.66	4.11
Michigan	3.76	3.81	4.27

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	22.42	18.39	1.18
S&P 400 - Mid Cap	16.93	15.97	1.29
S&P 600 - Small Cap	16.84	15.49	1.48