

# MARKET MONITOR

Month in Review: November 2024

Index	Asset Class	2024		2023
		Nov	YTD	
Equity Indexes		Total Returns		
Russell 3000	U.S. Equity	6.7	27.7	26.0
S&P 500	Large Cap U.S. Equity	5.9	28.1	26.3
Russell 1000	Large Cap U.S. Equity	6.4	28.1	26.5
Russell 2000	Small Cap U.S. Equity	11.0	21.6	16.9
MSCI All Country World	Global Equity	3.8	20.8	22.8
MSCI All Country World (Ex U.S.)	International Equity	-0.9	8.2	16.1
MSCI Europe, Asia & Far East (EAFE)	International Developed Market Equity	-0.6	6.8	18.9
MSCI Emerging Markets (EM)	International Emerging Market Equity	-3.6	8.1	10.3
Fixed Income Indexes				
Bloomberg U.S. Aggregate Bond	U.S. Investment Grade Bond	1.1	2.9	5.5
S&P National AMT-Free Municipal Bond	U.S. Investment Grade Muni Bond	1.6	2.5	6.2
S&P Municipal High Yield	U.S. Muni Bonds (Below Investment Grade)	1.5	8.2	8.7
Bloomberg U.S. Corp. High Yield	U.S. Corp Bonds (Below Investment Grade)	1.2	8.7	13.4
Index Blends: Stock/Bond				
80%/20%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		3.2	17.3	19.2
60%/40%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		2.7	13.7	15.7
40%/60%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		2.1	10.1	12.3
20%/80%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		1.6	6.5	8.9
Data as of 11/30/2024. Sources are Morningstar for Index returns, and Envestnet Tamarac for Index Blend returns, based on monthly rebalancing.				

Please see important disclosures at end of this report.

## Market Overview

November gave U.S. equities investors much to be thankful for, driven by strong corporate earnings and renewed optimism around pro-business policies associated with the incoming administration. The S&P 500 gained 5.9%, and the Russell 2000 surged 11.0%, marking its best monthly performance of the year. Technology and small-cap stocks led the rally, with the Nasdaq climbing 6.2%. The S&P 500 and DJIA closed the month at record highs after a shortened trading session due to the Thanksgiving holiday.<sup>1</sup>

However, concerns about potential trade tariffs introduced volatility, especially affecting international markets. The euro experienced its most significant decline since early 2022, dropping nearly 3% due to fears of U.S. tariffs and political instability in Europe.<sup>2</sup> The MSCI All Country World Index (ex-U.S.) fell 0.9%, weighed down by geopolitical tensions and uneven economic recoveries. Emerging markets underperformed, with the MSCI Emerging Markets Index declining 3.6%, with notable pressure from slowing growth in China and tightening financial conditions globally.<sup>3</sup>

In fixed income, U.S. Treasury yields experienced fluctuations influenced by market expectations of fiscal policies and inflation. The 10-year Treasury yield finished the month at 4.18%, a decrease from 4.28% at the end of October.<sup>4</sup> This decline in yields reflects easing inflation fears and an expected additional Fed Funds rate cut in December and contributed to a positive performance in bond prices; with the Bloomberg U.S. Aggregate Bond Index returning approximately 1.1% for the month. High-yield Muni and corporate bonds continued to perform well and still lead their investment-grade counterparts year-to-date.

Economic indicators painted a mixed picture. CPI inflation data reported a 0.2% month-over-month increase in October, the same increase reported in each of the previous 3 months, and a 2.6% year-over-year increase. The housing market

remained under pressure, with the average 30-year fixed mortgage rate coming in at 6.81%, leading to a decline in existing home sales. U.S. home sales are currently on track for their worst year since 1995.<sup>5</sup> Despite these challenges, the labor market showed resilience as nonfarm payrolls held steady, adding 12,000 jobs in October, and the unemployment rate was unchanged at 4.1%.<sup>6</sup>

As 2024 draws to a close, investors remain focused on Federal Reserve policy and its implications for both equity and fixed-income markets heading into the new year.

### **Reference(s):**

- 1) "S&P 500, Dow Notch Records to Cap Best Month of the Year." *The Wall Street Journal*, 29 Nov. 2024. <https://www.wsj.com/finance/stocks/global-stocks-markets-dow-news-11-29-2024-2bfce894>
- 2) "World markets head for reality check after month of Trump." *Reuters*, 29 Nov. 2024. <https://www.reuters.com/markets/global-markets-graphic-update-1-graphic-2024-11-29/>
- 3) "Emerging-Markets Stocks Have Rarely Been So Hated. It's Time to Buy." *The Wall Street Journal*, Nov. 2024. <https://www.wsj.com/finance/investing/emerging-markets-stocks-have-rarely-been-so-hated-its-time-to-buy-c3cde69f>
- 4) "Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity, Quoted on an Investment Basis." FRED, Federal Reserve Bank of St. Louis, 1 Dec. 2024, <fred.stlouisfed.org/series/DGS10>.
- 5) "Average Rate on a 30-Year Mortgage in the US Slips to 6.81%." *Associated Press*, Nov. 2024. <https://apnews.com/article/cada174d81970e6a9709249b7da71f59>
- 6) "Employment Situation Summary." *Economic News Release*, U.S. Bureau of Labor Statistics, 1 Nov. 2024, <https://www.bls.gov/news.release/empst.nr0.htm>.

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*Reference to market index information is included for illustrative purposes only, as it is not possible to directly invest in an index. Indexes are unmanaged, hypothetical vehicles that serve as market indicators. Index total return performance data reflects the assumptions of the reinvestment of interest and dividends but does not include the deduction of fees or transaction costs which otherwise reduce performance of an actual portfolio. The blended indexes are shown for informational purposes only and are not representative of any particular investment or plan.*

### Index Definitions:

Russell 3000 – Index comprised of 3,000 largest U.S. stocks by market capitalization. Russell

1000 – Index comprised of 1,000 largest U.S. stocks by market capitalization.

Russell 2000 – Index comprised of 2,000 smaller U.S. stocks by market capitalization within the Russell 3000.

S&P 500 – Compilation of 500 major U.S. stocks meeting certain criteria; market capitalization and float-weighted.

MSCI All Country World – Global equity index across market capitalizations with about 2,800 constituents, representing about 85% of the free float-adjusted market capitalization across 23 developed and 27 emerging markets.

MSCI All Country World ex USA – Global equity index across market capitalizations, which excludes the U.S., with about 2,300 constituents which represents free float-adjusted market capitalization across 22 developed and 27 emerging markets.

MSCI Europe, Asia & Far East (EAFE) – International equity index across market capitalizations, which excludes North America, with about 840 constituents which represents free float-adjusted market capitalization across 21 developed markets.

MSCI Emerging Markets (EM) – International equity index across market capitalizations with about 1,400 constituents which represents free float-adjusted market capitalization across 27 emerging markets.

Bloomberg U.S. Aggregate Bond – Widely followed bond benchmark comprised of investment grade, U.S. dollar denominated, fixed rate taxable bonds including Treasuries, government-related, corporate, mortgage-backed, and agency.

S&P National AMT-Free Municipal Bond – Broad market-value weighted index comprised of larger and more liquid tax-exempt investment-grade U.S. municipal bonds.

S&P Municipal High Yield Bond – U.S. index of municipal bonds that are either not rated or rated below investment grade.

Bloomberg U.S. Corporate High Yield Bond – Index of fixed rate U.S. dollar denominated corporate bonds rated BB+ or below by Fitch and S&P.

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