

Open-End Net Fund Flows (\$)	9/24	8/24	YTD (Sep)
Equity	-54.0B	-48.4B	-335.2B
Taxable Bond	9.1B	-0.5B	24.8B
Municipal Bond	4.9B	4.2B	-3.7B
Hybrid	-9.6B	-9.5B	-77.3B
Taxable Money Market	142.7B	107.3B	768.9B

Key Interest Rates/Yields	10/31/24	9/30/24	10/31/23
Federal Funds Target Rate	5.00%	5.00%	5.50%
2-Year T-Note	4.17%	3.64%	5.09%
5-Year T-Note	4.16%	3.56%	4.86%
10-Year T-Note	4.29%	3.78%	4.93%
Bond Buyer 40	4.42%	4.22%	5.54%

Commodities/U.S. Dollar	10/24	YTD	12 Mo.
U.S. Dollar Index (DXY)	3.17%	2.61%	-2.52%
FTSE/CC CRB Excess Ret.	-1.78%	6.08%	-0.46%
Crude Oil/WTI (per Barrel)	1.60%	-3.34%	-14.51%
Natural Gas (per million BTUs)	-7.39%	7.68%	-24.28%
Gold Bullion (Ounce)	4.15%	33.01%	38.31%

Total Return Performance

U.S. Stock Indices	10/24	YTD	12 Mo.
S&P 500	-0.92%	20.96%	37.99%
DJIA	-1.26%	12.50%	28.85%
Nasdaq 100	-0.82%	18.99%	39.19%
S&P MidCap 400	-0.71%	12.72%	32.96%
Russell 2000	-1.44%	9.56%	34.06%
Russell 3000	-0.73%	19.74%	37.84%

U.S. Styles/Market Caps	10/24	YTD	12 Mo.
S&P 500 Growth	-0.64%	27.31%	43.61%
S&P 500 Value	-1.27%	13.89%	31.67%
S&P MidCap 400 Growth	-1.33%	15.30%	33.24%
S&P MidCap 400 Value	-0.05%	9.92%	32.69%
Russell 2000 Growth	-1.33%	11.71%	36.46%
Russell 2000 Value	-1.56%	7.50%	31.75%

Foreign Stock Indices (USD)	10/24	YTD	12 Mo.
MSCI World NET (Ex-U.S.)	-5.10%	7.33%	23.84%
MSCI Emerging Markets NET	-4.45%	11.66%	25.32%
MSCI Europe NET	-5.89%	6.13%	22.43%
MSCI BRIC NET	-6.75%	14.15%	22.38%
MSCI EM Latin America NET	-5.15%	-17.02%	2.43%
Nikkei 225	-3.07%	9.80%	28.33%

Bloomberg Fixed Income Ind.	10/24	YTD	12 Mo.
U.S. Treasury: Intermediate	-1.64%	2.48%	6.94%
GNMA 30 Year	-2.61%	1.18%	10.69%
Municipal Bond (22+)	-1.95%	1.10%	15.11%
U.S. Aggregate	-2.48%	1.86%	10.55%
Intermediate Corporate	-1.53%	4.08%	11.02%
U.S. Corporate High Yield	-0.54%	7.42%	16.47%
Global Aggregate	-3.35%	0.12%	9.54%
EM Hard Currency Aggregate	-1.55%	6.39%	16.95%

Sources: Bloomberg and Investment Company Institute

Past performance is no guarantee of future results. Historical performance figures for the indices are for illustrative purposes only and not indicative of any actual investment. Indices are unmanaged and an investor cannot invest directly in an index.

Climate

The International Monetary Fund reported that a total of 88 economies or economic areas, representing more than half of the global population have had or will hold an election in 2024. By the time you are reading this, well over 100 million Americans will have cast their ballot in the race for the office of the President of the United States. Debate has raged regarding the impact of this election on the broader equity markets. We will discuss this further in the “Stock Market” section below, but the U.S. equity markets have historically gained value over time no matter which party holds this office. From an economic perspective, the Bureau of Labor Statistics (BLS) revealed that the U.S. added just 12,000 jobs in October, far below the consensus expected tally of 100,000 and the lowest monthly total since early 2019 (excluding the beginning of COVID). In August, the BLS issued a significant downward revision to payrolls, reducing the total by 818,000 (preliminary) between April 2023 and March 2024. Combined, these factors may signal a softening U.S. economy, and could increase the likelihood of further rate cuts in November, in our opinion.

Stock Market

The S&P 500 Index (“Index”) closed at 5,705.45 on 10/31/24, 2.71% below its all-time closing high of 5,864.67 on 10/18/24, according to data from Bloomberg. The S&P MidCap 400 Index stood 3.13% below its all-time high at the close of October while the S&P SmallCap 600 Index sat 5.62% below its all-time high set nearly three years ago on 11/8/21. In October, the Index posted a total return of -0.92%. Just three of the 11 major sectors that comprise the Index registered positive total returns for the month. The top-performer was Financials, up 2.69%, while the worst showing came from Health Care, which was down 4.62%. For comparison, the S&P MidCap 400 and S&P SmallCap 600 Indices decreased by 0.71% and 2.64% on a total return basis, respectively, in October. The Index posted a total return of 37.99% over the trailing 12-month period ended 10/31/24. Each of the 11 major sectors were positive on a total return basis. The Index’s top performer was Information Technology, up 51.23%, while the worst showing came from Energy which increased by 8.04%. With the U.S. Presidential election looming (at the time of this writing), investors may be curious as to the historical impact of previous Presidential elections on the broader equity markets. Over the past 50 years (1974-2023), the S&P 500 Index enjoyed a median total return of 16.0% and 15.8% when a Democrat or a Republican was in the White House, respectively. From our perspective, investors may be better served by focusing on earnings growth rather than politics when making investment decisions. On 11/4/24, data from Bloomberg revealed that earnings for the Index are estimated to increase by 9.61% and 12.95% in 2024 and 2025, respectively.

Bond Market

The yield on the benchmark 10-year Treasury note (T-note) stood at 4.29% at the close of trading on 10/31/24, representing an increase of 51 basis points (bps) from its 3.78% close on 9/30/24, according to data from Bloomberg. The 4.29% yield stood 185 bps above its 2.44% average for the 10-year period ended 10/31/24 and 70 bps below its most recent high of 4.99% set on 10/19/23. The yield on the 2-year T-note stood at 4.17% on 10/31/24, representing an increase of 53 bps from when it stood at 3.64% on 9/30/24. As many investors are likely aware, bond prices and yields typically move in opposite directions. Each of the U.S. fixed income asset classes we track posted negative total returns in October (see “Bloomberg Fixed Income” section to the left). Notably, October’s surging yields came on the heels of the Fed’s deeper than expected rate cut in September. In our view, this yield volatility is largely the result of increasingly divergent economic data. Despite recent weakness in non-farm payrolls, the economy continues to grow at a healthy pace. Real GDP increased by 3.0% and 2.8% on an annualized basis in Q2’24 and Q3’24, respectively.

Takeaway

Recent economic data has been mixed, with the U.S. economy growing at a healthy pace despite a weakening labor market. On the one hand, October’s nonfarm payroll data could signal that further rate cuts are warranted. On the other, strong GDP growth, driven by persistent consumer spending, signals economic resilience. As a result, the Fed finds itself in a difficult situation, in our opinion. Do they cut interest rates further, risking a resurgence in inflation, or do they hold rates steady and risk slowing the economy? The decision holds weight for fixed income investors, in particular, who saw yields spike dramatically in October. For equity investors, we maintain that earnings growth is fundamental to higher valuations. As of 11/1/24, 70% of S&P 500 companies had reported earnings for Q3’24, according to FactSet. Of that total, 75% reported earnings per share in excess of estimates, in line with the 10-year historical average of 75%. That said, companies are reporting aggregate earnings that are 4.6% above estimates, below the 10-year average of 6.8%.

Index	10-Yr. High Value	Date	10-Yr. Low Value	Date	Month-End Value	% Off High Value	YTD Return (USD)	Month-End Yield
S&P 500	5864.67	10/18/2024	1829.08	2/11/2016	5705.45	-2.71%	20.96%	1.30%
S&P 500 Growth	3969.51	10/29/2024	1035.44	2/11/2016	3838.07	-3.31%	27.31%	0.64%
S&P 500 Value	1981.48	10/16/2024	788.67	2/11/2016	1920.96	-3.05%	13.89%	2.19%
S&P MidCap 400	3198.21	10/18/2024	1218.55	3/23/2020	3098.00	-3.13%	12.72%	1.50%
S&P MidCap 400 Growth	1522.96	10/17/2024	574.06	2/11/2016	1470.93	-3.42%	15.30%	1.04%
S&P MidCap 400 Value	1019.76	10/18/2024	373.28	3/23/2020	990.61	-2.86%	9.92%	1.99%
S&P 100	2830.94	10/22/2024	819.58	8/25/2015	2755.99	-2.65%	24.59%	1.22%
DJIA	43275.91	10/18/2024	15660.18	2/11/2016	41763.46	-3.49%	12.50%	1.79%
Nasdaq 100	20675.38	7/10/2024	3947.80	2/9/2016	19890.42	-3.80%	18.99%	0.81%
Russell 2000	2442.74	11/8/2021	953.72	2/11/2016	2196.65	-10.07%	9.56%	1.42%
Russell 2000 Growth	1709.62	2/9/2021	573.10	2/11/2016	1427.94	-16.48%	11.71%	0.62%
Russell 2000 Value	2643.45	11/8/2021	1067.63	3/23/2020	2464.94	-6.75%	7.50%	2.24%
Russell 3000	3344.79	10/18/2024	1067.34	2/11/2016	3254.84	-2.69%	19.74%	1.30%
MSCI World Net (ex U.S.) (USD)	9022.32	9/27/2024	4189.62	2/11/2016	8446.43	-6.38%	7.33%	3.09%
MSCI Emerging Markets Net (USD)	699.23	2/17/2021	296.25	1/21/2016	596.09	-14.75%	11.66%	2.58%
Bovespa/Brazil (USD)	29488.46	1/2/2020	9077.09	1/21/2016	22451.08	-23.86%	-19.00%	6.78%
RTS/Russia (USD)	1919.58	10/25/2021	628.41	1/20/2016	N/A	N/A	N/A	N/A
S&P BSE 500/India (USD)	461.76	9/26/2024	129.66	3/23/2020	425.01	-7.96%	16.36%	1.11%
Shanghai Composite/China (USD)	832.07	6/12/2015	358.39	10/18/2018	460.76	-44.63%	13.22%	2.66%
KOSPI/South Korea (USD)	2.93	6/16/2021	1.16	3/19/2020	1.86	-36.68%	-8.79%	2.13%
Hang Seng (USD)	4241.01	1/26/2018	1871.10	10/31/2022	2613.03	-38.39%	24.81%	3.94%
MSCI Euro (USD)	1821.78	9/27/2024	865.50	3/18/2020	1688.91	-7.29%	6.50%	3.27%
S&P 500 Consumer Discretionary	1673.27	11/19/2021	533.28	11/4/2014	1580.24	-5.56%	12.14%	0.71%
S&P 500 Consumer Staples	899.94	9/16/2024	467.66	8/25/2015	861.70	-4.25%	15.42%	2.70%
S&P 500 Energy	749.39	4/5/2024	179.94	3/18/2020	681.25	-9.09%	9.22%	3.33%
S&P 500 Utilities	417.73	10/16/2024	206.51	9/4/2015	405.90	-2.83%	29.29%	2.81%
S&P 500 Financials	792.12	10/18/2024	264.89	2/11/2016	773.41	-2.36%	25.17%	1.49%
S&P 500 Banks	461.87	1/12/2022	180.19	2/11/2016	444.79	-3.70%	29.92%	2.63%
FTSE NAREIT All Equity REITs	980.08	12/31/2021	483.48	3/23/2020	810.57	-17.30%	10.10%	3.71%
S&P 500 Health Care	1829.71	8/30/2024	732.99	2/11/2016	1711.50	-6.46%	9.07%	1.63%
S&P 500 Pharmaceuticals	1216.04	8/30/2024	539.37	9/28/2015	1114.03	-8.39%	14.68%	2.33%
NYSE Arca Biotechnology	6319.77	2/8/2021	2642.53	2/11/2016	5837.60	-7.63%	7.92%	0.22%
S&P 500 Information Technology	4616.32	7/10/2024	626.12	8/25/2015	4359.55	-5.56%	29.04%	0.62%
Philadelphia Semiconductor	5904.54	7/10/2024	559.18	2/11/2016	4946.75	-16.22%	19.35%	0.89%
S&P 500 Communication Services	325.57	10/30/2024	130.86	12/24/2018	320.25	-1.63%	31.31%	0.81%
S&P 500 Industrials	1177.27	10/18/2024	412.06	3/23/2020	1131.09	-3.92%	18.58%	1.53%
S&P 500 Materials	616.97	10/18/2024	234.97	1/25/2016	586.14	-5.00%	10.16%	1.81%
Philadelphia Gold & Silver	175.74	10/22/2024	38.84	1/19/2016	161.20	-8.27%	29.89%	1.34%
FTSE/CC CRB Excess Return	329.59	6/9/2022	106.29	4/21/2020	279.86	-15.09%	6.08%	N/A
ICE BofA Perpetual Preferred	331.82	10/16/2024	206.36	12/16/2014	326.26	-1.68%	9.68%	6.33%
ICE BofA U.S. High Yield Constrained	568.05	10/1/2024	313.74	2/11/2016	564.90	-0.55%	7.46%	7.51%

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