

11/25/2024

## The Week Ahead



## THINGS TO WATCH

## Retail: Haves and Have Nots

A batch of retail companies report their most recent quarterly results this week. The group spans the spectrum from market darlings Dicks Sporting Goods (DKS), Abercrombie & Fitch (ANF), and Burlington Coat Factory (BURL) to underperformers Macy's (M), Five Below (FIVE), Kohl's (KSS), and Nordstrom (JWN). Taken together, the results and guidance from this collection of retailers should provide investors with an updated look into early holiday season shopping trends and the persistence of bargain-hunting amongst U.S. consumers.

## Fed Meeting Minutes

Tomorrow afternoon, minutes will be released from the Federal Open Market Committee's (FOMC) November 6-7 meeting, at which policymakers cut the federal funds rate by 0.25%. In recent weeks, a growing number of Fed speakers have communicated lower downside risks to economic activity and employment as most official economic data in October and November has been solid.

## Core PCE

Data on Thursday is expected to show the Federal Reserve's preferred inflation gauge, the core personal consumption expenditures (PCE) index, rose 0.3% in October and 2.8% on a year-over-year basis. This would mark a slight uptick from the 2.7% increase in September. Although recent annual inflation readings are far from the generationally-high levels in 2022, they are still a decent way from the Fed's stated 2% target. If core inflation remains sticky just under 3% or creeps higher in coming months, we could see a slower pace of Fed rate cuts.

## Happy Thanksgiving!

Markets are closed on Thursday, but the kitchen is open! According to WalletHub, Americans have spent an estimated \$1.2 billion in recent years on roughly 46 million turkeys for Thanksgiving. The average host spends \$361 on Thanksgiving dinner and décor and dedicates an average of 9.6 hours preparing for the meal. About 13% of Americans plan to get takeout or go to a restaurant on Thanksgiving.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
Housing Starts (Millions Annualized)	1.31	1.26	▲
Building Permits (Millions Annualized)	1.42	1.41	▲
Existing Home Sales (Millions Annualized)	3.96	3.96	-
S&P Global U.S. Manufacturing PMI	48.8	47.9	▲
S&P Global U.S. Services PMI	57.0	55.7	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	44296.51	2.03%	19.49%	27.97%
NASDAQ	19003.65	1.77%	27.43%	34.25%
S&P 500	5969.34	1.72%	26.69%	32.83%
MSCI EAFE	2270.79	0.56%	4.75%	11.00%
BB U.S. Aggregate	2193.97	0.15%	1.61%	6.10%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	4.54%	4.63%	5.41%
10-Year Treasury	4.41%	4.21%	4.40%

REPORTS DUE THIS WEEK	LATEST
S&P CoreLogic CS 20-City U.S. HPI (Y/Y)	5.2%
New Home Sales (Thousands Annualized)	738
Conf. Board Consumer Confidence	108.7
Core PCE Price Index (Y/Y)	2.7%

Total returns are as of 11/22/24. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

## NUMBERS OF THE WEEK

28.8%

The quarter-to-date performance difference between the S&P 500 Banks Index (+19.0%) and the S&P 500 Pharmaceuticals Index (-9.8%) as of last Friday. Banks have benefited from a steepening yield curve and expectations of a friendlier regulatory environment with the incoming Trump administration. Meanwhile, drugmakers could face headwinds related to pricing and vaccine development support under a CMS (which oversees the FDA, NIH, and CDC) headed by president-elect Trump's nominee Robert Kennedy Jr.

\$193

The initial U.S dollar cost (1,400 yuan) for a one-month supply of Novo Nordisk's anti-obesity GLP-1 blockbuster Wegovy at a public hospital in Shanghai last week, according to Chinese media outlet Yicai. This is about 14% of the monthly list price for the drug in the U.S, which currently has about 215,000 weekly subscriptions. Novo Nordisk estimates about 180 million people in China are obese out of a population of 1.4 billion.

## DISCLOSURES



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