



PACIFIC GLOBAL  
Investment Management Company

## Weekly Recap

November 15, 2024

### Market Returns

INDEX <sup>1</sup>	CLOSE	WEEKLY CHANGE	YTD CHANGE
Dow Jones Industrial Avg.	43,444.99	-544.00 / -1.24%	15.27%
S&P 500 <sup>®</sup>	5,870.62	-124.92 / -2.08%	23.08%
Nasdaq	18,680.12	-606.66 / -3.15%	24.44%
Russell 2000 <sup>®</sup>	2,303.84	-95.81 / -3.99%	13.65%

  

	11/08/24 CLOSE	11/08/23 CLOSE
10-Year U.S. Treasury	4.45%	4.53%

Data: Bloomberg, Federal Reserve

### The Bottom Line

Economic data, commentaries on monetary policy and profit taking contributed to a sell-off this week as investors assessed current and future market conditions. The Russell 2000<sup>®</sup> Index (-3.99%) gave back almost half of last week's gains to lead the equity market selloff followed by the Nasdaq (-3.15%), the S&P 500<sup>®</sup> Index (2.08%) and the Dow Jones Industrial Average (-1.24%). The yield on the 10 Year U.S. Treasury Note rose to 4.45% from 4.30% last Friday.

Retail sales in October rose 0.4%, above consensus estimate of 0.3% and below September's upwardly revised 0.8% gain. The October **Consumer Price Index (CPI)** and Core CPI were unchanged from September at 0.2% and 0.3%, respectively. Similarly, the October **Producers Price Index (PPI)** and Core PPI rose 0.2% and 0.3% respectively, each gaining 0.1% over the prior month. Initial jobless claims (217,000) were below consensus of 225,000 and the prior week's 221,000. Continuing claims of 1.873 million were in line with estimates.

On Thursday, Federal Reserve Chair Powell commented on the latest economic data: "The economy is not sending any signals that we need to be in a hurry to lower rates . . . The strength we are currently seeing in the economy gives us the ability to approach our decisions carefully." Most analysts continue to anticipate a 25-basis point rate reduction at the December meeting while the path of additional rate cuts in 2025 may be less certain. Rate cuts in the U.S. may proceed more slowly in comparison to several European and Asian countries; even so, the U.S. economic growth is expanding more rapidly.

Investors are concerned that inflationary pressures may be persistent especially given the incoming President's promise of increased tariffs upon taking office in January. Valuations of the major indices may suggest that equity markets are over-valued although the recent rally continued to overlook undervalued opportunities. Many companies are currently buying back stock and maintaining optimism for long-term business growth.

<sup>1</sup>The Dow Jones Industrial Average is an unmanaged, price weighted measure of 30 U.S. stocks selected by the Averages Committee to represent the performance of all U.S. stocks outside the Transportation and Utilities sectors. The S&P 500<sup>®</sup> Index is an unmanaged, market capitalization weighted index which measures the performance of the large cap segment of the U.S. equities market, covering approximately 75% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy. The Nasdaq Composite Index is an unmanaged, market capitalization weighted measure of all domestic and international common stocks listed on The Nasdaq Stock Market. The Russell Midcap<sup>®</sup> Index measures the 800 smallest companies within the Russell 1000<sup>®</sup> Index based on a combination of their market cap and current index membership. The Russell 2000<sup>®</sup> Index is an unmanaged, market-weighted measure of stock market performance. It contains stocks of the 2,000 smallest publicly traded companies of the Russell 3000<sup>®</sup> Index. It is not possible to invest in the Indices.

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