



PACIFIC GLOBAL
Investment Management Company

Weekly Recap

January 3, 2025

Market Returns

INDEX ¹	CLOSE	WEEKLY CHANGE	YTD CHANGE
Dow Jones Industrial Avg.	42,732.13	-260.08 / -0.60%	0.44%
S&P 500 [®]	5,942.47	-28.17 / -0.47%	1.04%
Nasdaq	19,621.68	-100.35 / -0.51%	1.61%
Russell 2000 [®]	2,268.47	23.88 / 1.06%	1.72%

	01/03/25 CLOSE	01/03/24 CLOSE
10-Year U.S. Treasury	4.60%	3.91%

Data: Bloomberg, Federal Reserve

The Bottom Line

2024 ended as stocks sold off due to concerns about ‘higher-for-longer’ interest rates, the strength of the dollar, and uncertainties regarding the incoming administrations’ trade policies. The equity markets reversed course on Friday for positive year-to-date results in the first two days of trading. For the week, the Russell 2000[®] Index (1.06%) led the major indices while the S&P 500[®] Index (-0.47%) the Nasdaq (-0.51%) and the Dow Jones Industrial Average (-0.60%) declined for the week. The yield on the 10-Year U.S. Treasury Note declined slightly to 4.60%, from 4.63% last Friday.

Technology stocks sold off early in the week: *Tesla* fell 4.9% after missing projections of fourth quarter deliveries; *Apple* lost 4.7% after announcing aggressive iPhone price discounts in China as sales deteriorated due to domestic competition. The *Technology* sector stocks recovered some earlier losses on Friday as investors ‘bought on the dip.’

December **Institute for Supply Management Manufacturing (ISM)** Manufacturing Index came in at 49.3, the highest level since March 2024, and above estimates of 48.0 and the prior month’s 48.4. Initial jobless claims unexpectedly declined from 220,000 to 211,000; continuing claims (1.844 million) also fell below consensus (1.892 million).

The much-anticipated December ‘Santa Claus’ rally never materialized as inflation, revised monetary policy projections for fewer interest rate cuts, and uncertainty of potential trade tariffs weighed on investors’ sentiment. Economic data and news headlines will likely influence market momentum ahead of fourth quarter corporate earnings reports. Earnings season, which will begin mid-month, should provide more insight into corporate growth plans for 2025. Near-term, volatility may remain elevated in response to economic data, Fed commentary, corporate earnings and the transition to the new administration.

¹The 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[®] 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® Index measures the 800 smallest companies within the Russell 1000® Index based on a combination of their market cap and current index membership. The Russell 2000® 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® Index. It is not possible to invest in the Indices.

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