

Hello everyone,

Stocks finished the week mixed, bookending losses around midweek gains as investors digested fresh inflation data.

The Standard & Poor's 500 Index slipped 0.64 percent, while the Nasdaq Composite Index ticked up 0.34 percent. The Dow Jones Industrial Average dropped 1.82 percent. The MSCI EAFE Index, which tracks developed overseas stock markets, slid 1.48 percent.^{1,2}

Up and Down Week

Stocks fell broadly over the first part of the week. Leading chipmakers who produce semiconductors for artificial intelligence applications were under pressure after Chinese regulators announced an antimonopoly investigation.³

Investors breathed a sigh of relief Wednesday morning following news that consumer inflation in November was in line with expectations. Mega-cap tech stocks led the rally, with the Nasdaq closing above 20,000 for the first time. Meanwhile, the Dow fell as healthcare stocks came under pressure.⁴

Stocks remained in the trading range for the rest of the week on mild concerns about Thursday's warmer-than-expected wholesale inflation report and a spending slowdown among lower-income consumers. The Dow registered its worst losing streak since 2020.^{5,6,7}



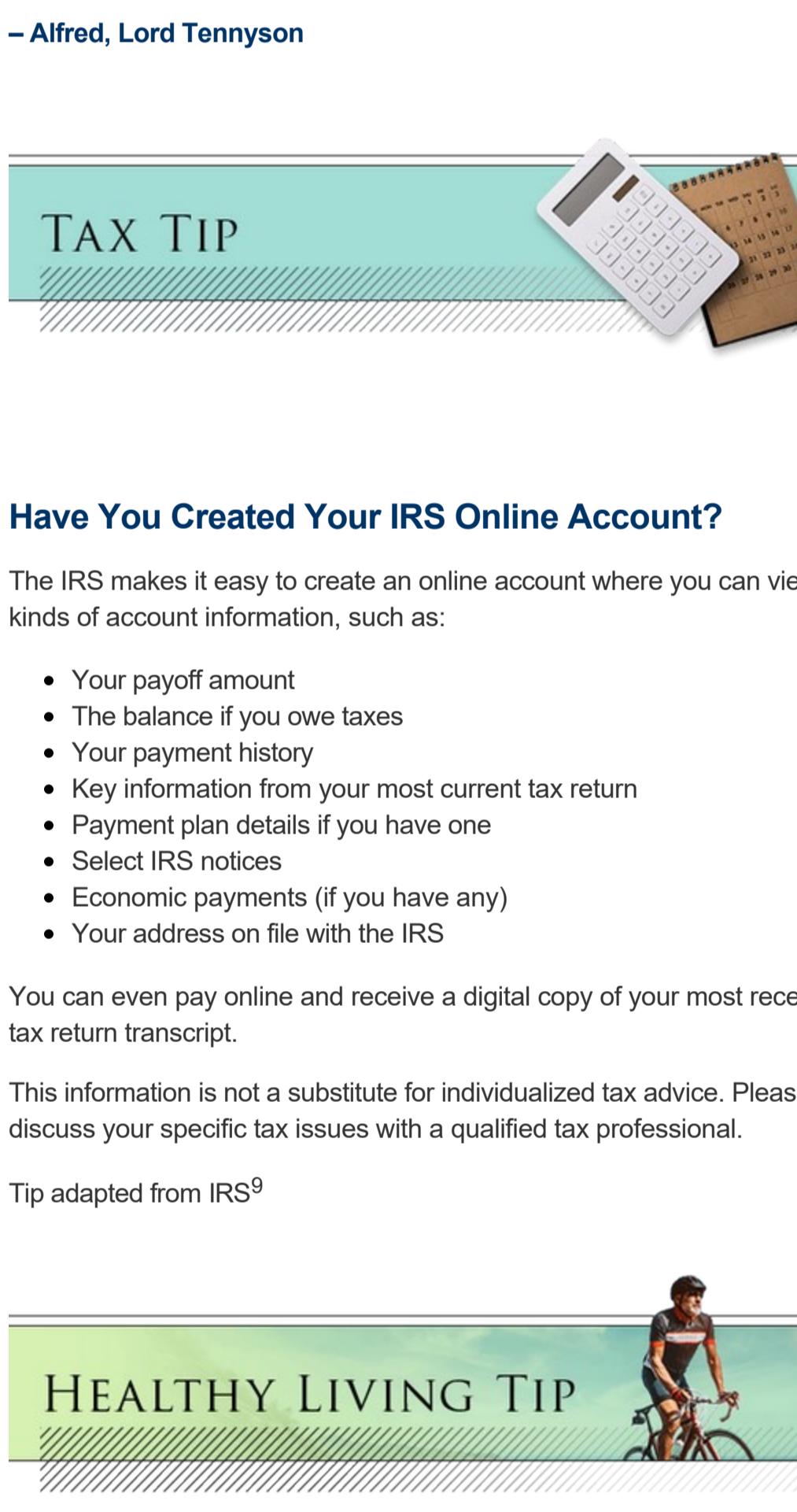
YCHARTS

Weekly Market Insights (WMI)

Major Index Return Summary

Name	1M TR	YTD TR	1Y TR	5Y TR
Dow Jones Industrial Average	0.28%	18.66%	22.28%	72.92%
MSCI EAFE	2.09%	7.80%	12.51%	36.60%
Nasdaq Composite	3.32%	33.50%	37.94%	137.5%
S&P 500	1.27%	28.54%	32.13%	106.7%

S&P 500 Daily Close



10-Year Note Review

Indicator Name	Latest Value	1M Ago	1M Change
Date		3M Ago	3M Change
		1Y Ago	1Y Change
10 Year Treasury Rate	4.40%	4.44%	-0.90% ▼
12/13/24		3.66%	20.22% ▲
		4.04%	8.91% ▲

Source: YCharts.com, December 14, 2024. Weekly performance is measured from Monday, December 9, to Friday, December 13. TR = total return for the index, which includes any dividends as well as any other cash distributions during the period. Treasury note yield is expressed in basis points.

Final Fed Meeting of 2024

The consumer price index ticked up to 2.7 percent on an annualized basis in November, as expected. The market's rally following the news reflected investor relief that inflation met expectations and that the increase from the prior month was slight.

Those two factors may reinforce the belief that the Fed would follow through with the December rate adjustment, which it penciled in back in September. The bellwether inflation measure was the last critical data point before the Fed's two-day meeting, scheduled to end on December 18.⁸

Final Thoughts

The markets resumed their "risk-on" posture on Monday with the tech-heavy Nasdaq leading the charge, up over 1%, versus the stodgy Dow Jones Industrial average, which dropped 0.23% as reported by the WSJ. After a stickier than hoped for inflation inflation report, most expect the Fed to follow through on a rate cut later this week, but signal a possible pause going forward.

Besides hearing from the Fed, we'll also receive November's retail sales, industrial production, manufacturing production, and Personal Consumption Expenditures (PCE) report. Additionally, we will get a final look at the third quarter's GDP results.

We're blessed with a visit from our eldest son and his wonderful wife for the next couple of weeks and we hope you've got some plans that include those you love as well. As always, give us a shout if you need anything. In the meantime, have a terrific week!

Warmest regards,

Jon

This Week: Key Economic Data

Tuesday: Federal Open Market Committee (FOMC) Meeting Begins. Retail Sales. Industrial Production. Business Inventories.

Wednesday: Housing Starts and Permits. FOMC Announcement. Fed Chair Press Conference.

Thursday: Gross Domestic Product. Existing Home Sales. Weekly Jobless Claims.

Friday: Personal Income and Outlays. Consumer Sentiment.

Source: Investors Business Daily - Econoday economic calendar; December 10, 2024. The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

This Week: Companies Reporting Earnings

Wednesday: Micron Technology, Inc. (MU)

Thursday: NIKE, Inc. (NKE), Cintas Corporation (CTAS), FedEx Corporation (FDX), Paychex Inc. (PAYX)

Source: Zacks, December 10, 2024. Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

"Who are wise in love, love most, say least."

— Alfred, Lord Tennyson

Have You Created Your IRS Online Account?

The IRS makes it easy to create an online account where you can view all kinds of tax-related information, such as:

- Your balance if you owe taxes
- Your payment history
- Key information about your most current tax return
- Select IRS notices
- Economic payments if you have any

You can even pay online and receive a digital copy of your most recent tax return transcript.

This information is not a substitute for individualized tax advice. Please discuss your specific tax issues with a qualified tax professional.

Tip adapted from IRS⁹

A "Berry" Important Superfood

Not only are blueberries delicious, but they are also a powerful superfood that has many potential health benefits. They are low in calories, can be added to countless dishes, and are the perfect easy snack. Here are some benefits of blueberries, according to Healthline.¹⁰

- They are high in fiber, Vitamin C, Vitamin K, and Manganese (all important nutrients)
- They are high in antioxidants
- They may help lower blood pressure, according to one study by PubMed Central.
- They may help maintain brain function and improve memory based on their antioxidant levels (according to a study by the National Institute of Health).
- They may reduce muscle damage after exercise and improve inflammation.

Tip adapted from Healthline¹⁰

It is in seconds, seasons, centuries, and minutes, but you won't find it in years, decades, or days. What is it?

Last week's riddle: I have a bank, yet no cash. I can run, but can't walk. I have a bed but never sleep. I have a mouth, but ingest no meals. What am I? Answer: A river.

Tip adapted from IRS⁹

Hong Kong Harbor

Hong Kong, China

Photo: Jon Kagan

Footnotes and Sources

1. The Wall Street Journal, December 13, 2024.

2. Investing.com, December 13, 2024.

3. CNBC.com, December 10, 2024.

4. The Wall Street Journal, December 11, 2024.

5. The Wall Street Journal, December 12, 2024.

6. CNBC.com, December 3, 2024.

7. The Wall Street Journal, December 13, 2024.

8. The Wall Street Journal, December 11, 2024.

9. IRS.gov, August 1, 2024.

10. Healthline, August 1, 2024.

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Investment decisions should be based on your own goals, time horizon, and tolerance for risk. The market is volatile and unpredictable, and you may lose money.

Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results.

The Dow Jones Industrial Average (Dow) is a price-weighted average of 30 stocks traded on the New York Stock Exchange and the Nasdaq. The S&P 500 is a market-value weighted index of 500 stocks traded on the New York Stock Exchange, the Nasdaq, and the American Stock Exchange.

The Nasdaq Composite is a market-value weighted index of all stocks traded on the Nasdaq.

The MSCI EAFE is a market-value weighted index of developed overseas stock markets in Europe, Australasia, and the Southeast Asia.

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