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Weekly Wire

Down The Stretch

By Rusty Vanneman, CMT, CFA, BFA™

Due to the Thanksgiving holiday, last week was a quiet one for the economy and markets. Nonetheless, the stock market was able to keep its recent winning streak alive, which is now four weeks long. Given the price gains of late, it's shaping up to be a nice month, quarter, and year for equities and the stock market appears to be in good form heading down the stretch into year-end. There are various short-term market positives to note, including seasonals, technicals, and investor sentiment.

Economic data also continues to be mostly positive. As we enter the new week, we have "Cyber Monday" to start, which should be the biggest online shopping day of the year, even more so than last week's Black Friday which hit a new [online shopping record](#). Of the many pleasant economic surprises this year, despite various concerns about the US consumer – including reduced savings, rising interest rates, resumed student loan payments, increased credit card debt, a slowly weakening employment environment, and more – the consumer continues to surprise to the upside as we head into the holiday season. It will be key to watch retail activity this coming month.

In addition to watching the consumer, this week is another big Fed speak week, and [we'll also get a fresh print](#) on the Fed's preferred inflation indicator, the Personal Consumption Expenditures (PCE). While inflation this year has remained higher in an absolute sense than many anticipated, the trend has been for lower inflation growth rates. In turn, this has helped longer-term interest rates fall ([over 50 basis points](#) from recent highs) and also expectations for short-term interest rates to start falling relatively soon. On that last point, the Federal Reserve's next meeting is on December 13th. According to the [CME FedWatch Tool](#), the market is currently pricing a near 100% chance that the Fed pauses again. There is now nearly a 25% chance of a rate cut by March (3/20/24) and over a 40% chance now that there will be a cut in the Fed Funds rate by May (5/1/24). The risk manager in me tends to think those are aggressive market assumptions, but until we get economic data that suggests otherwise, the assumptions seem directionally right.

Key Economic Data Last Week

Data Point	Expectation	Actual
US Leading Economic Indicators	-0.7%	-0.8%
Existing Home Sales	3.9M	3.8M
Durable Goods	-3.4%	-5.4%

Source: MarketWatch, First Trust

Key Economic Data This Week

Data Point	Expectation	Release Date
Personal Income	0.2%	11/30/2023
Personal Consumption Expenditures (PCE)	-	11/30/2023
Core PCE	0.2%	11/30/2023
ISM Manufacturing	47.6%	12/1/2023

Source: MarketWatch



Mind Over the Market

"Skilled Investor" is a behavioral choice not a personality type.

The Behavioral Investor, Dr. Daniel Crosby



Trivia

What product accounted for 54% of online Black Friday sales?

[Mobile Devices](#)