



MONTHLY NEWSLETTER, NOV 2024

2 DEC 2024



@ARROWS_SIX



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[HTTPS://SIXARROWSCONSULTANCY.COM/](https://sixarrowsconsultancy.com/)

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Global Economy

Country	GDP	GDP Growth	Interest Rate	Inflation Rate	Jobless Rate	Gov. Budget	Debt/GDP	Current Account	Population
United States	27361	2.80	4.75	2.60	4.10	-6.20	122.30	-3.00	335.89
China	17795	0.90	3.10	0.30	5.00	-5.80	83.40	1.50	1409.67
Euro Area	15545	0.40	3.40	2.30	6.30	-3.60	87.40	1.70	350.08
Germany	4456	0.10	3.40	2.20	6.10	-2.50	62.90	5.90	84.70
Japan	4213	0.20	0.25	2.30	2.50	-5.50	255.20	3.60	124.30
India	3550	1.30	6.50	6.21	10.10	-5.63	81.59	-1.20	1386.18
United Kingdom	3340	0.10	4.75	2.30	4.30	-4.40	97.60	-3.30	68.27
France	3031	0.40	3.40	1.30	7.40	-5.50	110.60	-1.00	68.14
Italy	2255	0.00	3.40	1.40	6.10	-7.20	134.60	0.00	58.99
Brazil	2174	1.40	11.25	4.76	6.20	-8.90	84.68	-1.42	216.28
Canada	2140	0.30	3.75	2.00	6.50	-1.40	107.50	-0.60	40.80
Russia	2021	-0.80	21.00	8.50	2.30	-1.90	14.90	2.50	146.40
Mexico	1789	1.10	10.25	4.76	2.90	-5.00	49.70	-1.50	128.46
Australia	1724	0.20	4.35	2.80	4.10	0.90	43.80	-1.60	26.97
South Korea	1713	0.10	3.00	1.30	2.70	-2.60	51.50	1.30	51.71
Spain	1581	0.80	3.40	2.40	11.21	-3.60	107.70	2.70	48.59
Indonesia	1371	1.50	6.00	1.71	4.91	-1.65	39.30	-0.30	278.70
Netherlands	1118	0.80	3.40	4.00	3.70	-0.90	46.80	9.90	17.94
Turkey	1108	-0.20	50.00	48.58	8.60	-5.20	29.50	-4.00	85.37
Saudi Arabia	1068	0.80	5.25	1.90	3.30	-2.00	30.00	5.90	32.18
Switzerland	885	0.40	1.00	0.60	2.50	0.50	38.30	7.60	8.96
Poland	811	-0.10	5.75	4.60	4.90	-5.10	49.60	1.80	36.62
Taiwan	757	1.08	2.00	1.69	3.38	-0.50	28.20	11.80	23.42
Argentina	641	-1.70	35.00	193.00	7.60	-2.90	155.40	-0.60	46.66
Belgium	632	0.30	3.40	3.20	5.50	-4.20	103.10	-0.70	11.83
Sweden	593	0.30	2.75	1.60	7.80	-0.60	31.50	6.50	10.55
Ireland	546	2.00	3.40	0.70	4.20	1.70	43.70	8.10	5.34
Austria	516	0.30	3.40	1.90	6.90	-2.70	77.80	1.30	9.16
Thailand	515	1.20	2.25	0.83	1.02	-2.80	61.90	-0.20	66.05
Israel	510	0.10	4.50	3.50	2.50	-4.20	62.00	5.00	9.84
United Arab Emirates	504	2.00	4.65	2.38	2.95	4.50	32.40	9.30	9.52

Source: www.tradingeconomics.com, as of 2 December 2024 (GDP figures are provided in USD billion)

Macro Outlook

- The US election results were the primary driver of market performance in November. Donald Trump's presidential victory and the Republican party securing a majority in both chambers of Congress fuelled expectations that the next government's policies will extend American exceptionalism in the economy and markets. The prospect of further tax cuts, expansionary fiscal policy, and the implementation of a more nationalist trade policy boosted US equity markets.
- Central banks continued to lower rates during November. The Fed voted to lower the federal funds rate by 25 basis points to a target range of 4.50%-4.75%. The Bank of England also cut its policy rate by 25 basis points to 4.75% in an 8-1 vote.

UK & US Economic Calendar – Key Events

- 3 December > JOLTS Job Openings
- 4 December > FED Chair Powell Speech
- 6 December > Non-Farm Payrolls
- 6 December > Unemployment Rate
- 11 December > Inflation Rate YoY
- 12 December > GDP Growth Rate YoY
- 12 December > PPI MoM
- 17 December > Retail Sales MoM
- 17 December > Unemployment Rate
- 18 December > Inflation Rate YoY
- 18 December > FED Interest Rate Decision
- 18 December > FED Press Conference
- 19 December > BOE Interest Rate Decision

	United States
	United States
	United States
	United States
	United States
	United Kingdom
	United States
	United States
	United Kingdom
	United Kingdom
	United States
	United States
	United Kingdom

Equities

- Domestically exposed US small caps were seen as the main beneficiaries of the US election results and gained 11% over the month. With a 62% share of the developed world small cap universe, US small caps made a significant contribution to the MSCI World Small Cap Index's return of 7% in November.
- Growth stocks (+5.3%) outperformed slightly as a weak healthcare sector dragged on the value segment (+3.9%). Concerns about the new administration's less friendly stance towards the pharma industry weighed on the sector.
- Global equities registered a 3.8% gain for the month. Emerging markets underperformed developed markets by 9 percentage points. Chinese equities declined due to concerns about a future trade conflict and ongoing economic downturn.

Fixed Income

- Bond markets only marginally benefitted from the central bank rate cuts, as concerns that Trump's policy proposals could reignite inflation in 2025 reduced US rate cut expectations to only three cuts in the next 12 months. Therefore, duration added more to bond returns in Europe than in the US. For global bonds, currency movements in November were the largest contributor to returns, reducing performance in USD terms and enhancing returns for EUR and GBP based investors.
- October inflation data was also a slight headwind for the Eurozone bond markets. In the UK, headline inflation rose from 1.7% to 2.3% and core inflation was up from 3.2% to 3.3% year-on-year in October.

Commodities

- Commodity returns were slightly positive between profit taking on precious metals and growing concern about gas supply.
- Natural gas prices increase by more than 20% in November.

FX

- According to some analysts, in 2025, USD strength is likely to be supported by relatively high US yields, global growth uncertainties and potentially its "safe haven" status.

Note: Past performance is no guarantee of future results

Global Markets Overview: Asset Class and Style Returns

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD	Nov '24
Small cap 32.9%	Global REITS 22.9%	Growth 3.5%	Small cap 13.3%	MSCI EM 37.8%	Global Agg -1.2%	Growth 34.1%	Growth 34.2%	Global REITS 32.6%	Cmdty 16.1%	Growth 37.3%	Growth 25.6%	Small cap 6.5%
Value 27.5%	Growth 6.5%	Global REITS 0.6%	Value 13.2%	Growth 28.5%	Global REITS -4.9%	DM Equities 28.4%	MSCI EM 18.7%	Cmdty 27.1%	Value -5.8%	DM Equities 24.4%	DM Equities 22.3%	Growth 5.3%
DM Equities 27.4%	DM Equities 5.5%	Small cap 0.1%	Cmdty 11.8%	Small cap 23.2%	Growth -6.4%	Small cap 26.8%	DM Equities 16.5%	Value 22.8%	Global Agg -16.2%	Small cap 16.3%	Value 19.0%	DM Equities 4.6%
Growth 27.2%	Value 4.4%	DM Equities -0.3%	MSCI EM 11.6%	DM Equities 23.1%	DM Equities -8.2%	Global REITS 24.4%	Small cap 16.5%	DM Equities 22.3%	DM Equities -17.7%	Value 12.4%	Small cap 15.5%	Value 3.9%
Global REITS 2.3%	Small cap 2.3%	Global Agg -3.2%	DM Equities 8.2%	Value 18.0%	Value -10.1%	Value 22.7%	Global Agg 9.2%	Growth 21.4%	Small cap -18.4%	Global REITS 10.9%	Global REITS 10.8%	Global REITS 2.8%
MSCI EM -2.3%	Global Agg 0.6%	Value -4.1%	Global REITS 6.5%	Global REITS 8.0%	Cmdty -11.2%	MSCI EM 18.9%	Value -0.4%	Small cap 16.2%	MSCI EM -19.7%	MSCI EM 10.3%	MSCI EM 8.1%	Cmdty 0.4%
Global Agg -2.6%	MSCI EM -1.8%	MSCI EM -14.6%	Growth 3.2%	Global Agg 7.4%	Small cap -13.5%	Cmdty 7.7%	Cmdty -3.1%	MSCI EM -2.2%	Global REITS -23.7%	Global Agg 5.7%	Cmdty 4.3%	Global Agg 0.3%
Cmdty -9.5%	Cmdty -17.0%	Cmdty -24.7%	Global Agg 2.1%	Cmdty 1.7%	MSCI EM -14.2%	Global Agg 6.8%	Global REITS -10.4%	Global Agg -4.7%	Growth -29.1%	Cmdty -7.9%	Global Agg 0.5%	MSCI EM -3.6%

- Source: JP Morgan Asset Management, <https://am.jpmorgan.com/gb/en/asset-management/adv/insights/market-insights/market-updates/monthly-market-review/>
- 2 December 2024

Global Stock Markets – Americas

AMERICAS

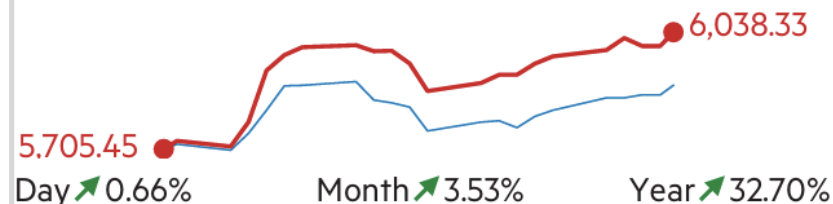
Oct 30 - -

Index All World



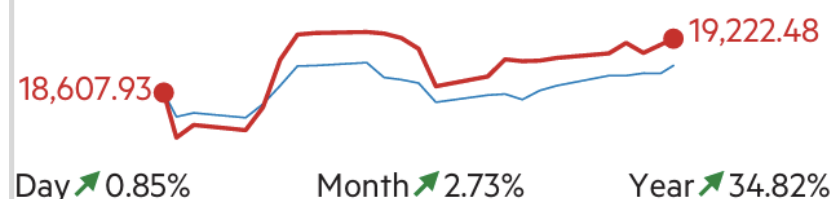
S&P 500

New York



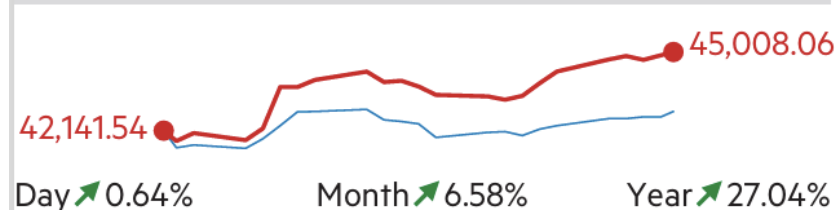
Nasdaq Composite

New York



Dow Jones Industrial

New York



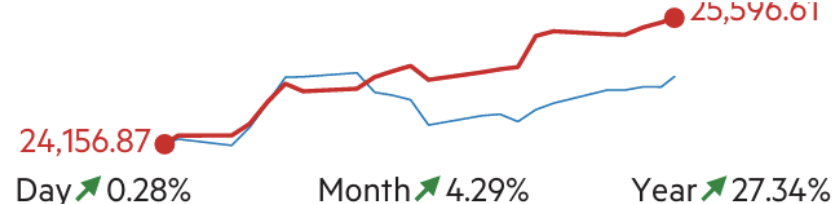
Oct 30 - Nov 29

Index All World



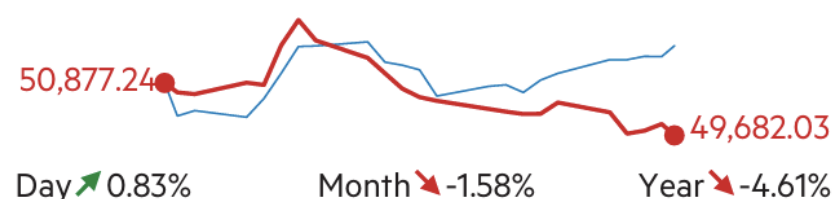
S&P/TSX COMP

Toronto



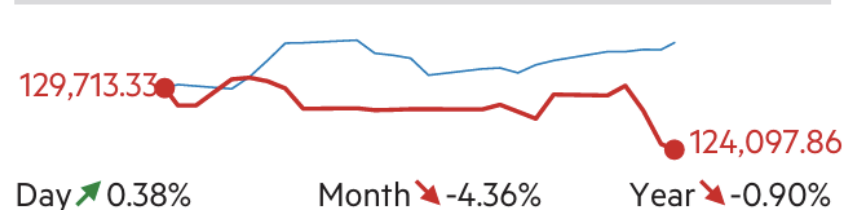
IPC

Mexico City



Bovespa

São Paulo



- Source: Financial Times
- All figures are as of 29 November 2024
- Monthly figures represent the period between 30 October and 29 November 2024

Global Stock Markets – Europe

EUROPE

Oct 30 - Nov 29

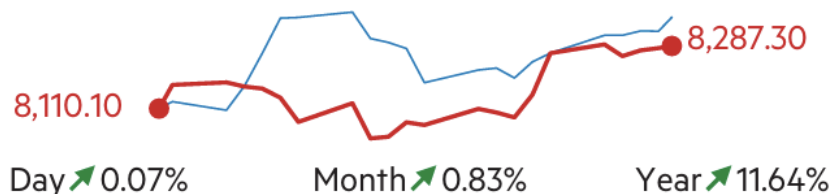
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All World



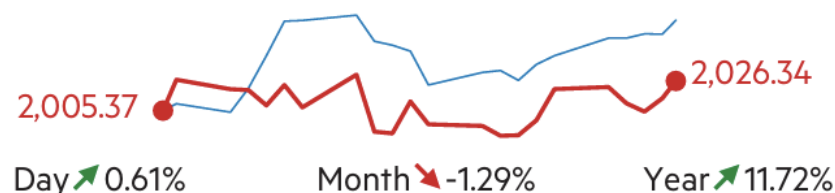
FTSE 100

London



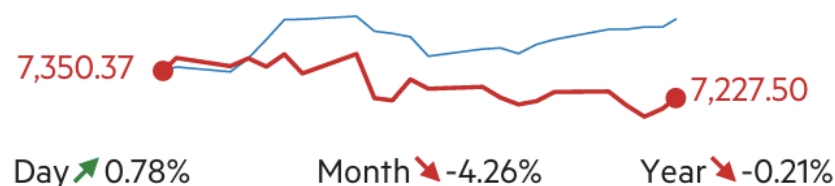
FTSE Eurofirst 300

Europe



CAC 40

Paris



Oct 30 - Nov 29

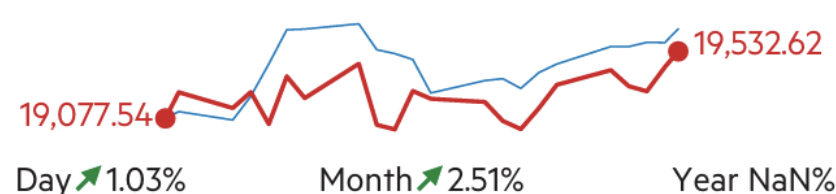
Index

All World



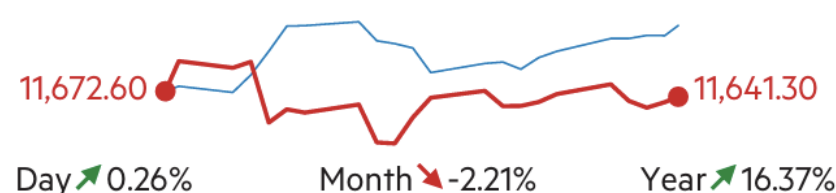
Xetra Dax

Frankfurt



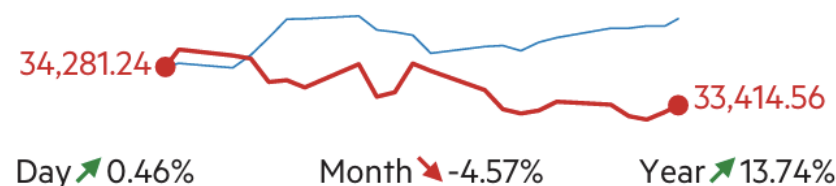
Ibex 35

Madrid



FTSE MIB

Milan



- Source: Financial Times
- All figures are as of 29 November 2024
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Global Stock Markets – Asia

ASIA

Oct 30 - Nov 29

Index All World

● Nikkei 225 Tokyo



Day ▼ -0.37% Month ▼ -1.05% Year ▲ 14.34%

● Hang Seng Hong Kong



Day ▲ 0.29% Month ▼ -5.75% Year ▲ 11.88%

● Shanghai Composite Shanghai



Day ▲ 0.93% Month ▲ 0.13% Year ▲ 9.47%

Oct 30 - Nov 29

Index All World

● KOSPI Seoul



Day ▼ -1.95% Month ▼ -5.99% Year ▼ -2.61%

● FTSE Straits Times Singapore



Day ▲ 0.05% Month ▲ 4.16% Year ▲ 21.76%

● BSE Sensex Mumbai



Day ▲ 0.96% Month ▼ -0.32% Year ▲ 20.51%

- Source: Financial Times
- All figures are as of 29 November 2024
- Monthly figures represent the period between 30 October and 29 November 2024

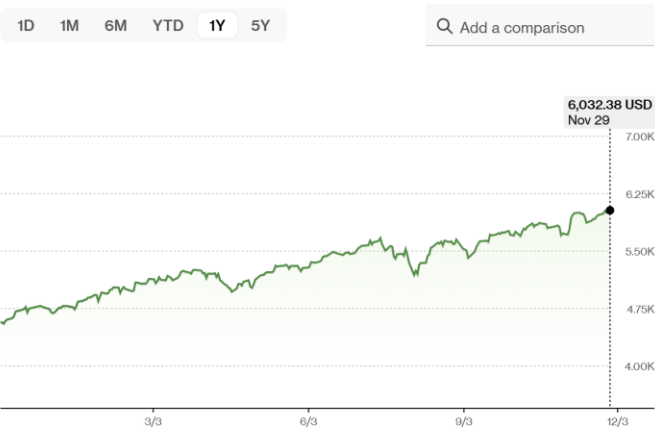
US Stock Markets

S&P 500 INDEX ✓ Following

SPX:IND
(USD) · Market closed

6,032.38 ▲+33.64+0.56%
As of 12:00 AM EST 11/29/24.

Summary Related News Index Info



Overview

OPEN	1 YEAR RETURN	DAY RANGE
6,003.98	33.09%	6,003.98 – 6,044.17
PREV. CLOSE	YTD RETURN	52 WEEK RANGE
5,998.74	26.47%	4,546.50 – 6,044.17

Key Statistics

P/E RATIO	26.98	PRICE TO BOOK RATIO	5.24
PRICE TO SALES RATIO	3.10	1 YEAR RETURN	33.09%
30 DAY AVG VOLUME	748,241,510.60	EPS	238.61
LAST DIVIDEND REPORTED	0.71825		

- Source: Bloomberg
- All figures are as of 29 November 2024

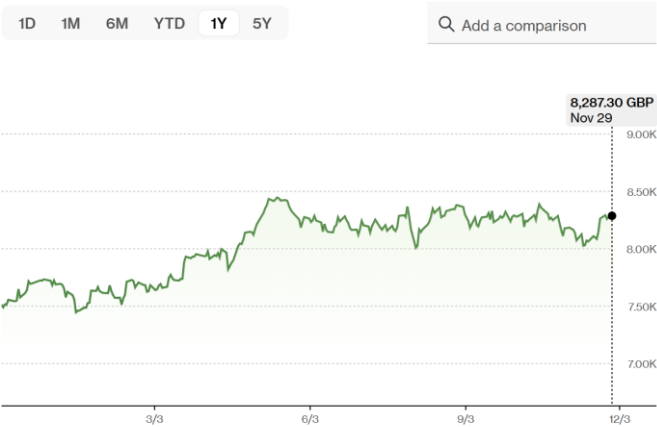
UK Stock Markets

FTSE 100 Index ✓ Following

UKX:IND
(GBP) · Market closed

8,287.30 ▲ +6.08 +0.07%
As of 12:00 AM EST 11/29/24.

Summary Related News Index Info



Overview

OPEN	1 YEAR RETURN	DAY RANGE
8,281.22	14.14%	8,252.89 – 8,292.45
PREV. CLOSE	YTD RETURN	52 WEEK RANGE
8,281.22	7.16%	7,404.08 – 8,474.41

Key Statistics

P/E RATIO	13.20	PRICE TO BOOK RATIO	1.90
PRICE TO SALES RATIO	1.30	1 YEAR RETURN	14.14%
30 DAY AVG VOLUME	630,877,537.47	EPS	684.26
LAST DIVIDEND REPORTED	4.38438		

- Source: Bloomberg
- All figures are as of 29 November 2024

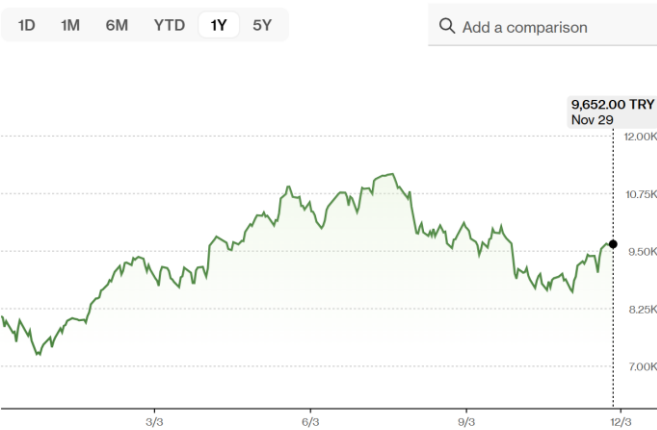
Turkey Stock Markets

Borsa Istanbul 100 Index ✓ Following

XU100:IND
(TRY) · Market closed

9,652.00 ▲ +11.92 +0.12%
As of 12:00 AM EST 11/29/24.

Summary Related News Index Info



Overview

OPEN	1 YEAR RETURN	DAY RANGE
9,650.73	23.58%	9,575.85 – 9,734.16
PREV. CLOSE	YTD RETURN	52 WEEK RANGE
9,640.08	29.21%	7,202.88 – 11,252.11

Key Statistics

P/E RATIO	5.26	PRICE TO BOOK RATIO	1.23
PRICE TO SALES RATIO	0.44	1 YEAR RETURN	23.58%
30 DAY AVG VOLUME	2,994,903,098.07	EPS	1,925.44
LAST DIVIDEND REPORTED	0.427264		

- Source: Bloomberg
- All figures are as of 29 November 2024

Global Bond Markets – Americas

Americas 10-Year Government Bond Yields

COUNTRY	YIELD	1 DAY	1 MONTH	1 YEAR	TIME (EST)
United States »	4.22%	+5	-16	+2	1:44 AM
Canada	3.08%	+0	-20	-33	11/29/2024
Brazil	13.38%	+1	+44	+253	11/29/2024
Mexico	9.96%	+996	-21	+74	11/28/2024

• Source: Bloomberg

Global Bond Markets – Europe & Middle East & Africa

Europe, Middle East & Africa 10-Year Government Bond Yields

COUNTRY	YIELD	1 DAY	1 MONTH	1 YEAR	TIME (EST)
Germany »	2.09%	0	-32	-27	11/29/2024
United Kingdom »	4.24%	0	-20	+10	11/29/2024
France	2.89%	0	-27	-3	11/29/2024
Italy	3.27%	0	-41	-82	11/29/2024
Spain	2.79%	0	-33	-57	11/29/2024
Netherlands	2.32%	0	-34	-37	11/29/2024
Portugal	2.52%	0	-32	-46	11/29/2024
Greece	2.90%	0	-40	-66	11/29/2024
Switzerland	0.16%	+0	-14	-53	11/29/2024

• Source: Bloomberg

Global Bond Markets – Asia Pacific

Asia Pacific 10-Year Government Bond Yields

COUNTRY	YIELD	1 DAY	1 MONTH	1 YEAR	TIME (EST)
Japan »	1.07%	+4	+13	+38	1:44 AM
Australia »	4.33%	-1	-20	-16	12:39 AM
New Zealand	4.32%	-5	-13	-65	12/1/2024
	--	--	--	--	--
Singapore	2.72%	-1	-11	-24	1:43 AM
South Korea	2.69%	-7	-39	-100	1:43 AM
India	6.71%	-3	--	-58	12/1/2024

• Source: Bloomberg

UK Bond Markets

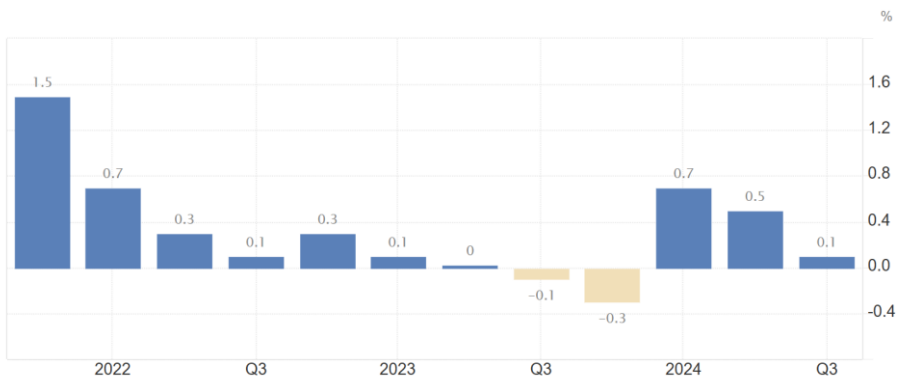
Gilt Yields

NAME	COUPON	PRICE	YIELD	1 DAY	1 MONTH	1 YEAR	TIME (EST)
GTGBP2Y:GOV UK Gilt 2 Year Yield	4.13	99.78	4.23%	0	-19	-28	11/29/2024
GTGBP5Y:GOV UK Gilt 5 Year Yield	4.13	100.14	4.09%	+0	-23	-1	11/29/2024
GTGBP10Y:GOV UK Gilt 10 Year Yield	4.25	100.07	4.24%	0	-20	+10	11/29/2024
GTGBP30Y:GOV UK Gilt 30 Year Yield	4.38	94.06	4.75%	+0	-15	+8	11/29/2024

• Source: Bloomberg

UK Economy

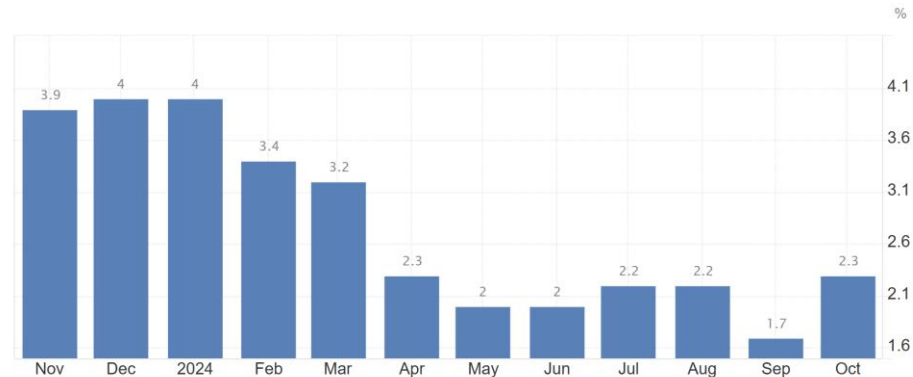
Annual GDP Growth Rate



Office for National Statistics

Value Chg Chg%

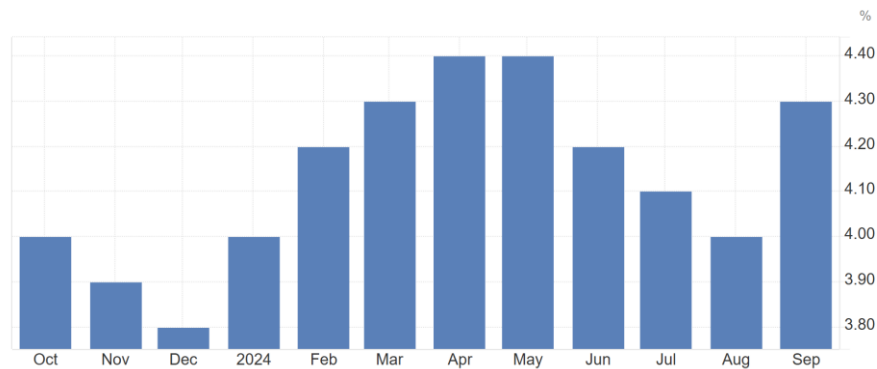
Annual Inflation Rate



Office for National Statistics

Value Chg Chg%

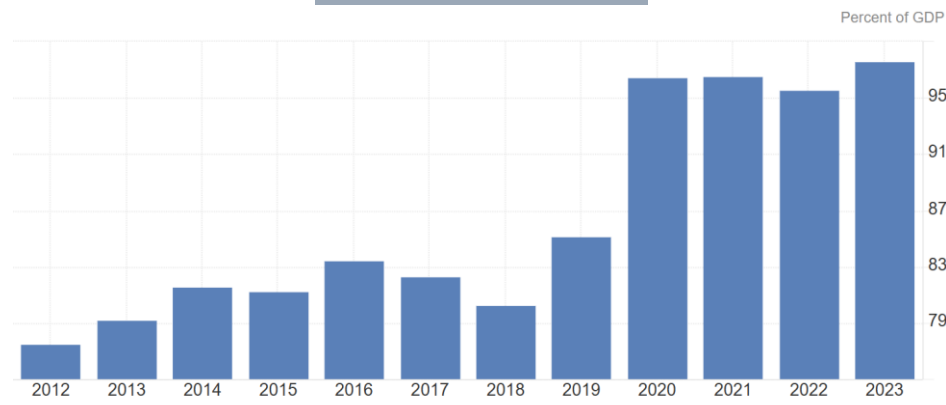
Unemployment Rate



Office for National Statistics

Value Chg Chg%

Government Debt / GDP



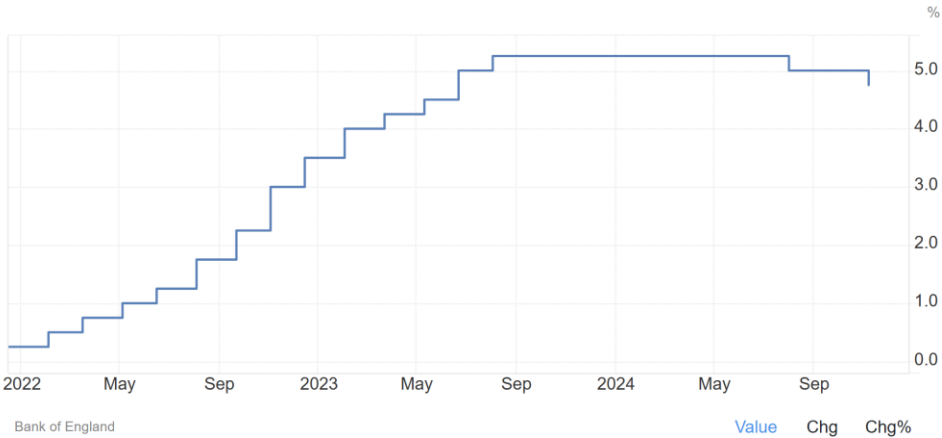
Office for Budget Responsibility, UK

Value Chg Chg%

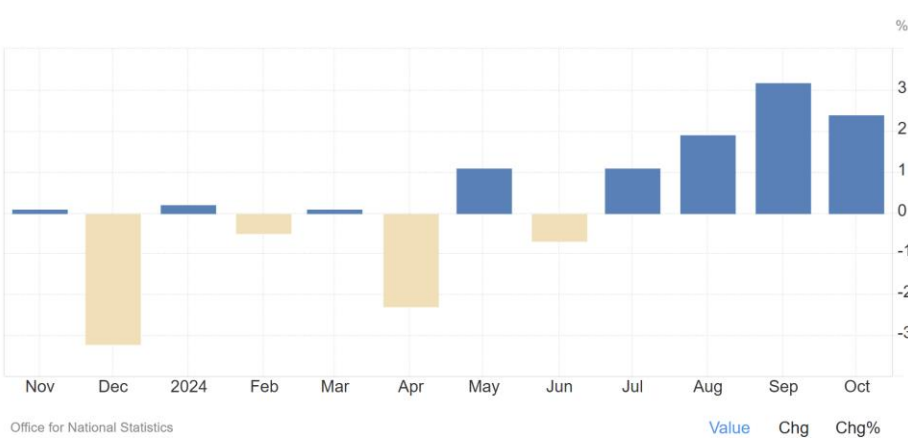
• Source: <https://tradingeconomics.com/united-kingdom>

UK Markets

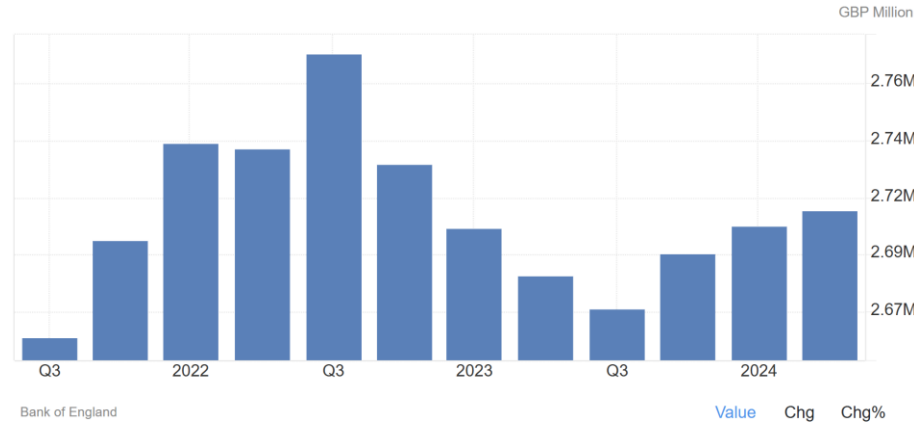
BOE Interest Rate



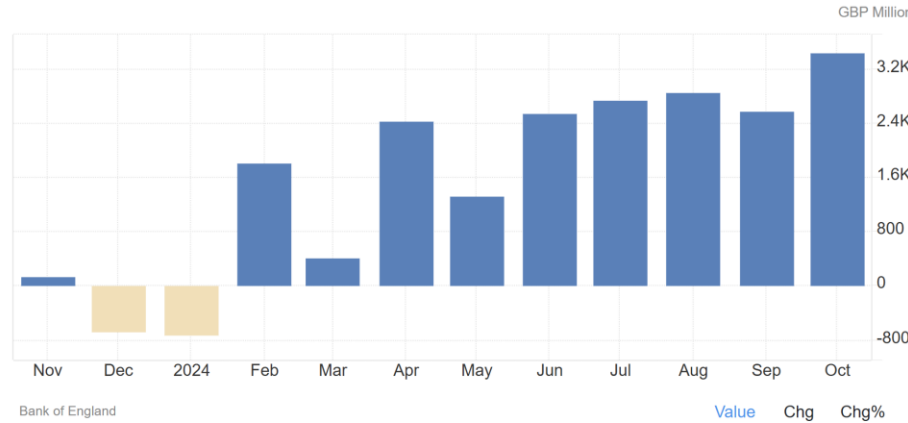
Retail Sales YoY



Loans to Private Sector



Mortgage Lending



• Source: <https://tradingeconomics.com/united-kingdom>
• Loan figures are in £ millions

UK Mortgage Loans

Competitive Market Benchmark (Indicative Only) – Page 1 of 2

BARCLAYS
£1,603
Monthly payment until 31/3/2028
3 year fixed

4.12%
Initial rate

£999
Product fees

£58,759
Initial term cost

6.2%
APRC

Cashback £0

Free legals ✕

Free valuations ✓

Go to broker

Full details

Representative example: a repayment mortgage amount of £300,000 over 25 years, representative APRC 6.2%. Total amount payable £590,558.35 includes interest of £289,444.35 product fees of £999 and other fees of £115. Repayments: 39 months of £1,603.46 at 4.12% (fixed), then 261 months of £2,018.81 at 6.74% (variable). Early repayment charges apply.

Property EPC rating A or B required

HALIFAX
£1,603
Monthly payment until 29/2/2028
3 year fixed

4.12%
Initial rate

£999
Product fees

£58,824
Initial term cost

7.3%
APRC

Cashback £250

Free legals ✕

Free valuations ✕

Go to lender

Full details

Representative example: a repayment mortgage amount of £300,000 over 25 years, representative APRC 7.3%. Total amount payable £659,395.72 includes interest of £358,296.72 product fees of £999 and other fees of £100. Repayments: 38 months of £1,603.46 at 4.12% (fixed), then 262 months of £2,280.02 at 8.24% (variable). Early repayment charges apply.

Get a Decision in Principle from Nationwide Building Society

nationwide
£1,607
Monthly payment for 60 months
5 year fixed

4.14%
Initial rate

£1,499
Product fees

£97,906
Initial term cost

6.3%
APRC

Cashback £500

Free legals ✕

Free valuations ✓

Get a decision

Full details

Representative example: a repayment mortgage amount of £300,000 over 25 years, representative APRC 6.3%. Total amount payable £603,994.40 includes interest of £302,495.40 product fees of £1,499 and other fees of £0. Repayments: 60 months of £1,606.79 at 4.14% (fixed), then 240 months of £2,108.70 at 7.49% (variable). Early repayment charges apply.

Property EPC rating A or B required

HSBC UK
£1,608
Monthly payment until 28/2/2030
5 year fixed

4.15%
Initial rate

£999
Product fees

£97,524
Initial term cost

5.9%
APRC

Cashback £1,250

Free legals ✕

Free valuations ✓

Go to broker

Full details

Representative example: a repayment mortgage amount of £300,000 over 25 years, representative APRC 5.9%. Total amount payable £583,078.46 includes interest of £282,062.46 product fees of £999 and other fees of £17. Repayments: 62 months of £1,608.48 at 4.15% (fixed), then 238 months of £2,028.63 at 6.99% (variable). Early repayment charges apply.

BARCLAYS
£1,613
Monthly payment until 31/3/2030
5 year fixed

4.18%
Initial rate

£899
Product fees

£97,743
Initial term cost

5.8%
APRC

Cashback £0

Free legals ✕

Free valuations ✓

Go to broker

Full details


Representative example: a repayment mortgage amount of £300,000 over 25 years, representative APRC 5.8%. Total amount payable £573,700.74 includes interest of £272,686.74 product fees of £899 and other fees of £115. Repayments: 63 months of £1,613.48 at 4.18% (fixed), then 237 months of £1,987.50 at 6.74% (variable). Early repayment charges apply.

- The above quotes are indicative only, based on a hypothetical 25-year (repayment) mortgage loan scenario, where the property value is £500,000, and down payment is £200,000, as of 2 December 2024
- Source: <https://www.moneysupermarket.com/>

UK Mortgage Loans

Competitive Market Benchmark (Indicative Only) – Page 2 of 2

Property EPC rating A or B required



HALIFAX
£1,613
Monthly payment until 28/2/2030
5 year fixed

4.18%
Initial rate

£999
Product fees

£97,908
Initial term cost

6.7%
APRC

Cashback £250

Free legals ✕


Free valuations ✕

Go to lender

Full details

Representative example: a repayment mortgage amount of £300,000 over 25 years, representative APRC 6.7%. Total amount payable £631,246.44 includes interest of £330,147.44 product fees of £999 and other fees of £100. Repayments: 62 months of £1,613.48 at 4.18% (fixed), then 238 months of £2,227.36 at 6.24% (variable). Early repayment charges apply.

Get a Decision in Principle from Nationwide Building Society



nationwide
£1,615
Monthly payment for 36 months
3 year fixed

4.19%
Initial rate

£999
Product fees

£59,144
Initial term cost

6.8%
APRC

Cashback £500

Free legals ✕


Free valuations ✓

Get a decision

Full details

Representative example: a repayment mortgage amount of £300,000 over 25 years, representative APRC 6.8%. Total amount payable £627,652.56 includes interest of £326,653.56 product fees of £999 and other fees of £0. Repayments: 36 months of £1,615.15 at 4.19% (fixed), then 264 months of £2,153.44 at 7.49% (variable). Early repayment charges apply.

Club Lloyds current account holders only



LLOYDS
£1,615
Monthly payment until 28/2/2030
5 year fixed

4.19%
Initial rate

£999
Product fees

£97,908
Initial term cost

6.7%
APRC

Cashback £250


Free legals ✕

Free valuations ✓

Go to lender

Full details

Representative example: a repayment mortgage amount of £300,000 over 25 years, representative APRC 6.7%. Total amount payable £631,345.18 includes interest of £330,346.18 product fees of £999 and other fees of £0. Repayments: 62 months of £1,615.15 at 4.19% (fixed), then 238 months of £2,227.76 at 8.24% (variable). Early repayment charges apply.



BARCLAYS
£1,620
Monthly payment until 31/3/2027
2 year fixed

4.22%
Initial rate

£899
Product fees

£39,818
Initial term cost

6.4%
APRC

Cashback £0


Free legals ✕

Free valuations ✓

Go to broker

Full details

Representative example: a repayment mortgage amount of £300,000 over 25 years, representative APRC 6.4%. Total amount payable £600,772.50 includes interest of £299,758.50 product fees of £899 and other fees of £115. Repayments: 27 months of £1,620.18 at 4.22% (fixed), then 273 months of £2,036.68 at 6.74% (variable). Early repayment charges apply.



BARCLAYS
£1,622
Monthly payment until 31/3/2027
2 year fixed

4.23%
Initial rate

£899
Product fees

£39,859
Initial term cost

6.4%
APRC

Cashback £0

Free legals ✕

Free valuations ✓

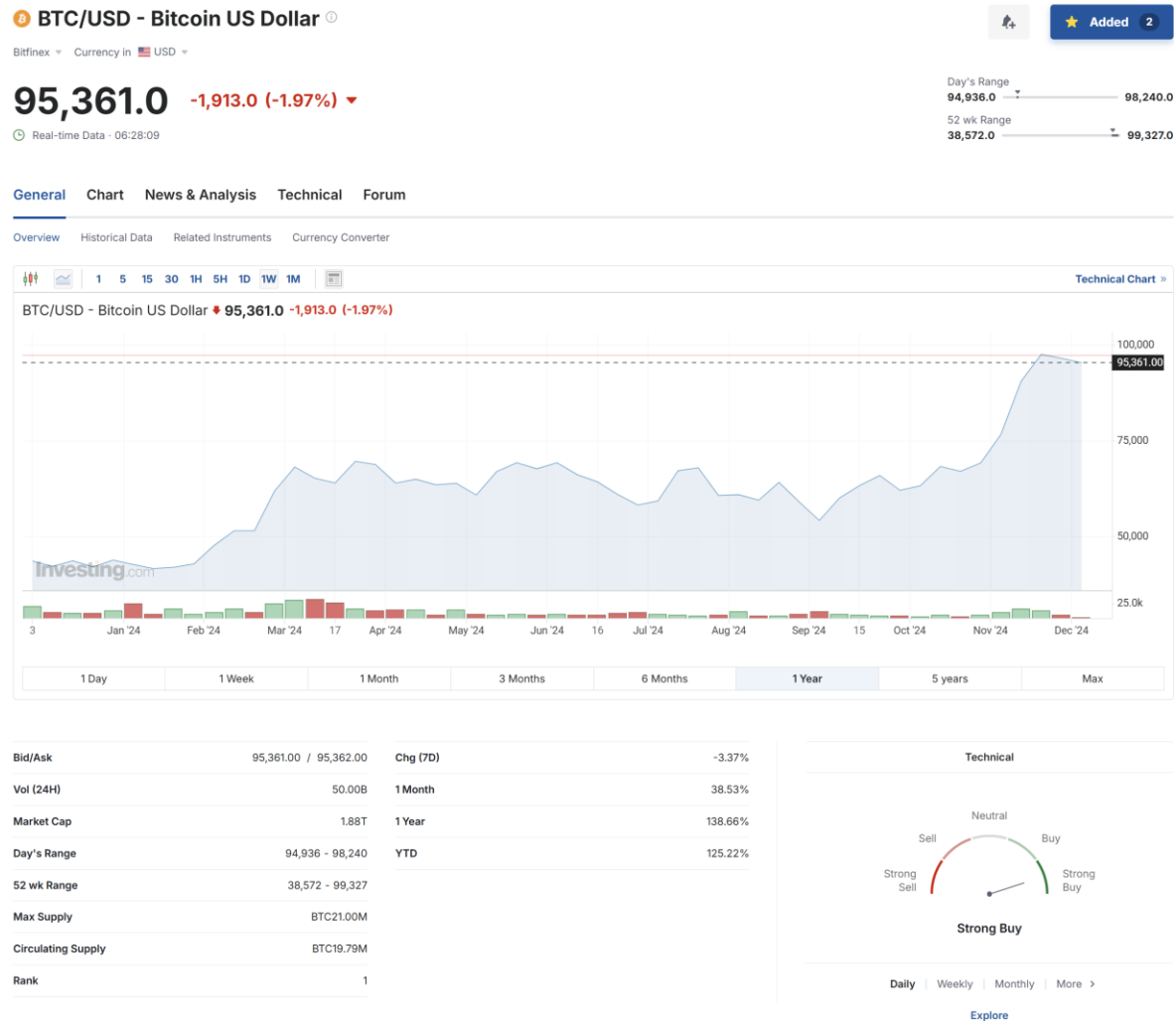
Go to broker

Full details

Representative example: a repayment mortgage amount of £300,000 over 25 years, representative APRC 6.4%. Total amount payable £600,861.54 includes interest of £299,847.54 product fees of £899 and other fees of £115. Repayments: 27 months of £1,621.86 at 4.23% (fixed), then 273 months of £2,036.84 at 6.74% (variable). Early repayment charges apply.

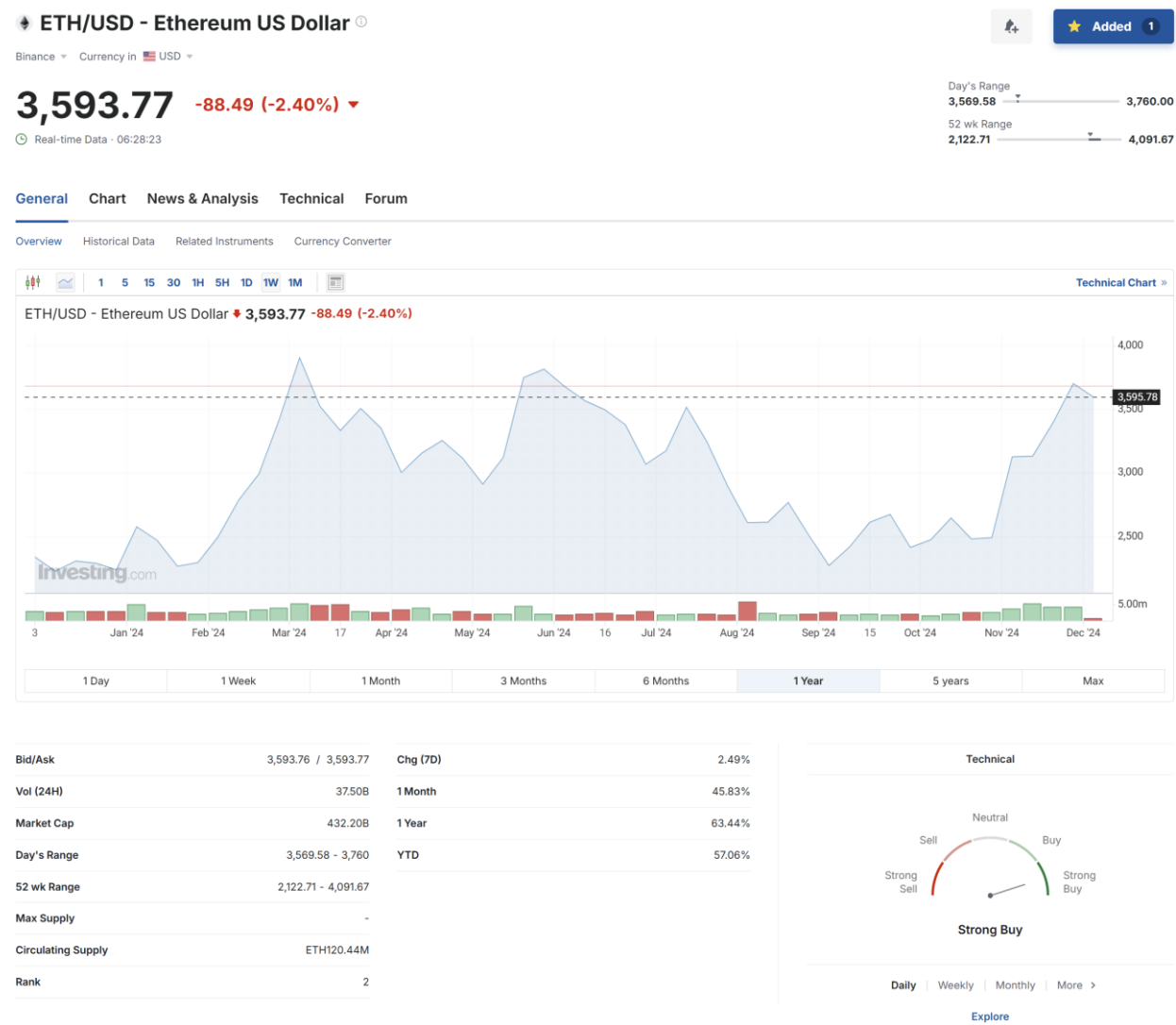
- The above quotes are indicative only, based on a hypothetical 25-year (repayment) mortgage loan scenario, where the property value is £500,000, and down payment is £200,000, as of 2 December 2024
- Source: <https://www.moneysupermarket.com/>

Crypto Markets: Bitcoin



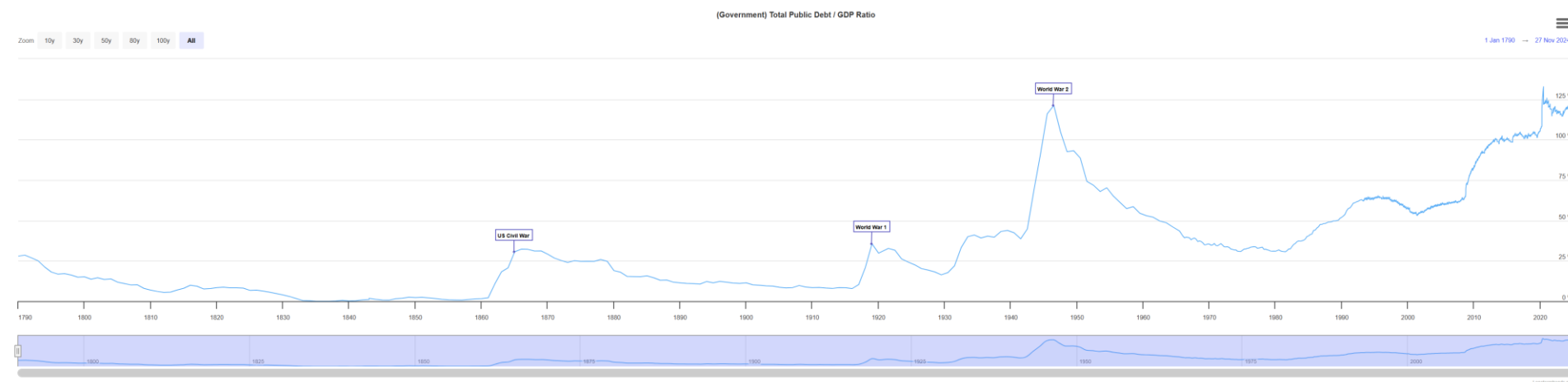
- Source: www.investing.com, as of 2 December 2024

Crypto Markets: Ethereum



Macro-economic / Markets Insights – US Debt to GDP Ratio

Federal Debt to GDP



Interpretation

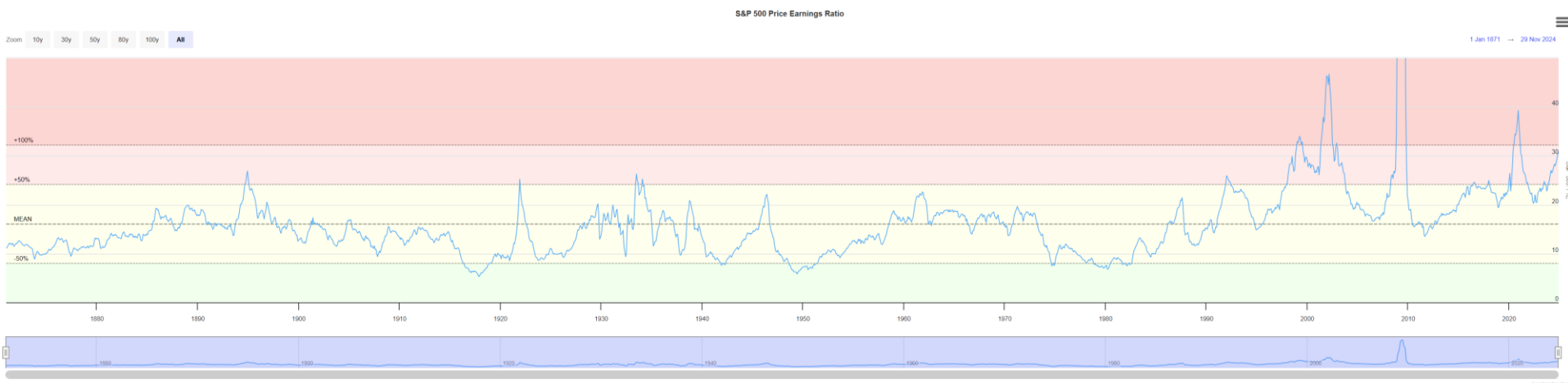
A nation's debt is commonly expressed as a ratio to its gross domestic product (GDP) to facilitate meaningful comparisons over time. The total public debt, as depicted in the above chart, represents a form of government federal debt that encompasses both "debt held by the public" and "intragovernmental holdings." Several factors influence the federal public debt, including government spending, tax policies, economic conditions, and interest rates. Budget deficits arise when government expenditures exceed revenues, resulting in an increase in the public debt. Conversely, budget surpluses can help reduce the debt burden. The management of federal debt falls under the purview of the Department of the Treasury, which regularly conducts auctions of treasury securities to meet borrowing requirements. These securities are purchased by a range of investors, including individuals, financial institutions, foreign governments, and central banks, effectively lending money to the government. It's worth noting that historical trends show an increased ratio during periods of war and economic recessions.

Other popular classifications of debt are corporate and household debt (see charts below).

Renowned investor Ray Dalio identified a long-term debt cycle, a cyclical pattern that typically spans 75-100 years. In his research, Dalio has analyzed the total debt in the United States, encompassing public, corporate, and private debt, dating back to 1920. For further details, you can refer to Ray Dalio's publication "[Principles For Navigating BIG DEBT CRISES](#)" on page 13.

- Source: <https://www.longtermtrends.net/>, as of 2 December 2024

Macro-economic / Markets Insights – S&P 500 Price to Earnings Ratio



Interpretation

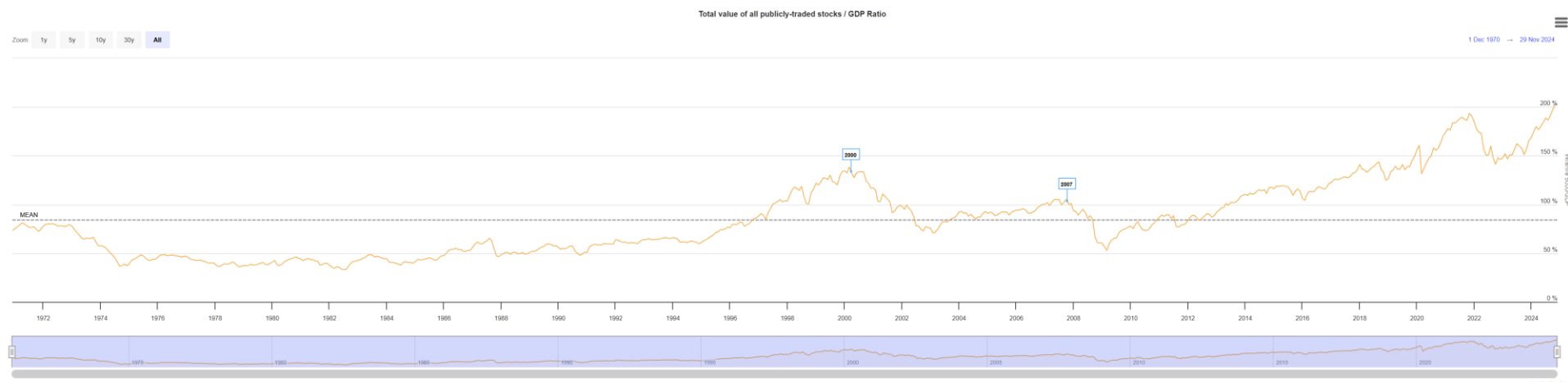
The price earnings ratio is calculated by dividing a company's stock price by its earnings per share. In other words, the price earnings ratio shows what the market is willing to pay for a stock based on its current earnings. It is one of the most widely-used valuation metrics for stocks. A high P/E ratio suggests that investors are willing to pay a premium for each unit of earnings, indicating optimism about future growth prospects. Conversely, a low P/E ratio may indicate that the market has lower expectations for future growth or that the stock is undervalued.

The PE ratio of the S&P 500 divides the index (current market price) by the reported earnings of the trailing twelve months. In 2009 when earnings fell close to zero the ratio got out of whack, resulting in an inaccurate reflection of the market's true valuation. A solution to this phenomenon is to divide the price by the average inflation-adjusted earnings of the previous 10 years. In recent years, Yale professor [Robert Shiller](#), the author of *Irrational Exuberance*, has reintroduced this adjusted ratio to a wider audience of investors. The Shiller PE Ratio of the S&P 500 is illustrated below.

- Source: <https://www.longtermtrends.net/>, as of 2 December 2024

Macro-economic / Markets Insights – Buffet Indicator (Total Market Cap / GDP)

Wilshire 5000 to GDP Ratio

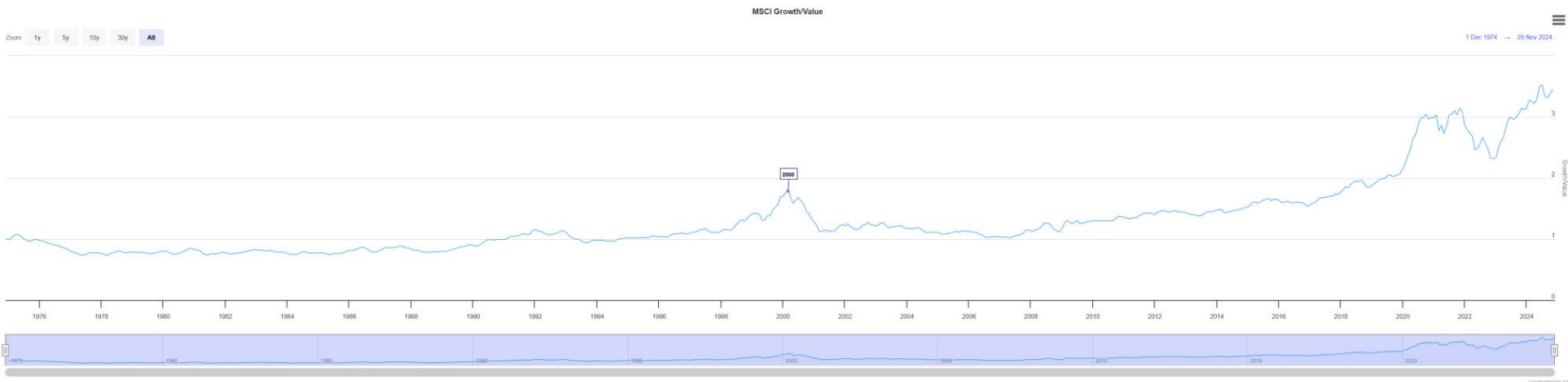


Interpretation

The Buffett Indicator, also known as Market Cap to GDP, has gained prominence as a long-term valuation indicator for stocks, largely due to Warren Buffett's endorsement. In a [Fortune Magazine](#) interview back in 2001, Buffett referred to it as "probably the best single measure of where valuations stand at any given moment." This statement has drawn attention to the indicator's potential significance in assessing market conditions. The calculation of the Buffett Indicator involves dividing the total market value of all publicly-traded stocks within a country by the country's Gross Domestic Product (GDP). By comparing the stock market's size to the overall economic output, this ratio provides insights into the relative valuation of the market. To illustrate this concept, one common approach is to examine the ratio between the **Wilshire 5000** and the GDP of the United States. The Wilshire 5000 is widely regarded as the definitive benchmark for the US equity market, aiming to measure the total market capitalization of all US equity securities with readily available price data. By dividing this market index by the GDP, we can obtain a snapshot of the market's valuation in relation to the country's economic performance.

- Source: <https://www.longtermtrends.net/>, as of 2 December 2024

Macro-economic / Markets Insights – Growth / Value Stocks



Interpretation

Which performed better in recent years, growth stocks or value stocks? Differentiating between these characteristics is a popular way to segment the US stock market (next to [segmentation by market capitalization](#)).

The ratio in the chart above divides the [MSCI USA Growth Index](#) by the [MSCI USA Value Index](#). When the ratio rises, growth stocks outperform value stocks - and when it falls, value stocks outperform growth stocks.

Value stocks can be roughly described as "bargains". These stocks are usually associated with low [P/E](#), low [P/B](#), low price/cash flow, and a high [dividend yield](#). These companies may have solid fundamentals, but their stock prices are perceived to be lower than their intrinsic value due to factors such as market conditions, industry trends, or temporary setbacks. Value stocks are often associated with more mature industries or companies that are temporarily out of favor with investors. **Growth stocks** on the other hand, may be considered expensive measured by a variety of metrics. These stocks generally do not pay dividends, as the companies usually want to reinvest any earnings in order to keep growing at certain rates. These companies often operate in industries that are expanding rapidly or are engaged in innovative technologies.

Investors are attracted to growth stocks because of their potential for significant capital appreciation over time. Examples of growth stocks can include technology companies, biotech firms, or high-growth consumer brands.

Value and growth investing are often considered opposing strategies. A stock prized by a value investor might be considered worthless by a growth investor and vice versa. Value investors seek to profit as the price returns to its "fair value" while growth investors are looking for "winners" and focus on competitive advantages.

However, this viewpoint isn't universally accepted. Warren Buffett, for instance, contends that value and growth investing are complementary, not contradictory. He advocates that growth is an essential element of a stock's intrinsic value. Thus, categorizing stocks as either 'growth' or 'value' is somewhat superficial in his view. Buffett's philosophy centers on identifying companies with durable competitive advantages and promising future prospects, blending the principles of value and growth in a holistic investment approach.

- Source: <https://www.longtermtrends.net/>, as of 2 December 2024

Macro-economic / Markets Insights – US Stocks vs. World Stocks



Interpretation

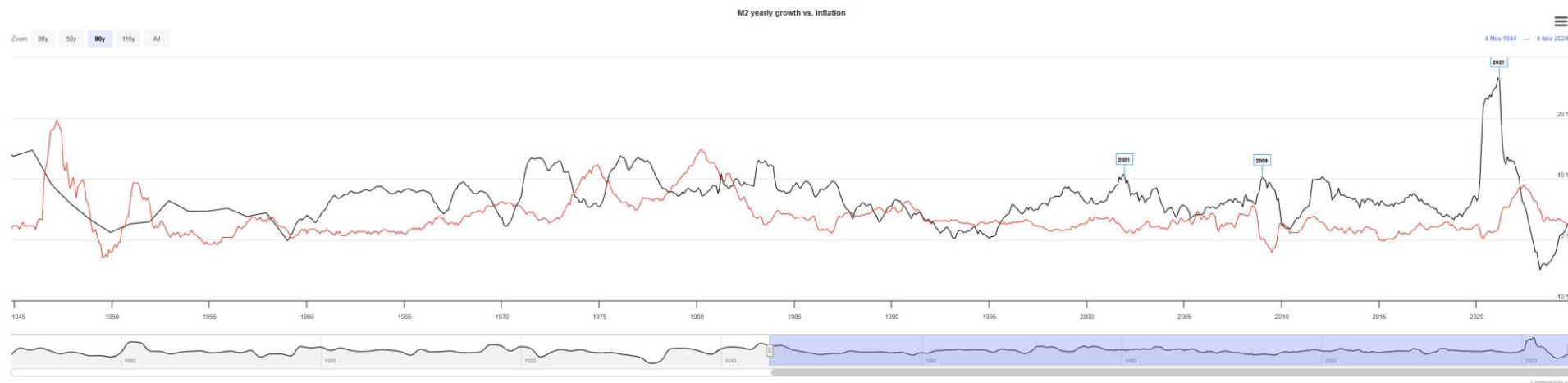
The chart above compares the performance of the MSCI USA index to the MSCI World index. It provides a valuable perspective on the relative strength or weakness of the US stock market in comparison to the global stock market as a whole.

The **MSCI USA** index represents the performance of large and mid-cap stocks in the United States, encompassing various sectors and industries. It covers approximately 85% of the free float-adjusted market capitalization in the US. On the other hand, the **MSCI World** index represents global equity performance and includes stocks from **developed markets** across the world.

When the ratio rises, it indicates that US stocks outperform the rest of the world, whereas a decline in the ratio suggests underperformance by US stocks compared to the global market. By definition, this ratio cannot grow forever. At some point, US stocks would simply make up 100% of global stocks. The chart shows that, since the financial crisis of 2008, US stocks have been outperforming the rest of the world.

- Source: <https://www.longtermtrends.net/>, as of 2 December 2024

Macro-economic / Markets Insights – Money Supply Growth vs. Inflation



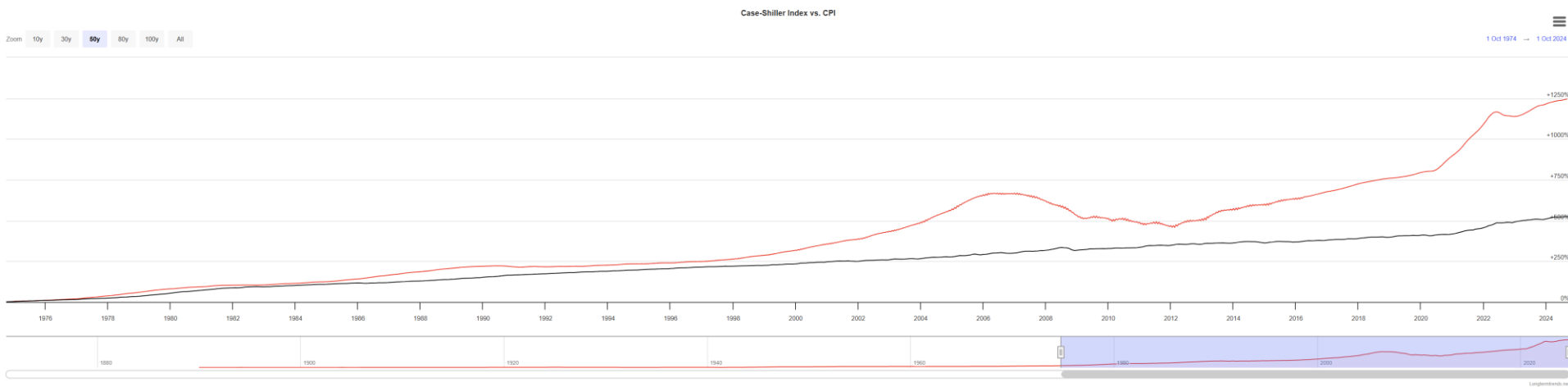
Interpretation

The "M2 Money Supply", also referred to as "M2 Money Stock", is a measure for the amount of currency in circulation. M2 includes M1 (physical cash and checkable deposits) as well as "less liquid money", such as saving bank accounts. The chart above plots the yearly **M2 Growth Rate** and the **Inflation Rate**, which is defined as the yearly change in the Consumer Price Index (CPI). When inflation is high, prices for goods and services rise and thus the purchasing power per unit of currency decreases. Historically, M2 has grown along with the **economy** (see in the chart below). However, it has also grown along with **Federal Debt to GDP** during wars and *recessions*. In most recent history, M2 growth surpassed 10 percent in the crisis of 2001 and 2009, during which an expansionary monetary policy was deployed by the central bank, including large scale asset purchases.

According to [Bannister and Forward \(2002, page 28\)](#), Money supply growth and inflation are inexorably linked.

- Source: <https://www.longtermtrends.net/>, as of 2 December 2024

Macro-economic / Markets Insights – US Real Home Prices

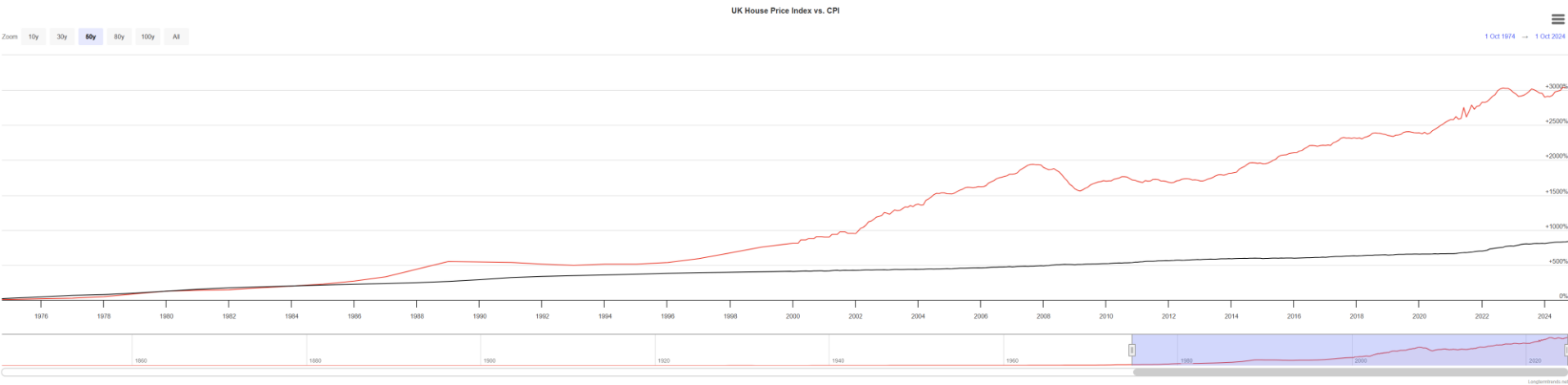


Interpretation

This chart displays the **Case-Shiller Home Price Index** and **US Consumer Price Index (CPI)** over time.

- Source: <https://www.longtermtrends.net/>, as of 2 December 2024

Macro-economic / Markets Insights – UK Real Home Prices

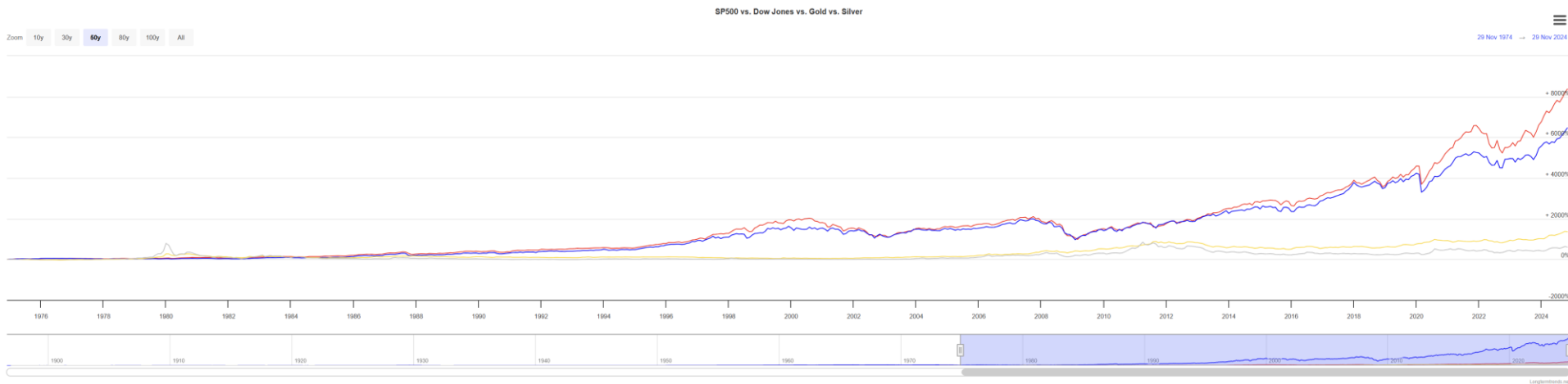


Interpretation

This chart compares the **UK House Price Index** and **UK Consumer Price Index (CPI)** over time.

- Source: <https://www.longtermtrends.net/>, as of 2 December 2024

Macro-economic / Markets Insights – Stocks vs. Gold and Silver

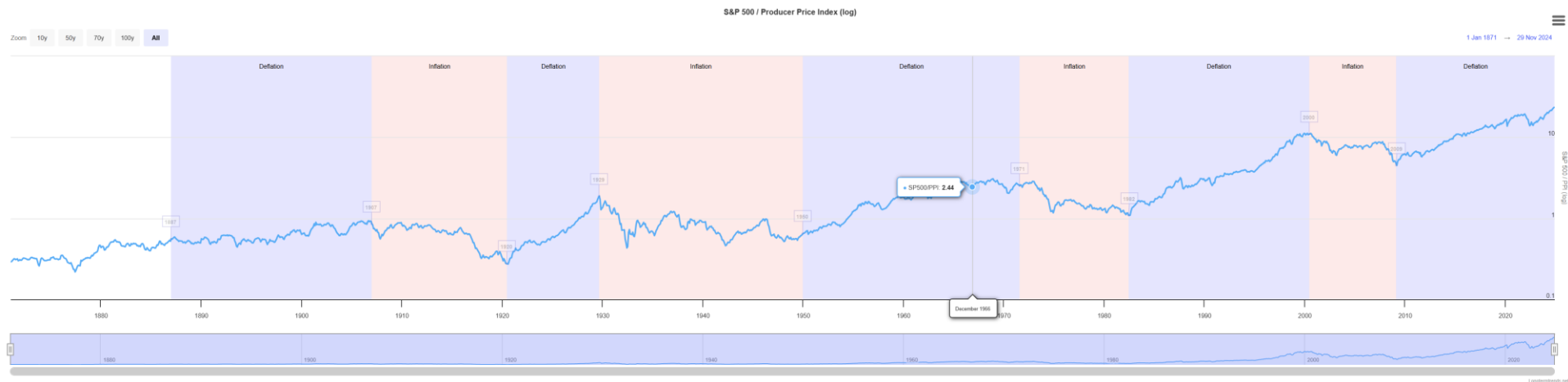


Interpretation

Which was the best investment in the past 30, 50, 80, or 100 years? This chart compares the performance of the **S&P 500**, the **Dow Jones**, **Gold**, and **Silver**. The **Dow Jones** is a stock index that includes 30 large publicly traded companies based in the United States. It is one of the oldest and most-watched indices in the world. The **S&P 500** consists of 500 large US companies, it is **capitalization-weighted**, and it captures approximately 80% of available market capitalization. For these reasons it is more representative of the US stock market than the Dow Jones. Both versions of these indices are price return indices in contrast to **total return indices**. Therefore, they do not include dividends. Including dividends leads to a very different picture, which is demonstrated in the chart below.

- Source: <https://www.longtermtrends.net/>, as of 2 December 2024

Stocks to Commodities Ratio



Interpretation

The stocks to commodities ratio measures the S&P 500 relative to the commodity market index PPI (Producer Price Index). When the ratio rises, stocks beat commodity returns - and when it falls, commodities beat stock returns. The chart's yAxis is logarithmic and over the long run stocks clearly outperform commodities. According to [Baran \(2013\)](#) stocks and commodities are negatively correlated. The main reason is the fact that equities and commodities behave differently during the short term credit cycle. Stocks perform better in late recessions and early expansions while commodities overperform in late expansions and early recessions. Furthermore, [Bannister and Forward \(2002\)](#) found that equities and commodities alternate on leading the market on average every eighteen years (**18-year cycles**), which also corresponds to deflationary and inflationary cycles. Periods of **deflation** are characterized by a boom in stocks and sound money (i.e. gold standard of 1879, Bretton Woods after WW2). These periods are followed by **inflation**, including inflationary events such as the Gold nationalization of 1934, the Nixon shock of 1971, and war (WW1, WW2, Vietnam, Iraq). Realizing their position in the cycle, in 2002 [Bannister and Forward](#) correctly predicted the outperformance of commodities over the following years and the risk of war in the middle east.

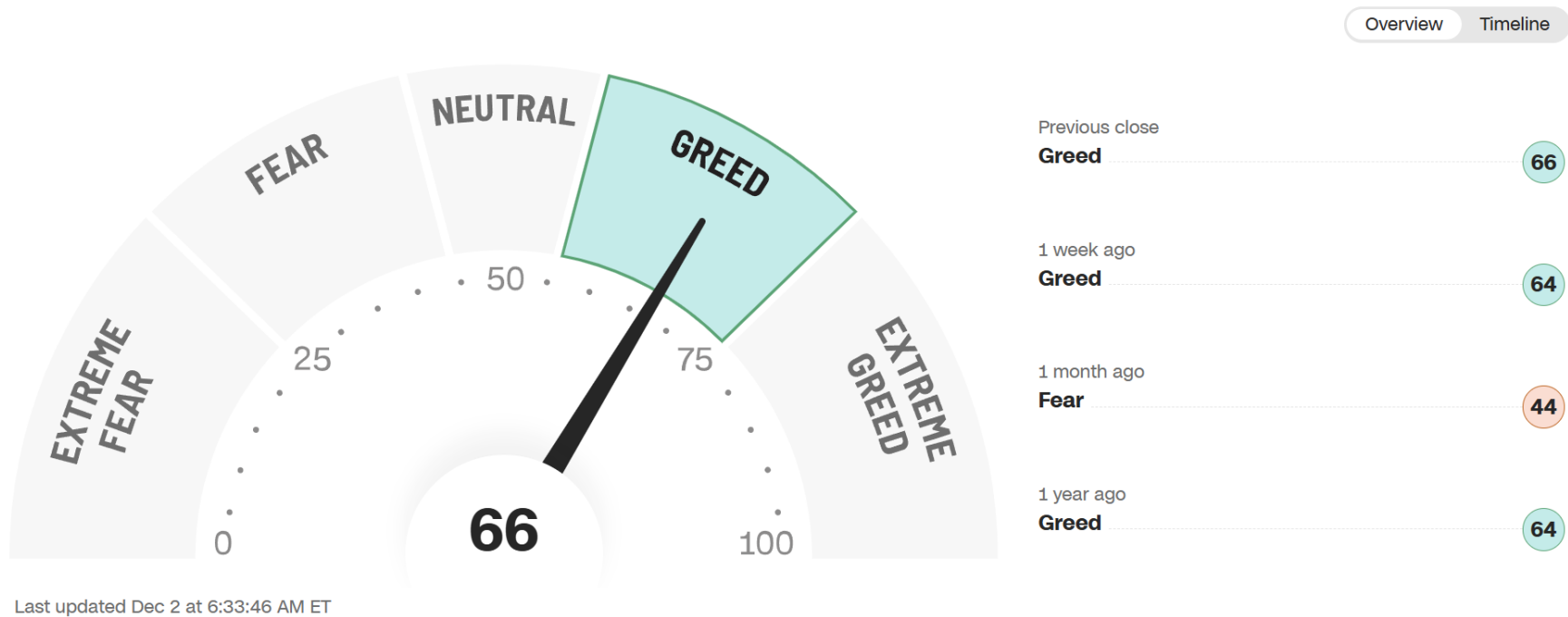
- Source: <https://www.longtermtrends.net/>, as of 2 December 2024

Fear and Greed Index

Fear & Greed Index

What emotion is driving the market now?

[Learn more about the index](#)



• Source: <https://edition.cnn.com/markets/fear-and-greed> as of 2 December 2024

Fear and Greed Index Trend

Fear & Greed Index

What emotion is driving the market now?

[Learn more about the index](#)



Last updated Dec 2 at 6:33:46 AM EST

- Source: <https://edition.cnn.com/markets/fear-and-greed> as of 2 December 2024

CME Fed Watch Tool

What is the likelihood that the Fed will change the Federal target rate at upcoming FOMC meetings, according to interest rate traders? Use CME FedWatch to track the probabilities of changes to the Fed rate, as implied by 30-Day Fed Funds futures prices.

MEDIA: Please attribute rate probability used in your reporting to "CME FedWatch."

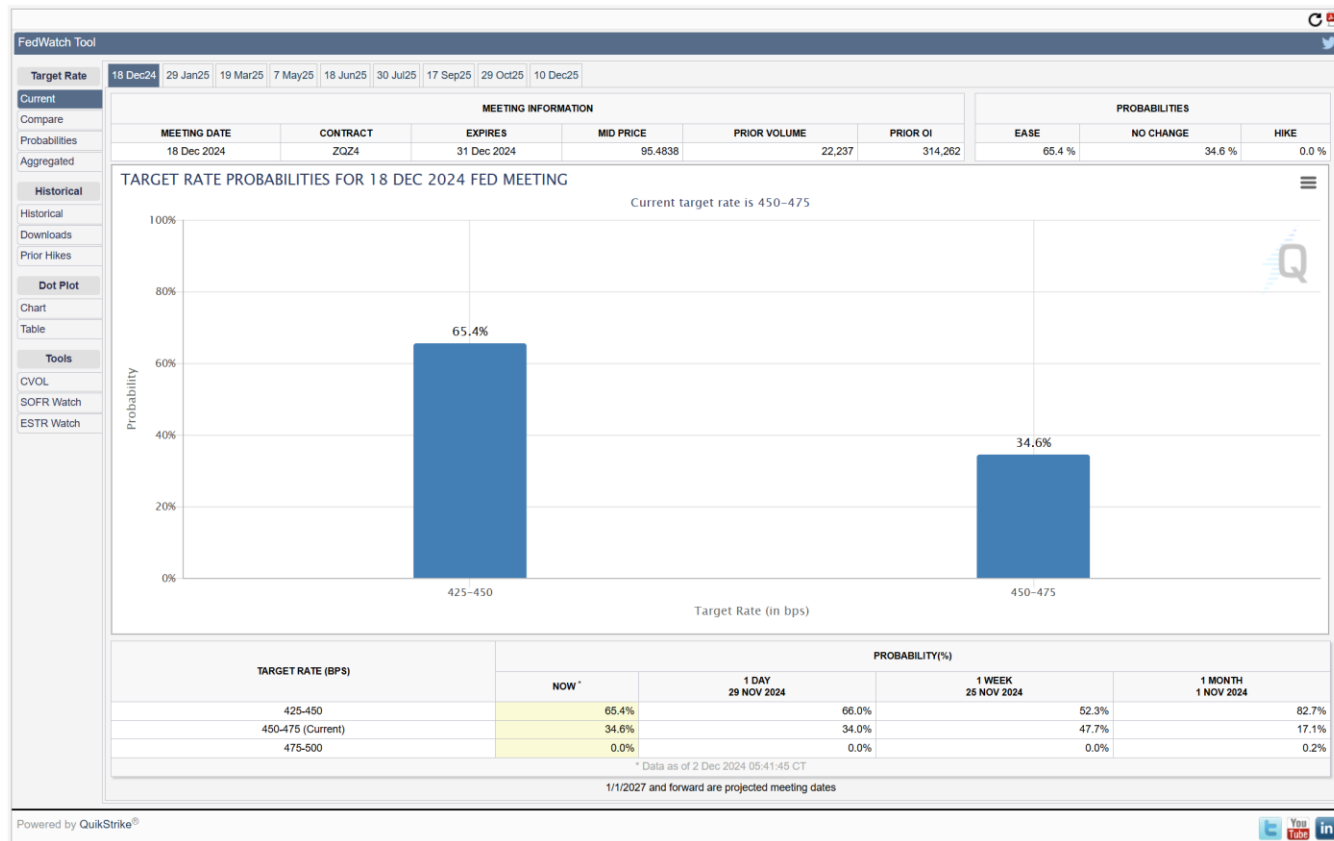
QUICKLINKS

[Methodology](#)

[User Guide](#)

[Video Demo](#)

[CME FedWatch API](#)



- Source: <https://www.cmegroup.com/markets/interest-rates/cme-fedwatch-tool.html?redirect=/trading/interest-rates/countdown-to-fomc.html> as of 2 December 2024

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