



MONTHLY NEWSLETTER, DEC 2024

5 JAN 2025



@ARROWS_SIX



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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	3.10	4.50	2.70	4.20	-6.20	122.30	-3.00	335.89
China	17795	0.90	3.10	0.20	5.00	-5.80	83.40	1.50	1409.67
Euro Area	15545	0.40	3.15	2.20	6.30	-3.60	87.40	1.70	350.08
Germany	4456	0.10	3.15	2.20	6.10	-2.50	62.90	5.90	84.70
Japan	4213	0.30	0.25	2.90	2.50	-5.50	255.20	3.60	124.30
India	3550	1.10	6.50	5.48	8.00	-5.63	81.59	-1.20	1386.18
United Kingdom	3340	0.00	4.75	2.60	4.30	-4.40	97.60	-3.30	68.27
France	3031	0.40	3.15	1.30	7.40	-5.50	110.60	-1.00	68.14
Italy	2255	0.00	3.15	1.30	5.80	-7.20	134.60	0.00	58.99
Brazil	2174	0.90	12.25	4.87	6.10	-8.90	84.68	-1.42	216.28
Canada	2140	0.30	3.25	1.90	6.80	-1.40	107.50	-0.60	40.80
Russia	2021	-0.80	21.00	8.90	2.30	-1.90	14.90	2.50	146.40
Mexico	1789	1.10	10.00	4.55	2.50	-5.00	49.70	-1.50	128.46
Australia	1724	0.30	4.35	2.80	3.90	0.90	43.80	-1.60	26.97
South Korea	1713	0.10	3.00	1.90	2.70	-2.60	51.50	1.30	51.71
Spain	1581	0.80	3.15	2.80	11.21	-3.60	107.70	2.70	48.59
Indonesia	1371	1.50	6.00	1.57	4.91	-1.65	39.30	-0.30	278.70
Netherlands	1118	0.80	3.15	4.00	3.70	-0.90	46.80	9.90	17.94
Turkey	1108	-0.20	47.50	47.09	8.80	-5.20	29.50	-4.00	85.37
Saudi Arabia	1068	0.90	5.00	2.00	3.70	-2.00	30.00	5.90	32.18
Switzerland	885	0.40	0.50	0.70	2.60	0.50	38.30	7.60	8.96
Poland	811	-0.10	5.75	4.70	5.00	-5.10	49.60	1.80	36.62
Taiwan	757	1.08	2.00	2.08	3.41	-0.50	28.20	11.80	23.42
Argentina	641	3.90	32.00	166.00	6.90	-2.90	155.40	-0.60	46.66
Belgium	632	0.30	3.15	3.16	5.80	-4.20	103.10	-0.70	11.83
Sweden	593	0.30	2.50	1.60	7.40	-0.60	31.50	6.50	10.55
Ireland	546	3.50	3.15	1.00	4.10	1.70	43.70	8.10	5.34
Austria	516	-0.10	3.15	1.90	8.30	-2.70	77.80	1.30	9.16
Thailand	515	1.20	2.25	0.95	1.02	-2.80	61.90	-0.20	66.05
Israel	510	0.10	4.50	3.40	2.70	-6.90	62.00	5.00	9.84
United Arab Emirates	504	2.00	4.40	3.01	2.95	4.50	32.40	9.30	9.52

Source: www.tradingeconomics.com, as of 3 January 2025 (GDP figures are provided in USD billion)

Macro Outlook	UK & US Economic Calendar – Key Events
<ul style="list-style-type: none"> 2024 was another impressive year for risk assets. Continued US strength helped developed market equities deliver total returns of 19.2%, and a late rally in Chinese equities coupled with strong results out of India and Taiwan helped emerging market equities deliver 8.1%. While the performance of US mega cap tech ensured that global growth stocks dominated for the second year in a row, prospects for deregulation following the US election boosted financials helping global value stocks to rise 12.3% over 2024. Concern over the US fiscal direction led to a strong performance from gold which ended the year with returns of 27.1%. Developed market central banks started normalising policy in 2024, but resilient growth and sticky inflation meant markets pared back expectations for how quickly rate cuts would be delivered, particularly in the US. Global investment grade bonds delivered negative returns of -1.7% over the year. 	<ul style="list-style-type: none"> 7 January > JOLTS Job Openings 8 January > FOMC Minutes 10 January > Non-Farm Payrolls 10 January > Unemployment Rate 14 January > PPI MoM 15 January > Inflation Rate YoY 15 January > Core Inflation Rate YoY 16 January > GDP Growth Rate YoY 16 January > Retail Sales MoM 17 January > Retail Sales MoM 21 January > Unemployment Rate 29 January > FED Interest Rate Decision 29 January > FED Press Conference 31 January > Core PCE Price Index MoM <div>  United States  United States  United States  United States  United States  United Kingdom  United States  United Kingdom  United States  United Kingdom  United Kingdom  United States  United States  United States </div>
Equities	Fixed Income
<ul style="list-style-type: none"> The S&P 500 was the top performing equity market with returns of 25.0%, and while the “Magnificent Seven” artificial intelligence (AI) stocks still delivered outsized returns, economic momentum did feed through into a broadening of earnings expectations which is set to continue in 2025. Economic weakness and limited exposure to AI hindered European equities and in a year of strong equity returns the region underperformed with returns of 8.1%. UK equities marginally outperformed their continental counterparts with returns of 9.5% as the economy recovered from the 2023 lows. 	<ul style="list-style-type: none"> High yield bonds were the top performing sector for the fourth year in the row as a combination of high all-in yields and tightening spreads boosted returns to over 8%. Longer duration investment grade credit underperformed against backdrop of rising government bond yields. The first half of 2024 saw broad based disinflation and over the summer central banks felt confident they could start normalising policy. However, the last mile proved harder than markets anticipated and, outside of Europe, investors pared back their hopes for rate cuts. Against this backdrop, global government bonds returned -3.1% over 2024.
Commodities	FX
<ul style="list-style-type: none"> Commodities were held back by weak demand in China and the broad commodity index delivered 5.4%. 	<ul style="list-style-type: none"> The FOMC signalling fewer rate cuts than expected in 2025 led most analysts to be bullish about USD in the new year.

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	2024	Q4 '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 26.2%	Growth 3.9%
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 19.2%	DM Equities -0.1%
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 12.3%	Cmdty -0.5%
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 8.6%	Small cap -2.5%
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%	MSCI EM 8.1%	Value -4.1%
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%	Cmdty 5.4%	Global Agg -5.1%
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%	Global REITS 2.8%	MSCI EM -7.8%
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 -1.7%	Global REITS -8.9%

- Source: JP Morgan Asset Management, <https://am.jpmorgan.com/gb/en/asset-management/adv/insights/market-insights/market-updates/monthly-market-review/>
- 3 January 2025

Global Stock Markets – Americas

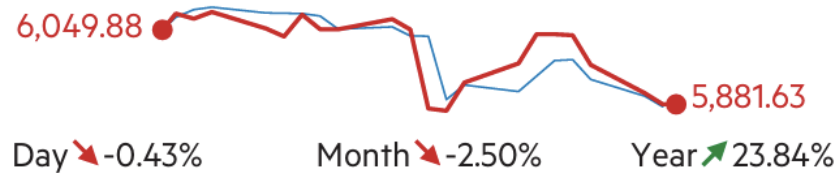
AMERICAS

Dec 02 --



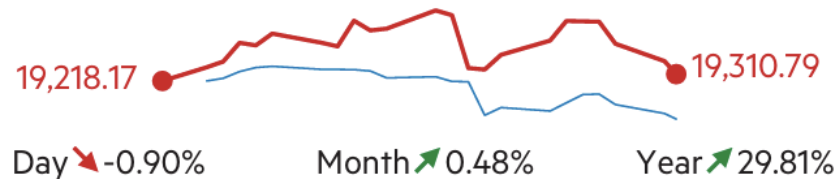
S&P 500

New York



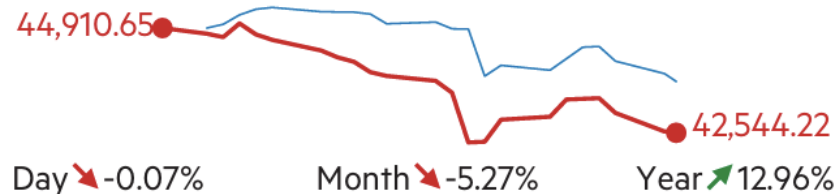
Nasdaq Composite

New York



Dow Jones Industrial

New York

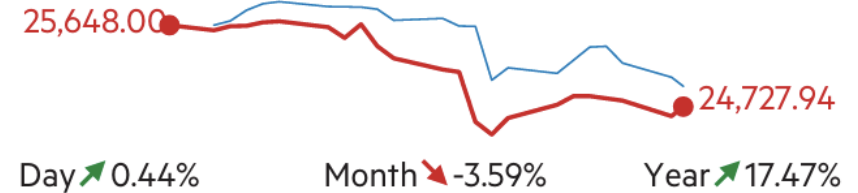


Dec 02 - Dec 31



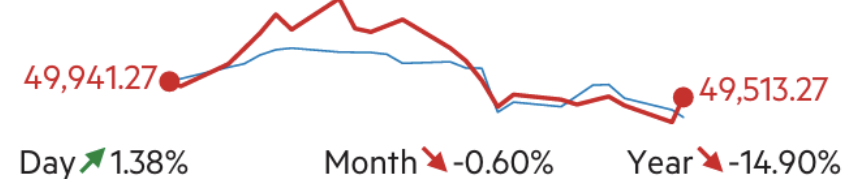
S&P/TSX COMP

Toronto



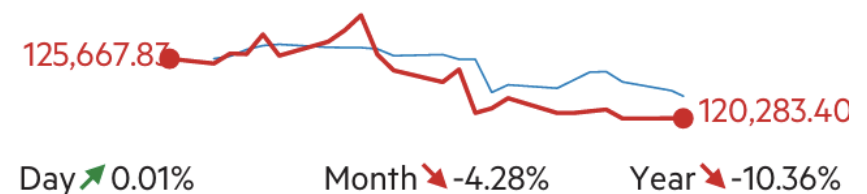
IPC

Mexico City



Bovespa

São Paulo



- Source: Financial Times
- All figures are as of 31 December 2024
- Monthly figures represent the period between 2 and 31 December 2024

Global Stock Markets – Europe

EUROPE

Dec 02 - Dec 31



FTSE 100

London

Index

All World

8,281.22



8,173.02

Day 0.64%

Month -1.44%

Year 5.03%



FTSE Eurofirst 300

Europe

2,014.15



2,016.13

Day 0.53%

Month -0.52%

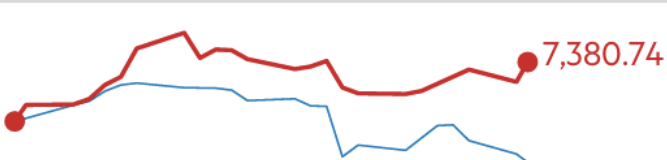
Year 6.15%



CAC 40

Paris

7,179.25



7,380.74

Day 0.92%

Month 2.01%

Year -2.15%

Dec 02 - Dec 30



Xetra Dax

Frankfurt

Index

All World

19,295.98



19,909.14

Day -0.38%

Month 0.12%

Year NaN%



Ibex 35

Madrid

11,610.80



11,595.00

Day 0.50%

Month -0.40%

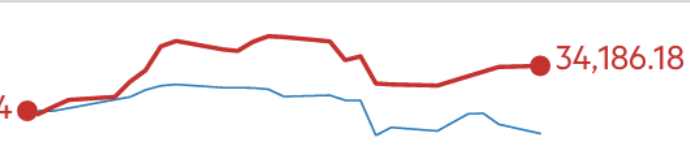
Year 14.78%



FTSE MIB

Milan

33,167.64



34,186.18

Day 0.07%

Month 2.31%

Year 12.63%

- Source: Financial Times
- All figures are as of 31 December 2024
- Monthly figures represent the period between 2 and 31 December 2024

Global Stock Markets – Asia

ASIA

Dec 02 - Dec 30

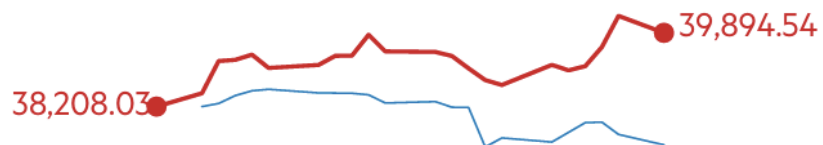
Index

All World



Nikkei 225

Tokyo



Day ▼ -0.96%

Month ▲ 4.41%

Year ▲ 19.22%



Hang Seng

Hong Kong



Day ▲ 0.09%

Month ▲ 3.28%

Year ▲ 17.67%



Shanghai Composite

Shanghai



Day ▼ -1.63%

Month ▲ 0.76%

Year ▲ 12.67%

Dec 02 - Jan 01

Index

All World



Kospi

Seoul



Day ▼ -0.22%

Month ▼ -2.30%

Year ▼ -9.63%



FTSE Straits Times

Singapore



Day ▼ -0.21%

Month ▲ 1.38%

Year ▲ 16.99%



BSE Sensex

Mumbai



Day ▲ 0.47%

Month ▼ -1.62%

Year ▲ 8.29%

- Source: Financial Times
- All figures are as of 31 December 2024
- Monthly figures represent the period between 2 and 31 December 2024

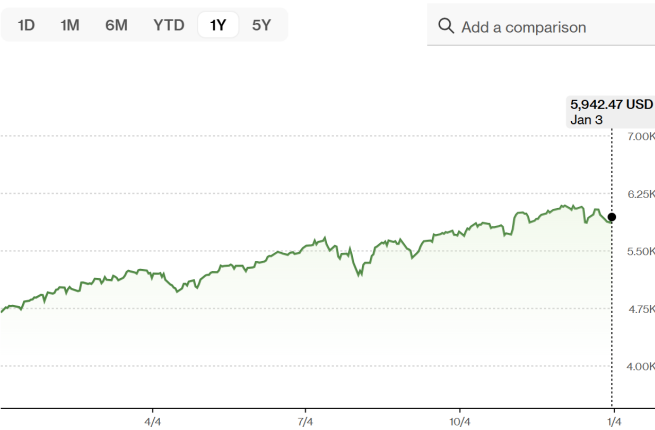
US Stock Markets

S&P 500 INDEX ✓ Following

SPX:IND
(USD) · Market closed

5,942.47 ▲73.92 +1.26%
As of 12:00 AM EST 01/03/25.

Summary Related News Index Info



Overview

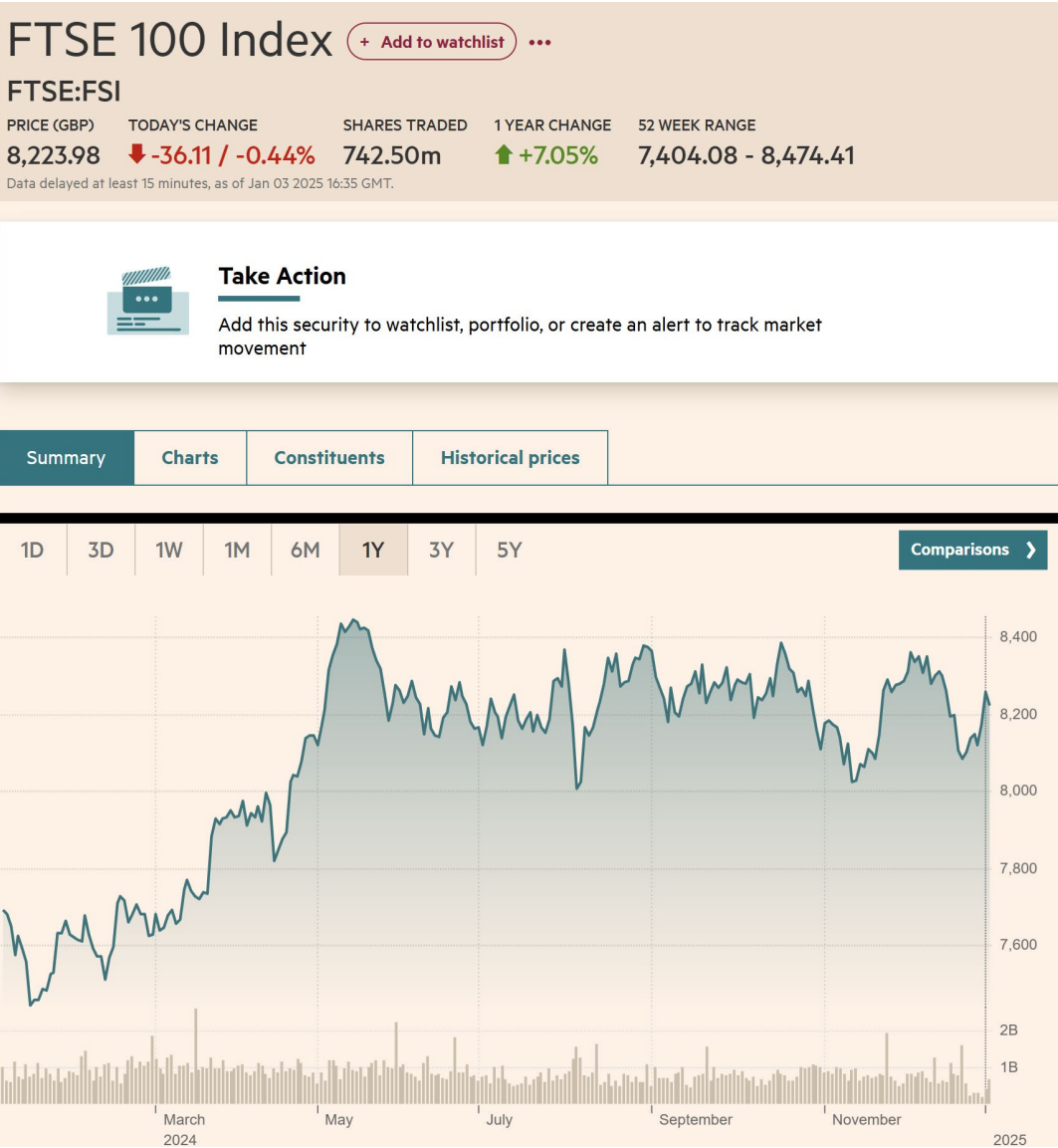
OPEN	1 YEAR RETURN	DAY RANGE
5,891.07	28.24%	5,888.66 – 5,949.34
PREV. CLOSE	YTD RETURN	52 WEEK RANGE
5,868.55	1.03%	4,682.11 – 6,099.97

Key Statistics

P/E RATIO	26.75	PRICE TO BOOK RATIO	5.16
PRICE TO SALES RATIO	3.05	1 YEAR RETURN	28.24%
30 DAY AVG VOLUME	807,192,390.33	EPS	238.69
LAST DIVIDEND REPORTED	0.465979		

- Source: Bloomberg
- All figures are as of 3 January 2025

UK Stock Markets



- Source: Financial Times
- All figures are as of 3 January 2025

Turkey Stock Markets

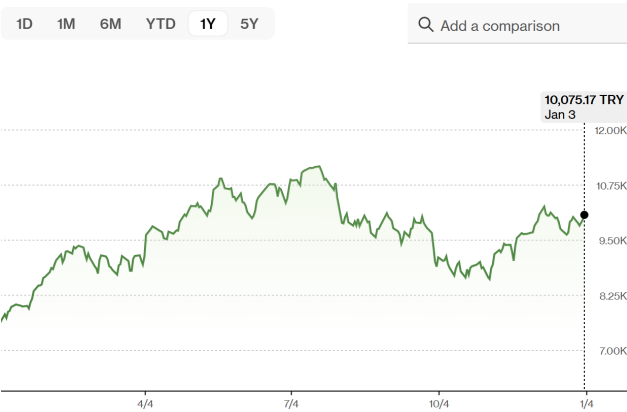
Borsa Istanbul 100 Index ✓ Following

XU100:IND
(TRY) · Market closed

10,075.17 ▲113.83 +1.14%

As of 12:00 AM EST 01/03/25.

Summary Related News Index Info



Overview

OPEN	1 YEAR RETURN	DAY RANGE
9,990.42	35.77%	9,990.42 – 10,097.08
PREV. CLOSE	YTD RETURN	52 WEEK RANGE
9,961.34	2.49%	7,386.99 – 11,252.11

Key Statistics

P/E RATIO	8.64	PRICE TO BOOK RATIO	1.27
PRICE TO SALES RATIO	0.58	1 YEAR RETURN	35.77%
30 DAY AVG VOLUME	3,654,369,744.23	EPS	1,288.27
LAST DIVIDEND REPORTED	4.691832		

- Source: Bloomberg
- All figures are as of 3 January 2025

Global Bond Markets – Americas

Americas 10-Year Government Bond Yields

COUNTRY	YIELD	1 DAY	1 MONTH	1 YEAR	TIME (EST)
United States »	4.56%	+0	+33	+64	9:25 AM
Canada	3.20%	-1	+9	+5	9:25 AM
Brazil	14.80%	+4	+109	+439	9:25 AM
Mexico	10.28%	+0	+35	+122	9:25 AM

• 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 »	2.39%	+2	+34	+37	9:26 AM
United Kingdom »	4.57%	-2	+33	+93	9:26 AM
France	3.26%	+4	+36	+70	9:26 AM
Italy	3.56%	+2	+32	-14	9:26 AM
Spain	3.08%	+1	+32	+8	9:26 AM
Netherlands	2.62%	+2	+34	+29	9:26 AM
Portugal	2.87%	+3	+37	+21	9:26 AM
Greece	3.21%	-1	+30	+12	9:26 AM
Switzerland	0.25%	-1	+12	-39	9:26 AM

• 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%	0	+1	+48	3:34 AM
Australia »	4.38%	-5	+8	+34	12:39 AM
New Zealand	4.40%	+1	+12	-3	1/2/2025
	--	--	--	--	--
Singapore	2.86%	+0	+19	+7	5:05 AM
South Korea	2.75%	+1	+5	-57	7:29 AM
India	6.78%	-1	+6	-44	7:14 AM

• Source: Bloomberg

UK Bond Markets

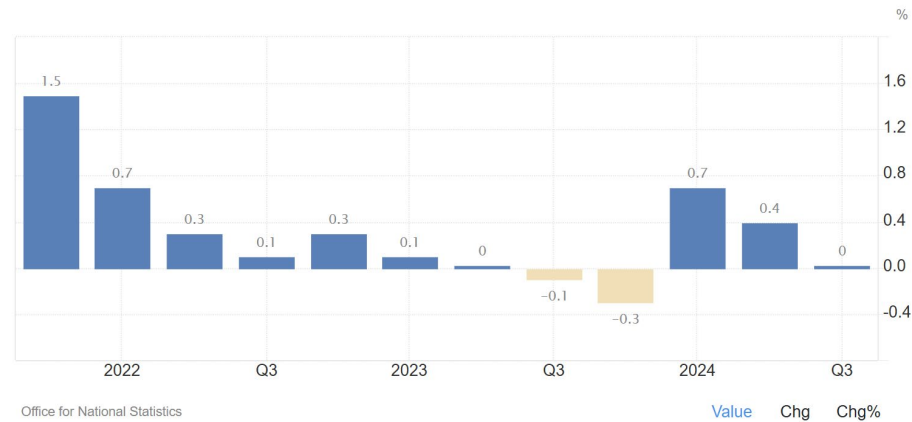
Gilt Yields

NAME	COUPON	PRICE	YIELD	1 DAY	1 MONTH	1 YEAR	TIME (EST)
GTGBP2Y:GOV UK Gilt 2 Year Yield	4.13	99.48	4.38%	-1	+17	+31	9:31 AM
GTGBP5Y:GOV UK Gilt 5 Year Yield	4.13	99.05	4.35%	-2	+26	+78	9:31 AM
GTGBP10Y:GOV UK Gilt 10 Year Yield	4.25	97.53	4.57%	-2	+33	+93	9:31 AM
GTGBP30Y:GOV UK Gilt 30 Year Yield	4.38	88.46	5.14%	-3	+37	+84	9:31 AM

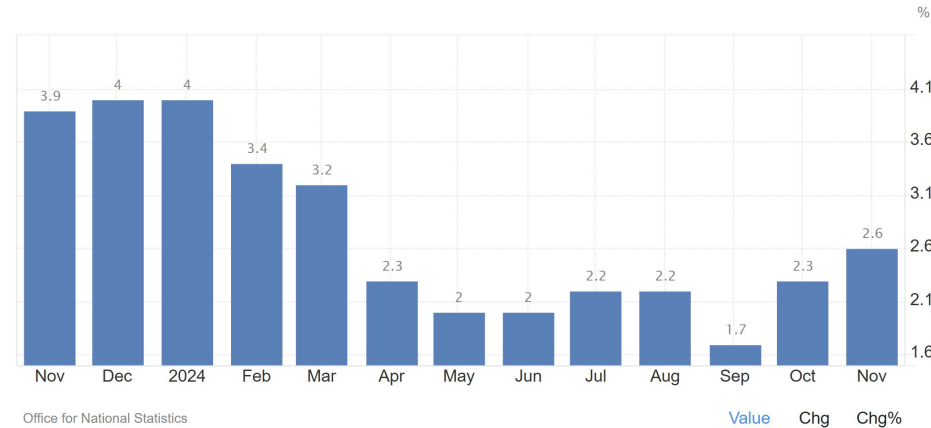
• Source: Bloomberg

UK Economy

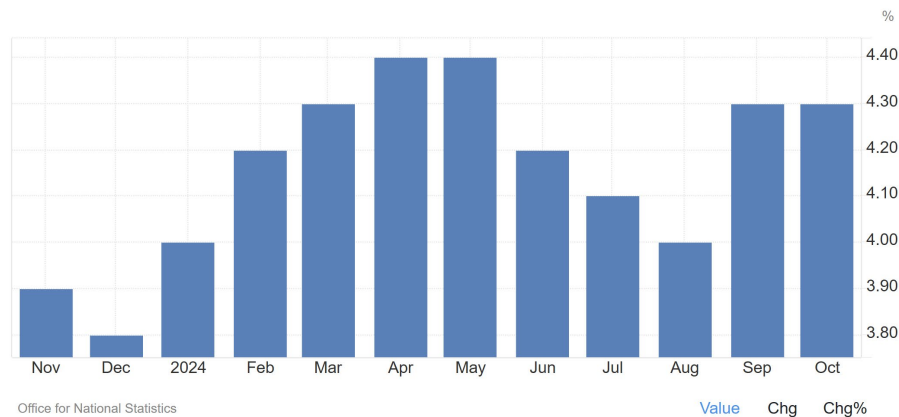
Annual GDP Growth Rate



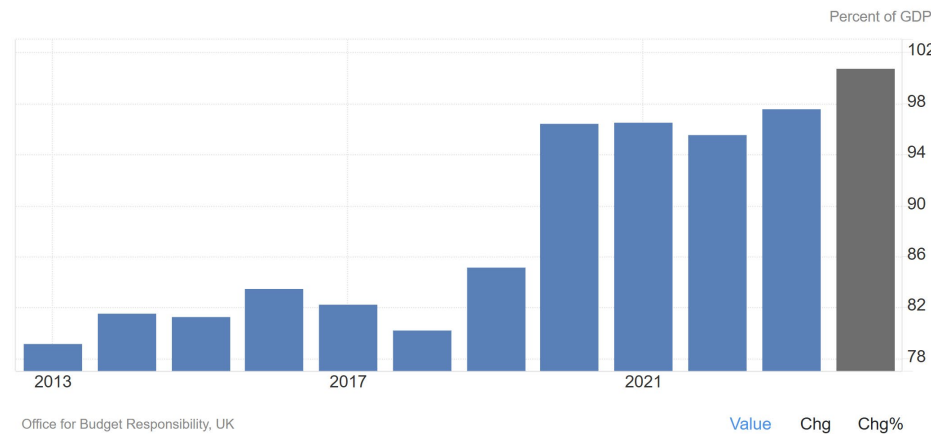
Annual Inflation Rate



Unemployment Rate



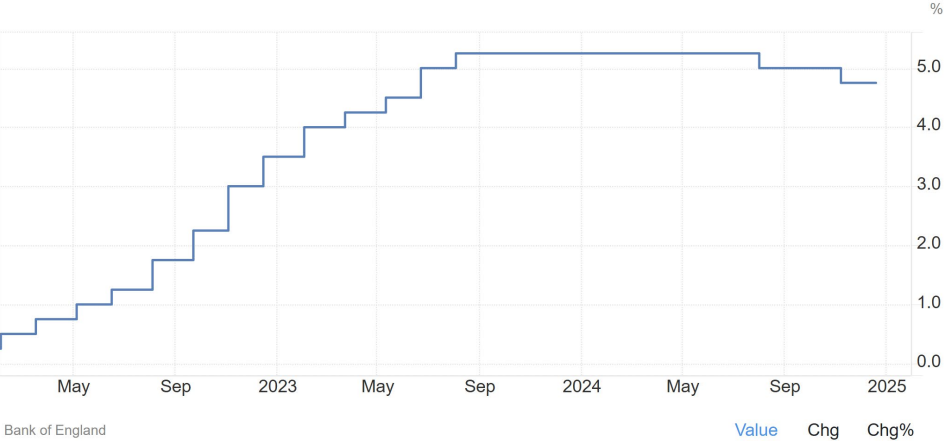
Government Debt / GDP



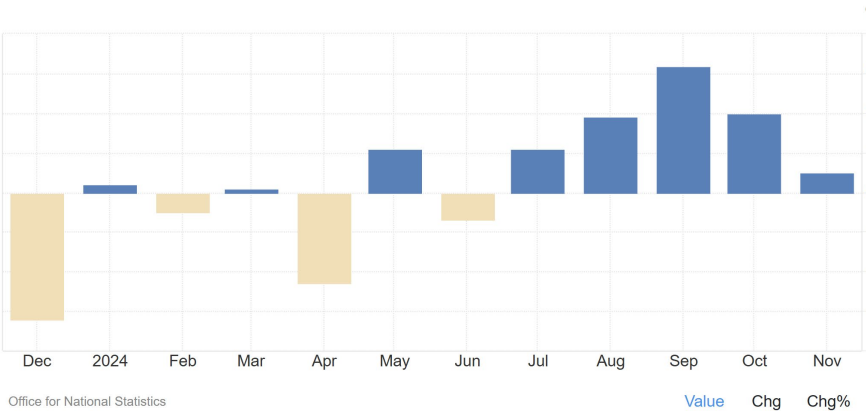
• Source: <https://tradingeconomics.com/united-kingdom>

UK Markets

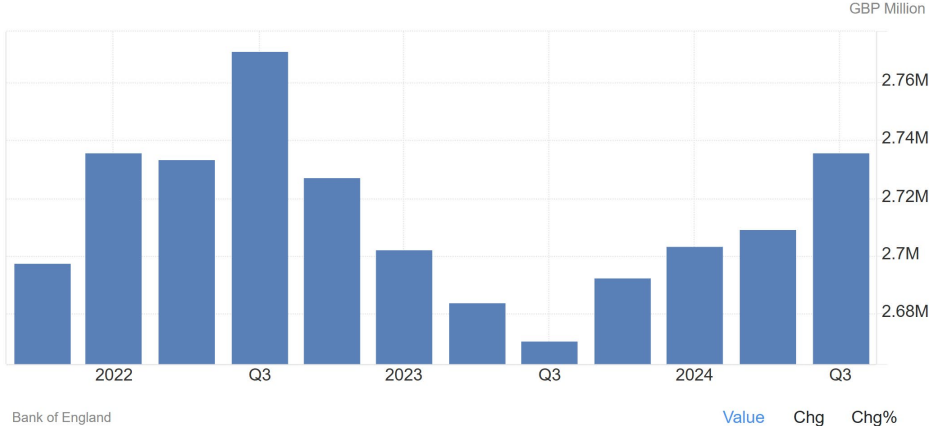
BOE Interest Rate



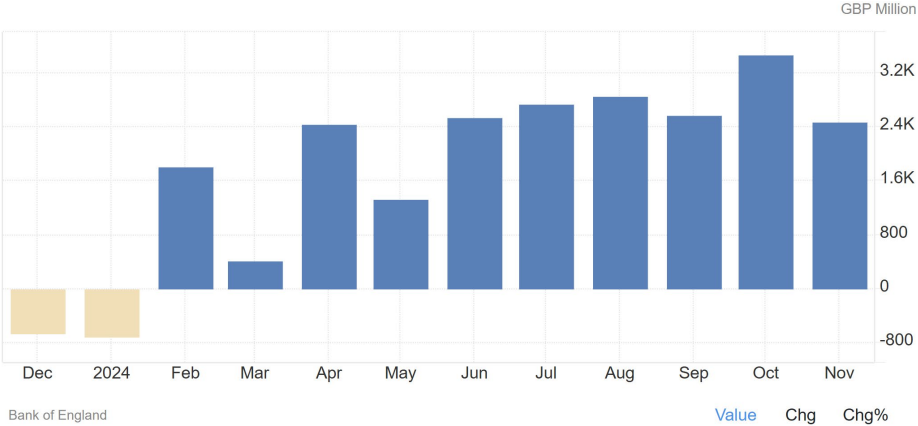
Retail Sales YoY



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

 NatWest £1,595 <small>Monthly payment until 30/4/2030</small> 5 year fixed	4.07% Initial rate	£995 Product fees	£96,733 Initial term cost	6.3% APRC	Get a decision
	Cashback £0	Free legals ✕	Free valuations ✓		Full details
<small>Representative example: a repayment mortgage amount of £300,000 over 25 years, representative APRC 6.3%. Total amount payable £608,729 includes interest of £307,704 product fees of £995 and other fees of £30. Repayments: 63 months of £1,595.13 at 4.07% (fixed), then 237 months of £2,140.13 at 7.74% (variable). Early repayment charges apply.</small>					
Get a Decision in Principle from NatWest					
 NatWest £1,595 <small>Monthly payment until 30/4/2030</small> 5 year fixed	4.07% Initial rate	£1,495 Product fees	£97,233 Initial term cost	6.3% APRC	Get a decision
	Cashback £0	Free legals ✕	Free valuations ✓		Full details
<small>Representative example: a repayment mortgage amount of £300,000 over 25 years, representative APRC 6.3%. Total amount payable £609,229 includes interest of £307,704 product fees of £1,495 and other fees of £30. Repayments: 63 months of £1,595.13 at 4.07% (fixed), then 237 months of £2,140.13 at 7.74% (variable). Early repayment charges apply.</small>					
 HALIFAX £1,598 <small>Monthly payment until 31/5/2028</small> 3 year fixed	4.09% Initial rate	£999 Product fees	£58,644 Initial term cost	7.2% APRC	Go to lender
	Cashback £250	Free legals ✕	Free valuations ✕		Full details
<small>Representative example: a repayment mortgage amount of £300,000 over 25 years, representative APRC 7.2%. Total amount payable £656,464.60 includes interest of £355,365.60 product fees of £999 and other fees of £100. Repayments: 40 months of £1,598.46 at 4.09% (fixed), then 260 months of £2,274.72 at 8.24% (variable). Early repayment charges apply.</small>					
 BARCLAYS £1,602 <small>Monthly payment until 31/3/2030</small> 5 year fixed	4.11% Initial rate	£899 Product fees	£97,041 Initial term cost	5.8% APRC	Go to broker
	Cashback £0	Free legals ✕	Free valuations ✓		Full details
<small>Representative example: a repayment mortgage amount of £300,000 over 25 years, representative APRC 5.8%. Total amount payable £573,083.42 includes interest of £272,069.42 product fees of £899 and other fees of £115. Repayments: 62 months of £1,601.79 at 4.11% (fixed), then 238 months of £1,986.38 at 6.74% (variable). Early repayment charges apply.</small>					
 BARCLAYS £1,603 <small>Monthly payment until 31/3/2028</small> 3 year fixed	4.12% Initial rate	£999 Product fees	£58,759 Initial term cost	6.2% APRC	Go to broker
	Cashback £0	Free legals ✕	Free valuations ✓		Full details
<small>Representative example: a repayment mortgage amount of £300,000 over 25 years, representative APRC 6.2%. Total amount payable £591,332.64 includes interest of £290,218.64 product fees of £999 and other fees of £115. Repayments: 38 months of £1,603.46 at 4.12% (fixed), then 262 months of £2,020.18 at 6.74% (variable). Early repayment charges apply.</small>					

- 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 3 January 2025
- Source: <https://www.moneysupermarket.com/>

UK Mortgage Loans

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



NatWest

£1,603

Monthly payment until 30/4/2030

5 year fixed

4.12%
Initial rate

£995
Product fees

£97,233
Initial term cost

6.3%
APRC

Cashback **£0**


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 £609,720.68 includes interest of £308,695.68 product fees of £995 and other fees of £30. Repayments: 63 months of £1,603.46 at 4.12% (fixed), then 237 months of £2,142.10 at 7.74% (variable). Early repayment charges apply.



HALIFAX

£1,603

Monthly payment until 31/5/2030

5 year fixed

4.12%
Initial rate

£999
Product fees

£97,307
Initial term cost

6.6%
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 6.6%. Total amount payable £627,708.88 includes interest of £326,609.88 product fees of £999 and other fees of £100. Repayments: 64 months of £1,603.46 at 4.12% (fixed), then 236 months of £2,220.29 at 8.24% (variable). Early repayment charges apply.

Club Lloyds current account holders only



LLOYDS

£1,605

Monthly payment until 31/5/2030

5 year fixed

4.13%
Initial rate

£999
Product fees

£97,306
Initial term cost

6.6%
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 6.6%. Total amount payable £627,811.88 includes interest of £326,812.88 product fees of £999 and other fees of £0. Repayments: 64 months of £1,605.12 at 4.13% (fixed), then 236 months of £2,220.70 at 8.24% (variable). Early repayment charges apply.



Santander

£1,607

Monthly payment until 2/4/2030

5 year fixed

4.14%
Initial rate

£999
Product fees

£97,406
Initial term cost

5.9%
APRC

Cashback **£0**

Free legals ✕


Free valuations ✓

Go to lender

Full details

Representative example: a repayment mortgage amount of £300,000 over 25 years, representative APRC 5.9%. Total amount payable £583,468.52 includes interest of £282,244.52 product fees of £999 and other fees of £226. Repayments: 62 months of £1,606.79 at 4.14% (fixed), then 238 months of £2,027.83 at 7% (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.

- 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 3 January 2025
- Source: <https://www.moneysupermarket.com/>

Crypto Markets: Bitcoin

 BTC/USD - Bitcoin US Dollar ⓘ

Bitfinex ▾ Currency in  USD ▾

96,888.0 -455.0 (-0.47%) ▾

 Real-time Data - 09:51:52



Add to Watchlist

Day's Range
96,134.0 — 97,887.0

52 wk Range
38,572.0 — 108,080.0

General | Chart | News & Analysis | Technical | Forum

Overview | Historical Data | Related Instruments | Currency Converter




Bid/Ask	96,888.00 / 96,893.00
Vol (24H)	37,648
Market Cap	1.92T
Day's Range	96,134 - 97,887
52 wk Range	38,572 - 108,080
Max Supply	BTC21.00M
Circulating Supply	BTC19.81M
Rank	1

Type: Currency | Group: Minor | Base: [Bitcoin](#) | Second: [US Dollar](#)

Chg (7D)	1.17%
1 Month	-1.73%
1 Year	119.37%
YTD	3.44%

Technical



Strong Buy

Daily | Weekly | Monthly | More >

Explore

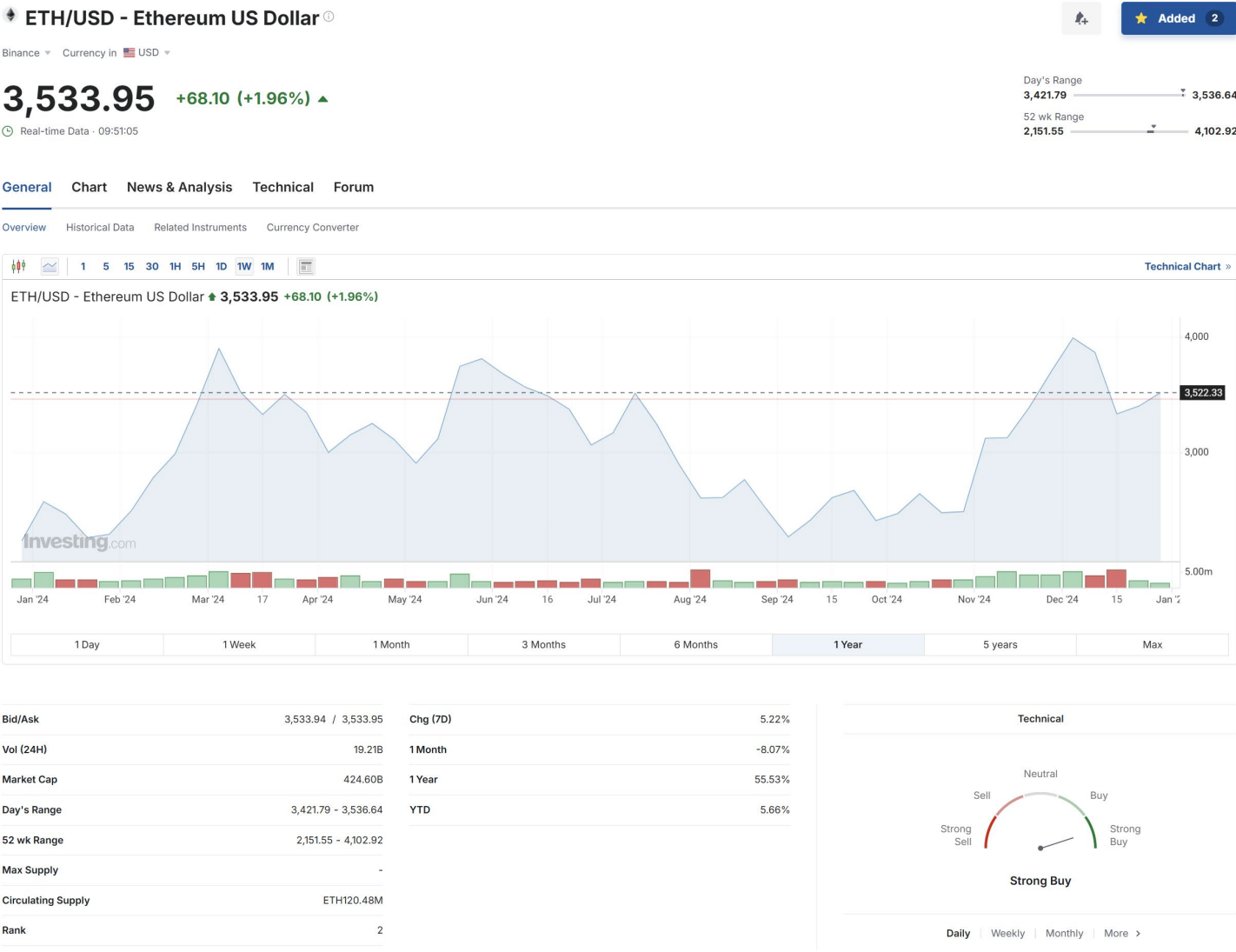
Buy

Sell

[AD] eToro USA LLC: Investments are subject to market risk, including the possible loss of principal.

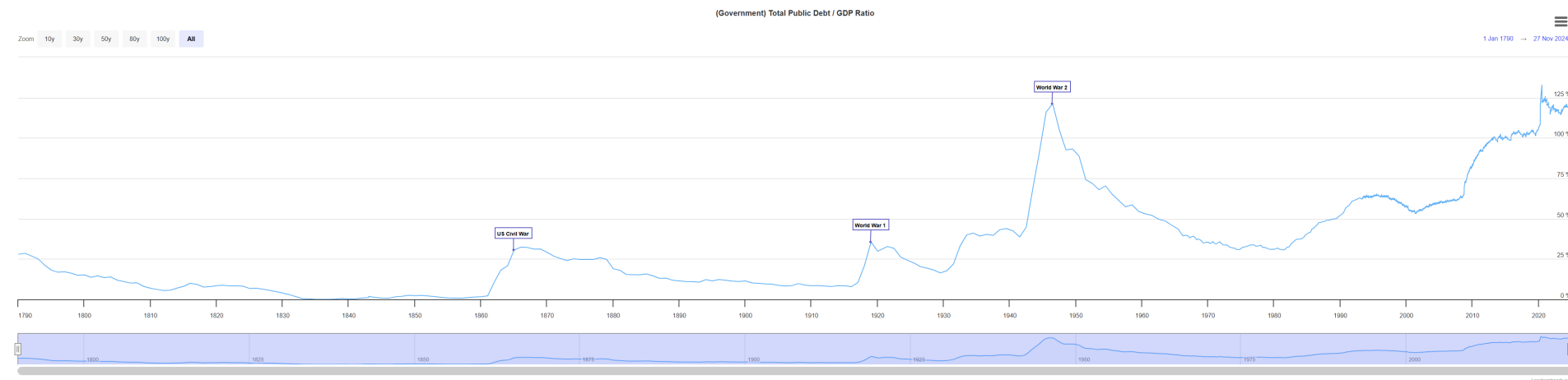
• Source: www.investing.com, as of 3 January 2025

Crypto Markets: Ethereum



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

Federal Debt to GDP



Interpretation

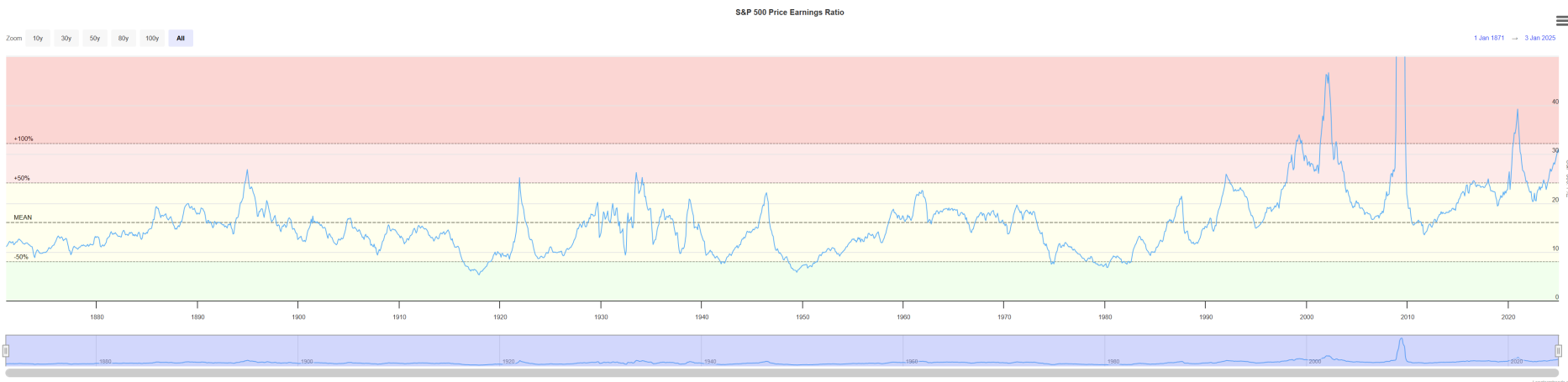
A nation's debt is commonly expressed as a ratio to its gross domestic product (GDP) to facilitate meaningful comparisons over time. The total public debt, as depicted in the above chart, represents a form of government federal debt that encompasses both "debt held by the public" and "intragovernmental 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/>

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



Interpretation

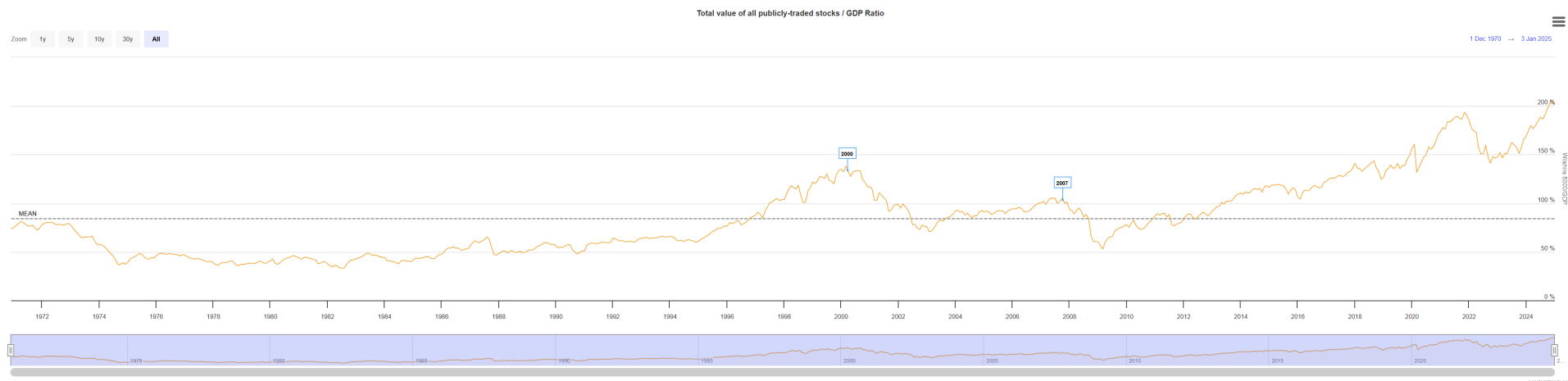
The price earnings ratio is calculated by dividing a company's stock price by its earnings per share. In other words, the price earnings ratio shows what the market is willing to pay for a stock based on its current earnings. It is one of the most widely-used valuation metrics for stocks. A high P/E 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/>

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

Wilshire 5000 to GDP Ratio

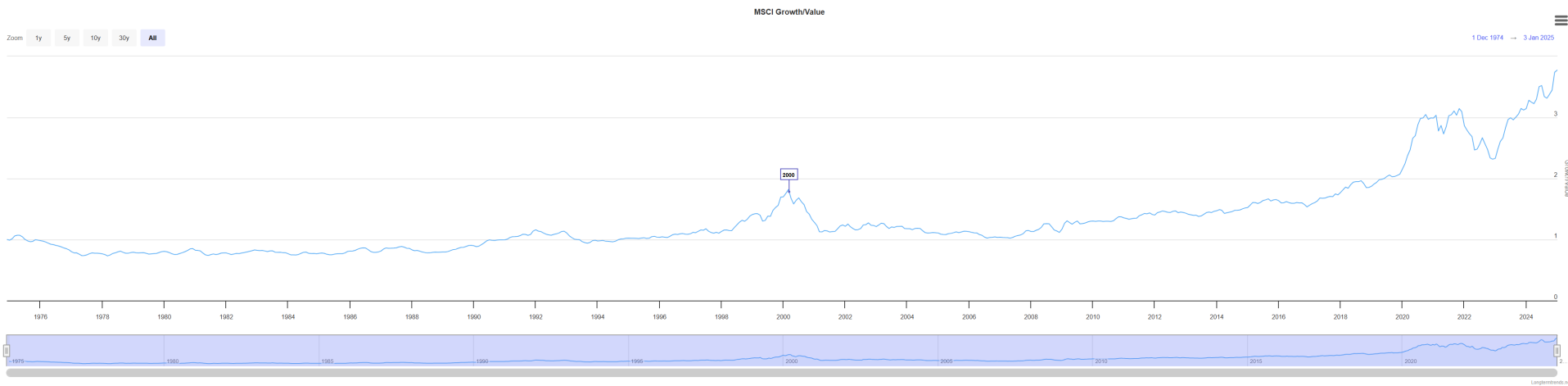


Interpretation

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/>

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.

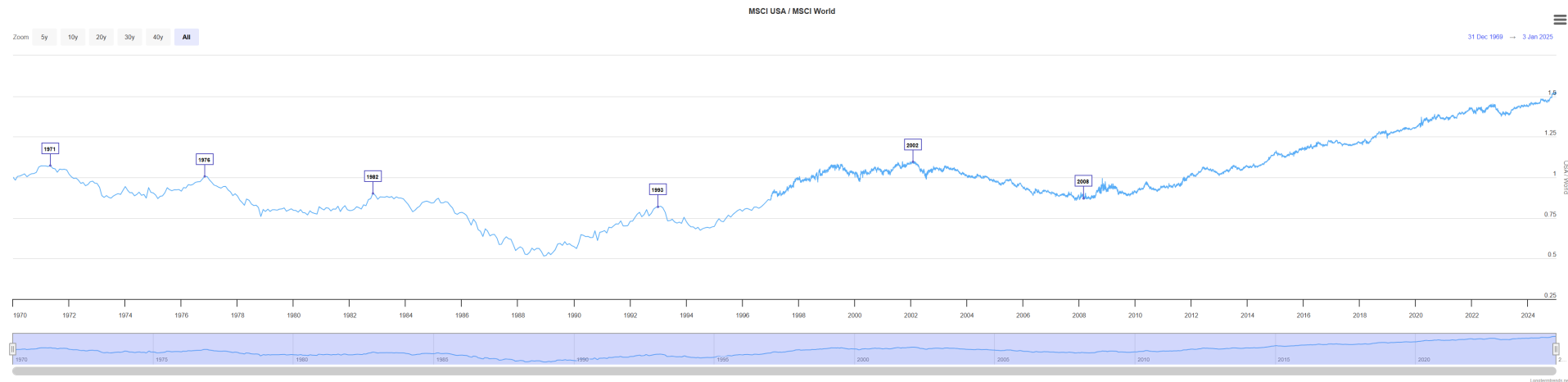
Value stocks can be roughly described as "bargains". These stocks are usually associated with low [P/E](#), low P/B, low price/cash flow, and a high [dividend yield](#). These companies may have solid fundamentals, but their stock prices are perceived to be lower than their intrinsic value due to factors 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/>

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



Interpretation

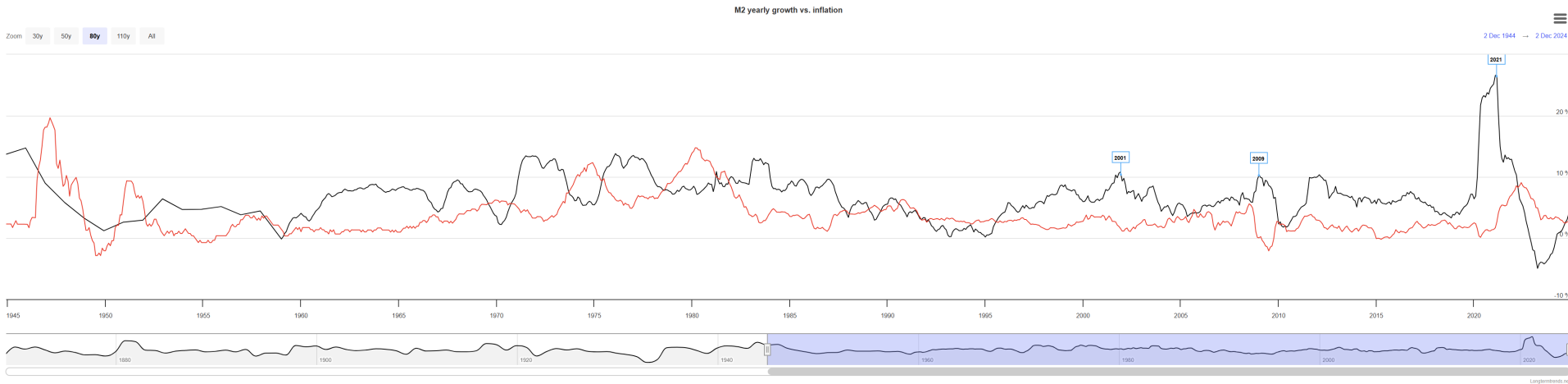
The chart above compares the performance of the MSCI USA index to the MSCI World index. It provides a valuable perspective on the relative strength or weakness of the US stock market in comparison to the global stock market as a whole.

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/>

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



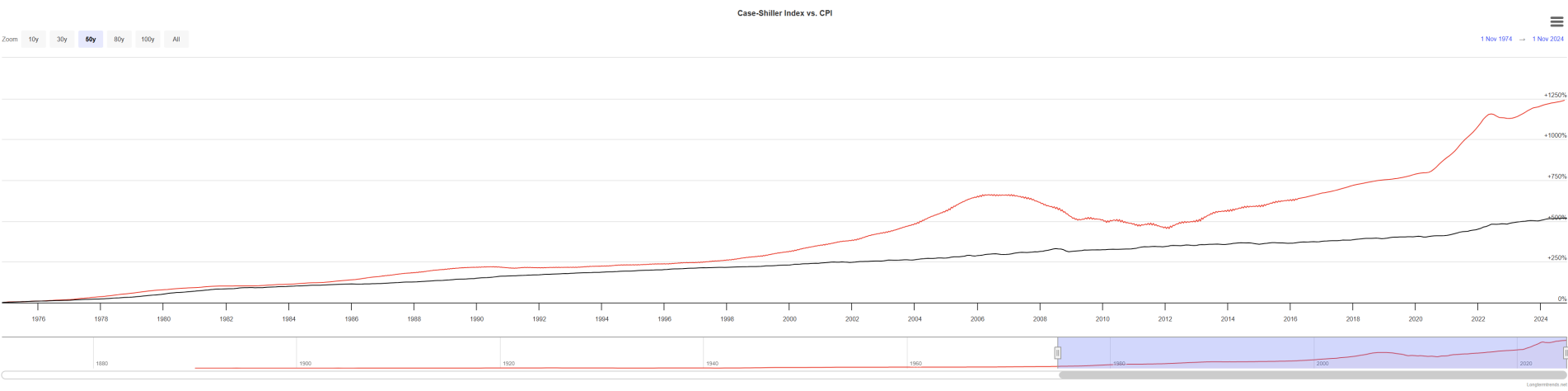
Interpretation

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/>

Macro-economic / Markets Insights – US Real Home Prices

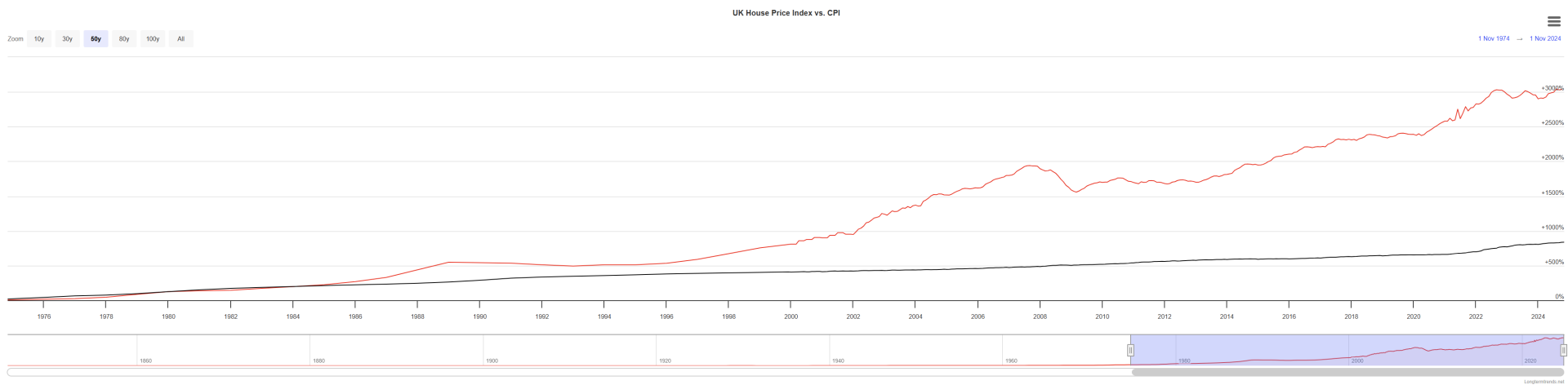


Interpretation

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

• Source: <https://www.longtermtrends.net/>

Macro-economic / Markets Insights – UK Real Home Prices

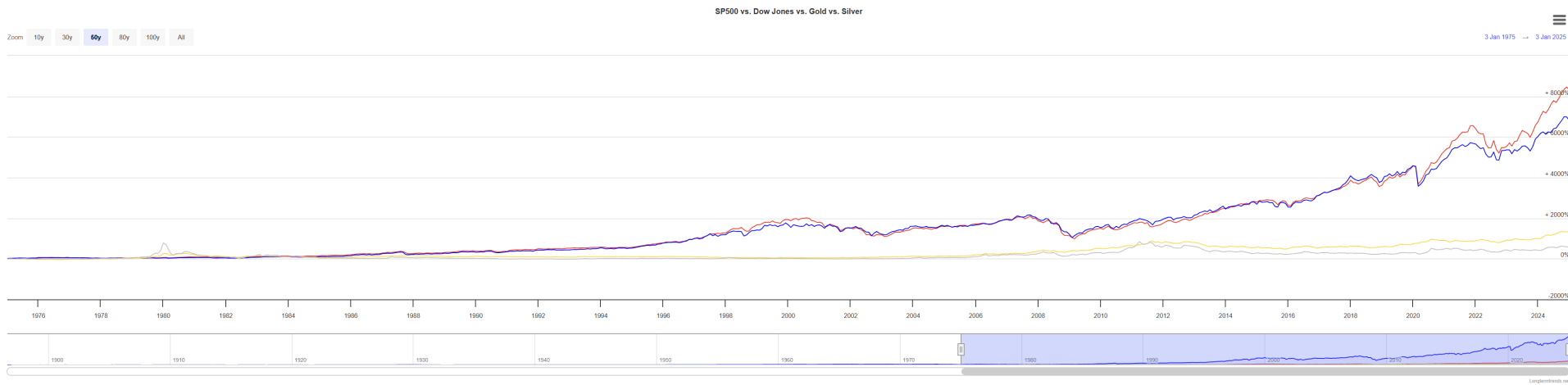


Interpretation

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

- Source: <https://www.longtermtrends.net/>

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

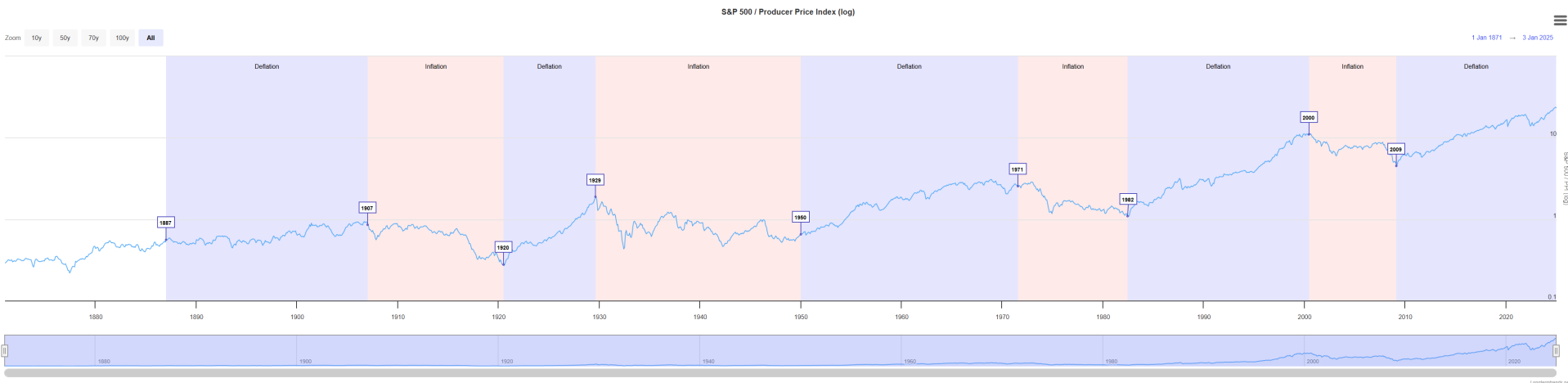


Interpretation

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/>

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.

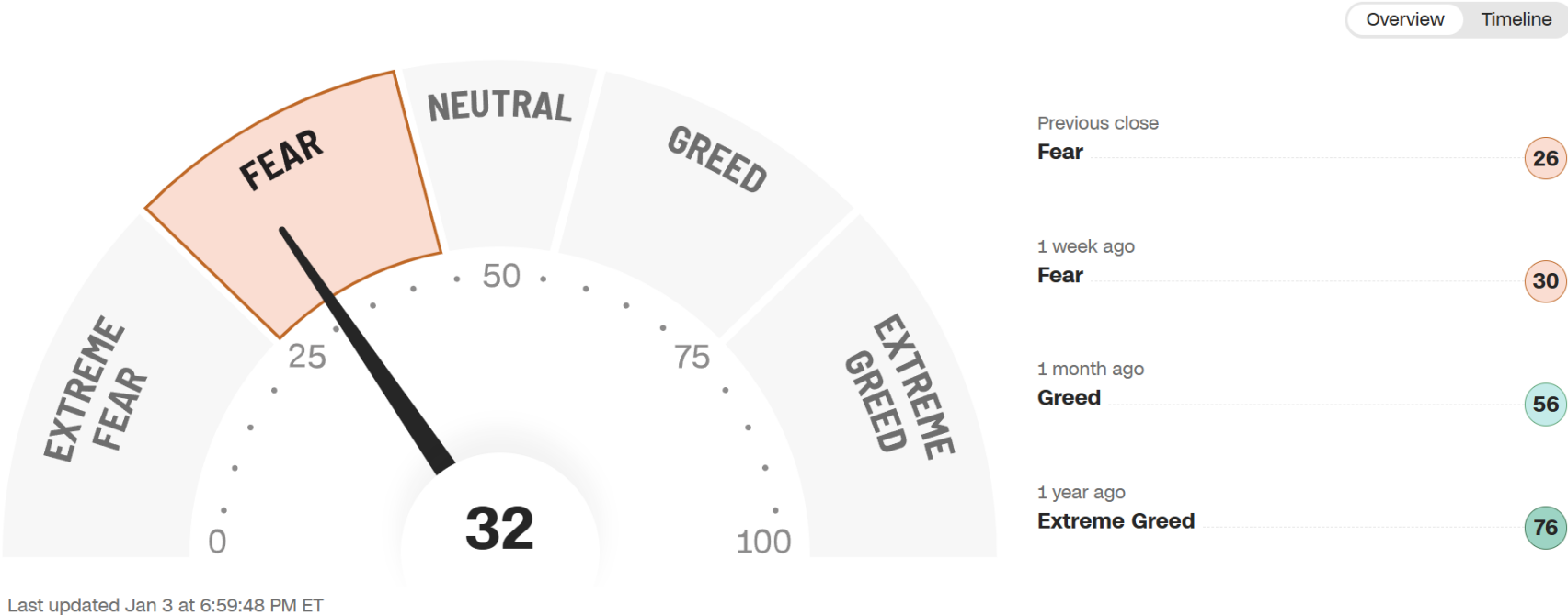
- Source: <https://www.longtermtrends.net/>

Fear and Greed Index Overview

Fear & Greed Index

What emotion is driving the market now?

[Learn more about the index](#)



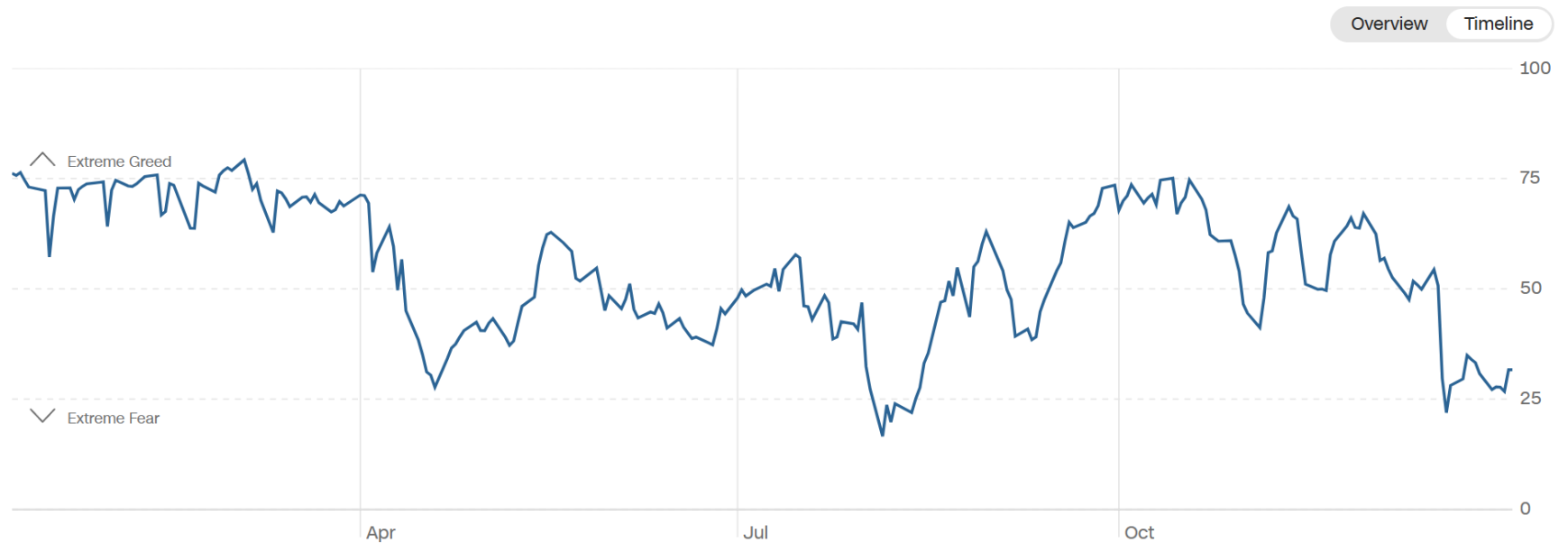
• Source: <https://edition.cnn.com/markets/fear-and-greed>

Fear and Greed Index Trend

Fear & Greed Index

What emotion is driving the market now?

[Learn more about the index](#)



Last updated Jan 3 at 6:59:48 PM EST

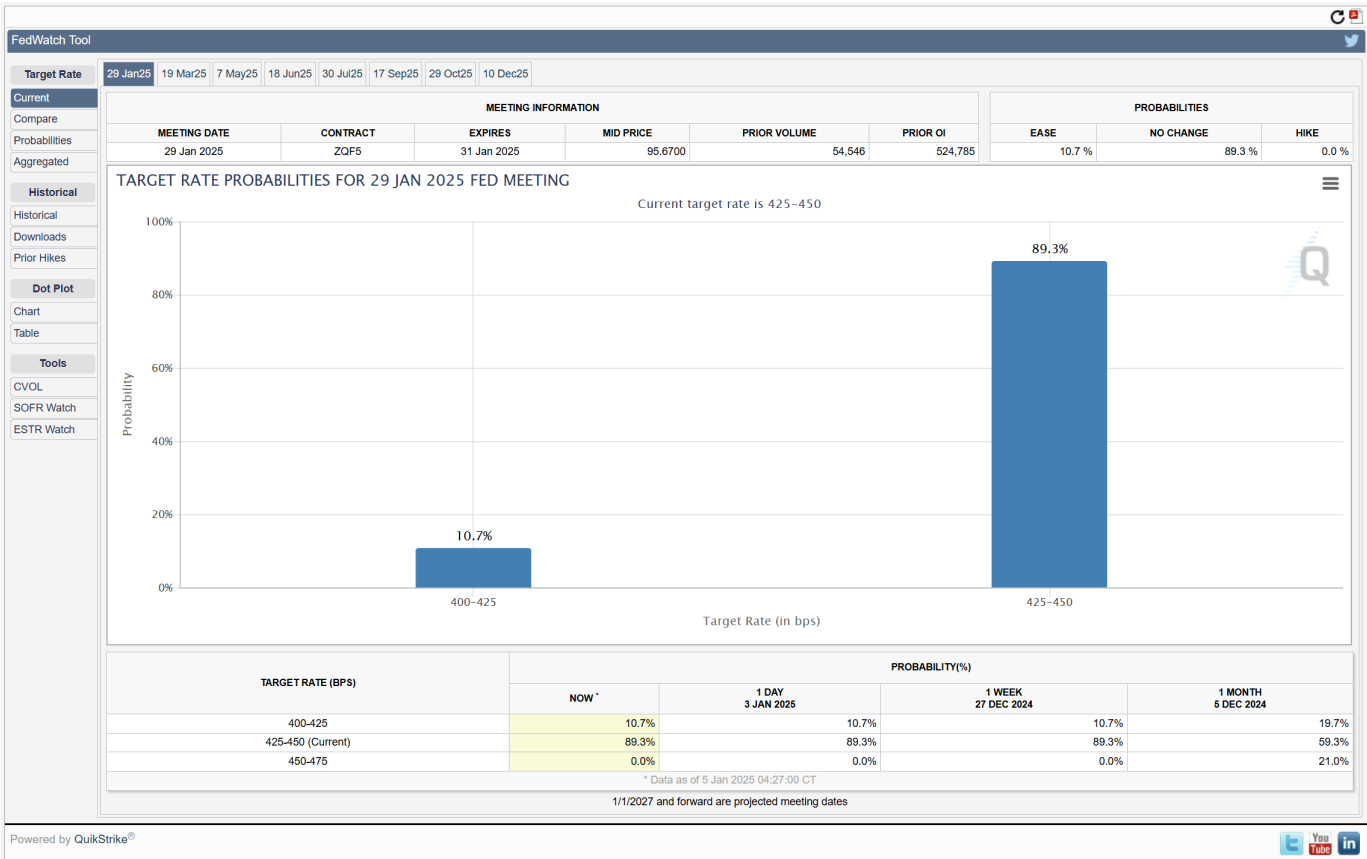
- Source: <https://edition.cnn.com/markets/fear-and-greed>

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 probabilities used in your reporting to "CME FedWatch."

- QUICKLINKS
- [Methodology](#)
- [User Guide](#)
- [CME FedWatch API](#)
- [Follow @Interest_Rates on X](#)



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

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