

Market Update – November 25, 2024

The Weekly Briefing

Third quarter earnings season has effectively concluded with 95% of S&P 500 companies reporting results. With earnings season in the rearview mirror, the first two days of the holiday-shortened week is light on market moving data releases. Trading volume will likely be low throughout the week as market participants take time off for Thanksgiving. However, the October PCE report is released on Wednesday, which contains the all-important core PCE Price Index – the Fed’s preferred measure of inflation. It should be noted that reduced liquidity (i.e., trading volume) can amplify swings in asset prices. Investors should be prepared for abnormal price action in the lead up, and reaction, to this week’s most watched data release.

Major retailers including Walmart and Target reported last week, with the latter’s stock falling precipitously. Investor faith in Target’s turnaround was shaken after the company missed estimates and reduced its guidance; the company’s stock declined 20% the day of its report. Target reported reduced profitability, which is expected to continue next quarter, that management attributed the company’s decision to stockpile inventory ahead the recent port strike. This setback comes as the company was touting improved execution after operational missteps and disappointing sales drove a 60% peak-to-trough decline in the stock. Investors are also concerned that Target is losing share to major rivals. Target projects no growth in comparable sales for the second half of this year. In contrast, Walmart reported +5% growth in US comparable sales this quarter as the company benefits from value-conscious shoppers – especially among higher income households. Walmart expects strong sales to continue and raised its sales and earnings guidance for the year.

Nvidia’s earnings report, last week’s most anticipated event, was a largely uneventful affair. The chipmaker’s stock erased an initial decline to rise just 0.5% after the company beat consensus expectations in the quarter and guided next quarter’s revenue ahead of estimates. Demand for Nvidia’s most advanced chips continues to soar; revenue in the company’s data center segment more than doubled compared to last year yet again.

While Nvidia still commands a hefty 7% weight in the S&P 500 Index, the company and its “Magnificent 7” peers have driven less of the index’s returns in recent weeks as market breadth has broadened. The S&P 500 Equal Weight Index outperformed its market cap weighted counterpart last week, and the Russell 2000 raced to a 4.5% gain. The S&P 500 advance-decline line, which measures the net number of advancing stocks in the Index has been positive 70% of trading days since the election.

The Week Ahead

| Monday | Tuesday | Wednesday | Thursday | Friday |
|--------|---|---|------------------|-------------|
| ZM | New Home Sales ANF CRWD DELL DKS M | Jobless Claims PCE Price Index Personal Income Personal Spending | Thanksgiving Day | Early Close |

Market Snapshot

| | Last Week | YTD | 1yr |
|--------------|-----------|--------|--------|
| S&P 500 | 1.7% | 26.3% | 32.4% |
| DJIA | 2.0% | 19.5% | 28.0% |
| Nasdaq 100 | 1.9% | 24.4% | 30.9% |
| Russell 2000 | 4.5% | 18.0% | 33.5% |
| S&P 500 E/W | 2.6% | 18.3% | 28.0% |
| 2yr Yield | 4.35% | 0.10% | -0.55% |
| 10yr Yield | 4.42% | 0.54% | 0.02% |
| VIX | \$ 15.36 | 2.91 | 2.51 |
| WTI Crude | \$ 70.10 | -2.2% | -9.1% |
| Gold | \$ 2,670 | 29.4% | 34.1% |
| Bitcoin | \$ 98,085 | 133.9% | 160.7% |

Economic Summary

| | Actual | Expected | Prior (r) |
|---------------------------|--------|----------|-----------|
| Housing Starts | 1,311k | 1,334k | 1,354k |
| Building Permits | 1,416k | 1,435k | 1,425k |
| Initial Jobless Claims | 213k | 220k | 219k |
| Continuing Claims | 1,908k | 1,880k | 1,872k |
| Existing Home Sales | 3.96m | 3.95m | 3.83m |
| Existing Home Sales - m/m | 3.4% | 2.9% | -1.3% |
| UMich Sentiment | 71.8 | 73.9 | 73.0 |

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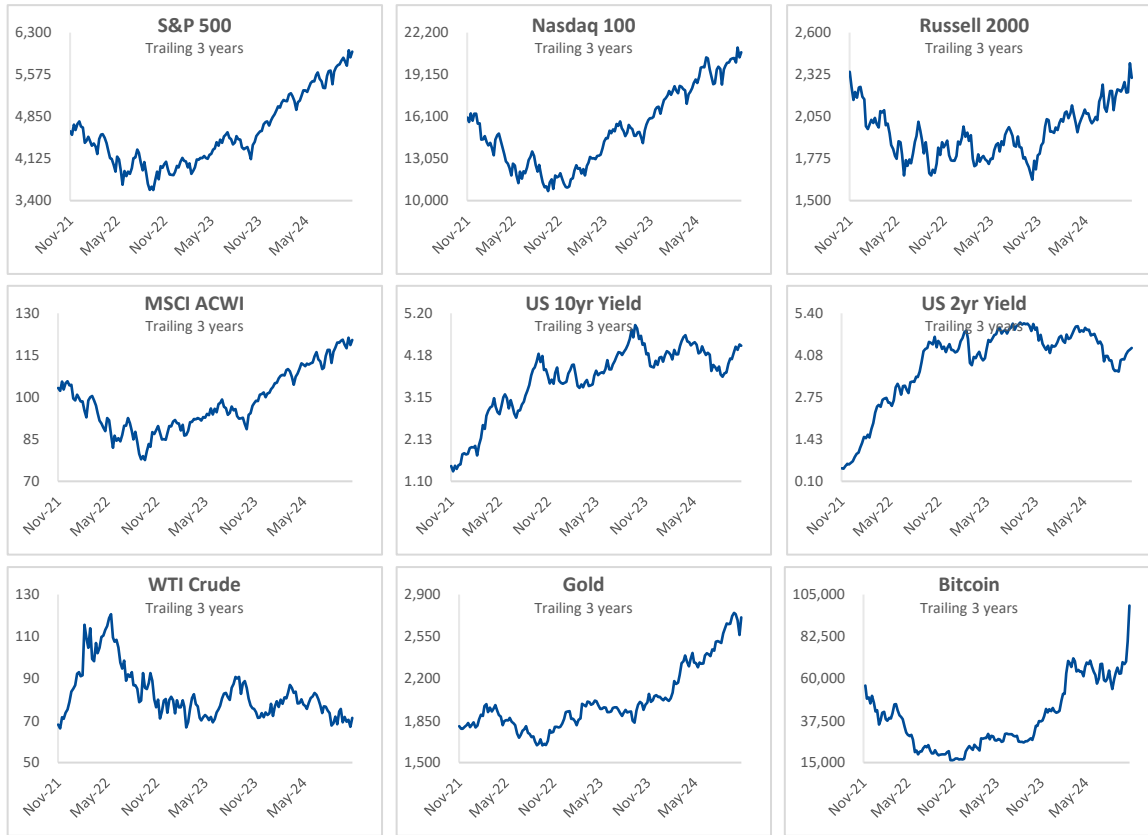
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WEALTH MANAGEMENT

Markets Monitor



S&P 500 Sector Heatmap Total Return YTD

| | | | |
|-----------|----------------|---------------------|---------------|
| S&P 500 | Comm. Services | Cons. Discretionary | Cons. Staples |
| 26.7% | 34.4% | 22.8% | 15.9% |
| Energy | Financials | Healthcare | Industrials |
| 18.8% | 36.4% | 6.9% | 26.4% |
| Materials | Real Estate | Technology | Utilities |
| 11.4% | 12.7% | 22.0% | 31.6% |

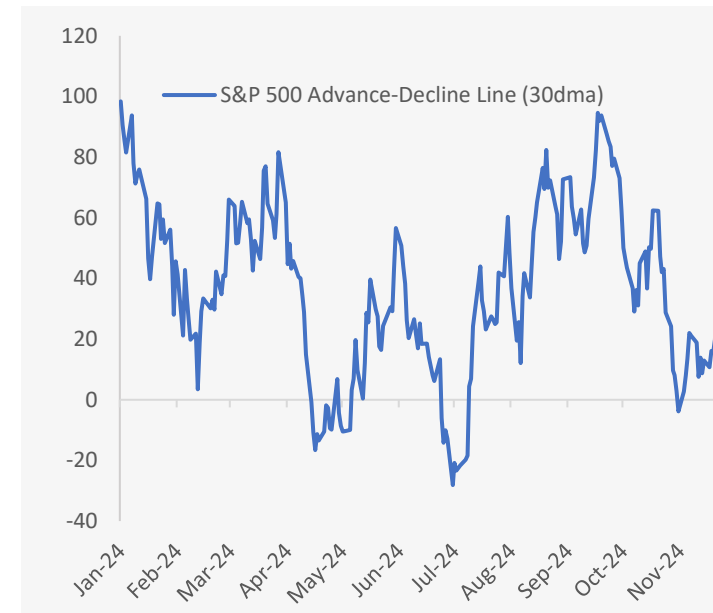
Last Week in Earnings

| Date | Ticker | EPS | Revenue | Price chg |
|--------|--------|------|---------|-----------|
| 19-Nov | LOW | Beat | Beat | -4.6% |
| | WMT | Beat | Beat | 3.0% |
| 20-Nov | NVDA | Beat | Beat | 0.5% |
| | PANW | Beat | Beat | 1.2% |
| | TGT | Miss | Miss | -22.0% |
| | TJX | Beat | Beat | 0.2% |
| 21-Nov | INTU | Beat | Beat | -5.7% |

World Watch

| | Last Week | YTD | 1yr |
|-------------|-----------|-------|-------|
| MSCI ACWI | 1.1% | 18.8% | 25.3% |
| MSCI Europe | -0.2% | 2.3% | 8.9% |
| MSCI APAC | -0.1% | 9.7% | 15.2% |
| DXY Index | 107.5 | 6.1% | 3.5% |
| EUR / USD | \$1.04 | -7.0% | -5.9% |
| GBP / USD | \$1.25 | -1.6% | 0.3% |
| USD / JPY | 154.8 | 9.8% | 3.5% |
| USD / CNY | 7.25 | 2.1% | 1.2% |

Market Breadth Has Improved After Choppy Performance Earlier In The Year



As of 11/22/2024

Sources: Bloomberg, Logia Portfolio Management, Sunflower Bank.



WEALTH MANAGEMENT

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