

# Market Update – December 30, 2024

## The Weekly Briefing

Major indexes eked out gains in what was the lowest volume week of the year. The holiday-shortened trading week was relatively uneventful with no major companies reporting earnings and a light economic calendar. Although last week included few meaningful catalysts, major indexes did exhibit some volatility throughout the week – not unexpected given the low liquidity. The upcoming week is similarly light in terms of market moving events. No companies in the Russell 1000 report earnings and Wednesday is a market holiday. In contrast, 2025 starts off quickly as fourth quarter earnings season begins the week of January 5<sup>th</sup>.

In terms of economic news, jobless claims data was the only release that garnered much attention. An unexpectedly sharp increase in continuing jobless claims – a measure of people out of work for more than a week – sparked a brief bout of investor anxiety. This measure of unemployment hit its highest level in more than 9 months. Continuing claims now sit above 2019 levels but are well below the heights reached in the lead-up to the two most recent recessions.

Despite the increase in continuing claims, the long-end of the yield curve continued to rise. The 10-year Treasury yield ended the week at 4.62%, just shy of the 52-week high of 4.66%. Yields on 10-year and 30-year Treasuries have now increased for the last three weeks as investor concern over the federal debt and path of inflation continues to build.

Interest payments on the federal debt reached an annualized level of \$1.1 trillion in the third quarter, the highest nominal amount in history. In 2023, the last full government fiscal year, interest payments on the national debt were 2.4% of GDP, surpassing the recent high of 1.7% in 2019. Though worrisome, this percentage remains well below the all-time high of 3.2% set in 1991. Ongoing deficit spending and high levels of cumulative federal debt remain a concern, with investor nervousness evident in rising long-term Treasury yields. President-elect Trump has made reducing the deficit a goal of his administration – as have many presidents before him – but it remains to be seen if he will succeed in the difficult task.

## Market Snapshot

	Last Week	YTD	1yr
S&P 500	0.7%	26.9%	26.9%
DJIA	0.4%	14.4%	14.4%
Nasdaq 100	0.9%	26.5%	26.5%
Russell 2000	0.1%	12.2%	12.2%
S&P 500 E/W	0.4%	13.9%	13.9%
2yr Yield	4.33%	0.08%	0.08%
10yr Yield	4.63%	0.75%	0.75%
VIX	18.6	6.2	6.2
WTI Crude	\$ 70.6	-1.5%	-1.5%
Gold	\$ 2,621	27.1%	27.1%
Bitcoin	\$ 94,400	125.1%	123.2%

## Economic Summary

	Actual	Expected	Prior (r)
Building Permits	1,493k		1,505k
Building Permits - m/m	5.2%		6.1%
Durable Goods Orders - m/m	-1.1%	-0.3%	0.8%
New Home Sales	664k	669k	627k
New Home Sales - m/m	5.9%	9.7%	-14.8%
Initial Jobless Claims	219k	223k	220k
Continuing Claims	1,910k	1,881k	1,864k

## The Week Ahead

Monday	Tuesday	Wednesday	Thursday	Friday
Pending Home Sales	Case Shiller Home Price Index	New Year's Day	Initial Jobless Claims Continuing Claims	ISM Manufacturing

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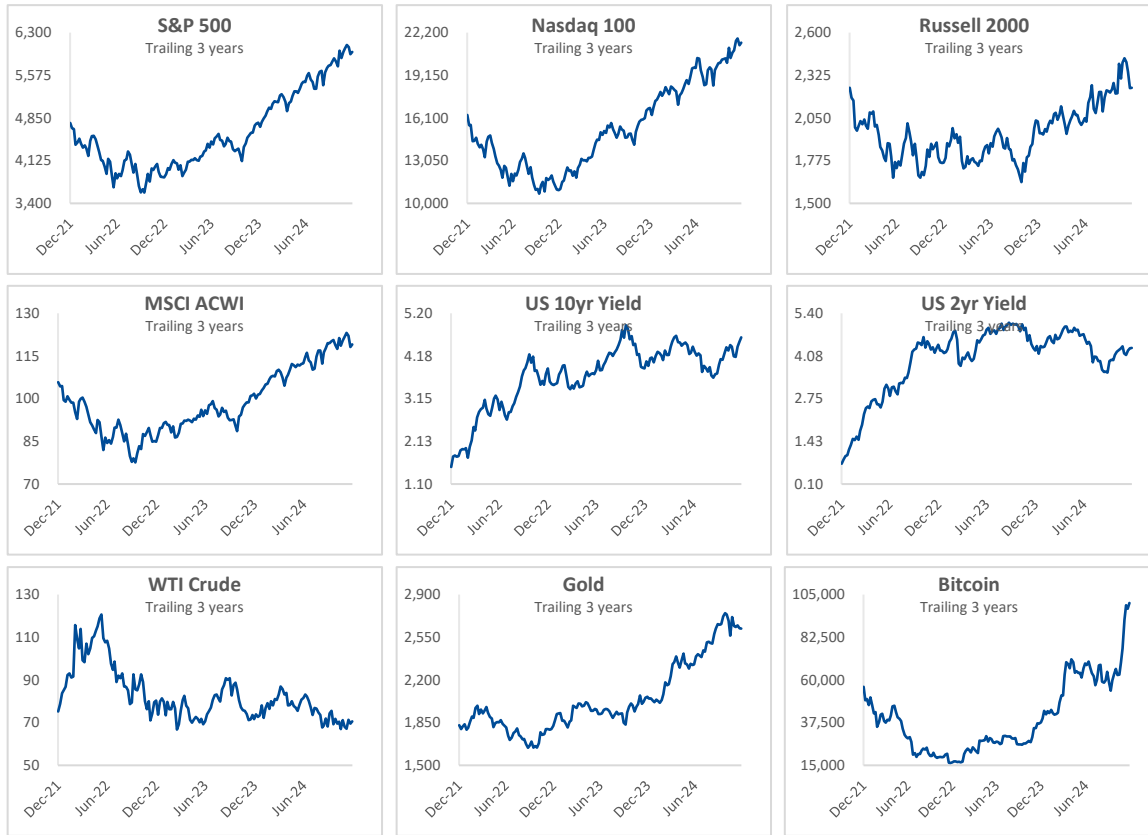
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WEALTH MANAGEMENT

# Markets Monitor



## S&P 500 Sector Heatmap Total Return YTD

S&P 500	Comm. Services	Cons. Discretionary	Cons. Staples
26.9%	36.6%	29.5%	13.2%
Energy	Financials	Healthcare	Industrials
4.2%	31.7%	3.5%	18.6%
Materials	Real Estate	Technology	Utilities
1.1%	4.7%	24.2%	23.9%

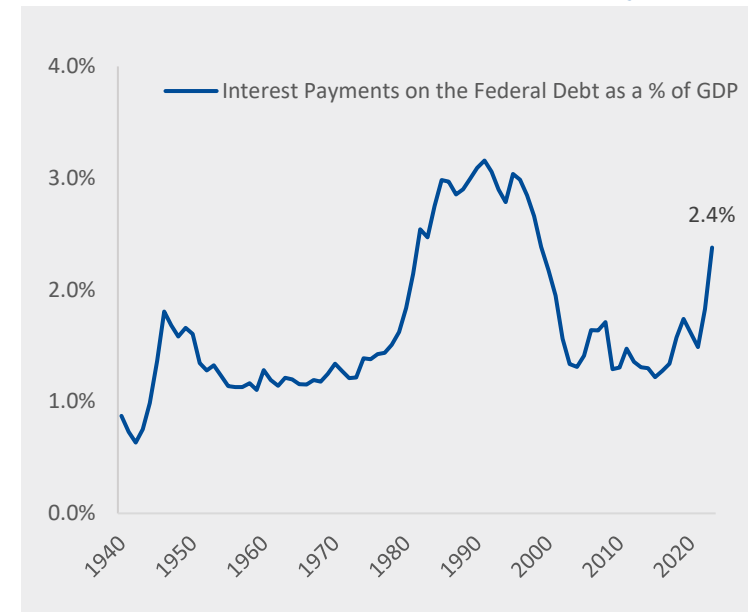
## Last Week in Earnings

Date	Ticker	EPS	Revenue	Price chg
None of note				

## World Watch

	Last Week	YTD	1yr
MSCI ACWI	0.9%	18.9%	18.9%
MSCI Europe	1.2%	2.4%	2.4%
MSCI APAC	2.1%	10.4%	10.4%
DXY Index	108.2	6.8%	6.8%
EUR / USD	\$1.04	-7.0%	-7.4%
GBP / USD	\$1.25	-1.7%	-1.7%
USD / JPY	157.1	11.4%	11.5%
USD / CNY	7.30	2.8%	2.8%

## Interest Payments on the Federal Debt As a Percent of GDP Have Risen Sharply



Sources: FRED, Bloomberg, Logia Portfolio Management, Sunflower Bank.



WEALTH MANAGEMENT

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