

12/23/2024

The Week Ahead



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THINGS TO WATCH

Key S&P 500 Levels

The major U.S. equity averages finished last week on a high note, with the S&P 500 narrowly holding above its 50-day moving average (5,927) on Friday after closing below the important short-term technical level on Wednesday and Thursday. If we see another bout of selling during this holiday-shortened week, the most relevant S&P 500 level to watch will likely be the index's 100-day moving average (5,752), about 3.2% below its 5,930.85 close last week.

Will New Home Sales Remain Weak?

Sales of new homes in the U.S. (to be released tomorrow morning) are expected to have rebounded 9% last month to an annualized rate of 665,000 units after a 17% decline in October to 610,000 units. This was the lowest reading in 21 months as a pair of hurricanes weighed on activity in Florida, North Carolina and other southeastern states. The median sale price of a new home rose 3% in October to \$437,000, the highest in 14 months but 5% below than the all-time high of \$460,300 in October 2022. Mixed signals from the homebuilding industry have emerged in recent weeks as Lennar (LEN) management called out worsening home affordability. Yet, the December reading of the National Association of Homebuilders sentiment survey index was tied for its highest level in seven months.

Bitcoin

The digital currency has taken a breather recently, declining 10% after briefly eclipsing \$108,000 last Tuesday after a 60% post-election surge. The Federal Reserve's "hawkish cut" and forecast for less policy easing in 2025 than previously expected seemed to drive a bout of short-term outflows from several of the more popular Bitcoin ETFs. Several commentators have attributed Bitcoin's recent weakness to profit-taking and suggest it could be a sign of a broader near-term pullback in speculative appetite heading into the end of the year.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
Retail Sales (M/M)	0.7%	-0.1%	▲
Building Permits (Millions Annualized)	1.51	1.47	▲
Housing Starts (Millions Annualized)	1.29	1.38	▼
Existing Home Sales (Millions Annualized)	4.15	3.88	▲
Core PCE Price Index (Y/Y)	2.8%	2.7%	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	42840.26	-2.23%	15.79%	17.68%
NASDAQ	19572.60	-1.77%	31.32%	33.46%
S&P 500	5930.85	-1.97%	26.01%	27.96%
MSCI EAFE	2247.61	-3.47%	2.85%	5.48%
BB U.S. Aggregate	2184.46	-0.66%	1.37%	1.66%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	4.32%	4.53%	5.38%
10-Year Treasury	4.53%	4.41%	3.85%

REPORTS DUE THIS WEEK	LATEST
Conf. Board Consumer Confidence	111.7
Durable Goods Orders (M/M)	0.3%
New Home Sales (Thousands Annualized)	610
Continuing Jobless Claims (Thousands)	1,886

Total returns are as of 12/20/24. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

67%

As of November 30, the weight of U.S. stocks in the MSCI All Country World Index (ACWI), the highest in the history of the index since its 1993 inception. The combined market capitalization of the Magnificent Seven stocks (Apple, NVIDIA, Microsoft, Amazon, Alphabet, Meta, and Tesla) now account for a bigger combined weight in the MSCI ACWI Index than the combined market capitalization of Japan, the UK, Canada, China, France, Switzerland, and India.

\$1.2 billion

Accenture's (ACN) Generative AI new bookings in its September-November quarter, up 20% sequentially amid an increase in customers seeking help organizing and preparing internal data for AI training and inference. Although this AI-related activity represented just 6% of overall new bookings of \$18.7 billion in the period, it accounted for a large portion of the IT consultant and services provider's new deal growth. ACN shares gained 2.14% last week compared to a 1.97% decline for the S&P 500.

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