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Market Week: November 25, 2024



The Markets (as of market close November 22, 2024)

Wall Street enjoyed a solid week of gains, rebounding from the prior week's losses. Each of the benchmark indexes climbed higher, led by the small caps of the Russell 2000, as investors moved from mega caps to cyclical stocks, which are influenced largely by the economy. Communication services was the only market sector to close in the red, while the remaining sectors moved higher, led by utilities, consumer staples, real estate, and materials. Crude oil prices gained nearly 6.5% last week, driven by increasing conflict between Russia and Ukraine. The dollar and gold prices moved higher as investors sought safe-haven assets, in light of increasing geopolitical risks.

Last week began with stocks closing generally higher as the information technology sector rebounded from a tough prior week. The NASDAQ and the Global Dow each advanced 0.6%, while the S&P 500 gained 0.4% and the Russell 2000 ticked up 0.1%. The Dow fell 0.1%. Yields on 10-year Treasuries slid to 4.41%. Crude oil prices rose 3.3% to settle at \$69.22 per barrel, driven higher by growing concerns over supply cuts. The dollar declined 0.5%, while gold prices advanced 1.8%.

Stocks closed mostly higher last Tuesday, led by the NASDAQ (1.0%), followed by the Russell 2000 (0.8%), and the S&P 500 (0.4%). The Dow dipped 0.3% and the Global Dow fell less than 0.1%. Ten-year Treasury yields closed at 4.37%, a decrease of 3.5 basis points. Gold prices rose for the second straight session after gaining 0.8%. The dollar dipped 0.1%. Crude oil prices increased 0.7% to \$69.64 per barrel.

The Dow ended a streak of daily losses last Wednesday after closing up 0.3%. The Russell 2000 and the S&P 500 were flat, while the Global Dow (-0.3%), and the NASDAQ (-0.1%) declined. Ten-year Treasury yields closed up 1.7 basis points to 4.41%. Crude oil prices slipped 0.2%, falling to \$69.12 per barrel. The dollar rose 0.4% and gold prices advanced 0.8%. Investors were pensive as they awaited the earnings report from a major AI company.

Wall Street saw a rally last Thursday, with each of the benchmark indexes listed here closing higher as investors shifted toward cyclical stocks. The economy showed evidence of strengthening as jobless claims fell to nearly a seven-month low (see below), and sales of existing homes rebounded in October. The Russell 2000 led the benchmarks, gaining 1.7%, the Dow rose 1.1%, the S&P 500 and the Global Dow each climbed 0.5%, while the NASDAQ ticked up less than 0.1%. Ten-year Treasury yields rose 2.6 basis points to reach 4.43%. Crude oil prices jumped 2.0%, settling at \$70.13 per barrel, driven by escalating tensions between Ukraine and Russia. The dollar (0.3%) and gold prices (0.8%) advanced.

The markets closed on a positive note last Friday. The Russell 2000 gained 1.8% to lead the benchmark indexes listed here, followed by the Dow (1.0%), the Global Dow (0.4%), the S&P 500 (0.3%), and the NASDAQ (0.2%). Ten-year Treasury yields slipped to 4.41%. Crude oil continued to surge, climbing 1.6%. The dollar and gold prices also advanced.

Stock Market Indexes

Market/Index	2023 Close	Prior Week	As of 11/22	Weekly Change	YTD Change
DJIA	37,689.54	43,444.99	44,296.51	1.96%	17.53%
NASDAQ	15,011.35	18,680.12	19,003.65	1.73%	26.60%
S&P 500	4,769.83	5,870.62	5,969.34	1.68%	25.15%

Key Dates/Data Releases

11/26: New home sales

11/27: Durable goods orders, GDP, international trade in goods, personal income and outlays

Russell 2000	2,027.07	2,303.84	2,406.67	4.46%	18.73%
Global Dow	4,355.28	4,913.45	4,971.05	1.17%	14.14%
fed. funds target rate	5.25%-5.50%	4.50%-4.75%	4.50%-4.75%	0 bps	-75 bps
10-year Treasuries	3.86%	4.44%	4.41%	-3 bps	55 bps
US Dollar-DXY	101.39	106.73	107.53	0.75%	6.06%
Crude Oil-CL=F	\$71.30	\$66.96	\$71.25	6.41%	-0.07%
Gold-GC=F	\$2,072.50	\$2,566.00	\$2,711.70	5.68%	30.84%

Chart reflects price changes, not total return. Because it does not include dividends or splits, it should not be used to benchmark performance of specific investments.

Last Week's Economic News

- October saw a downturn in new home construction and completions. According to the U.S. Census Bureau, the number of issued residential building permits fell 0.6% in October and 7.7% from a year earlier. Building permits for single-family homes rose 0.5% last month. Housing starts dropped 3.1% in October and were 4.0% under the October 2023 estimate. Single-family housing starts decreased 6.9% in October. Housing completions declined 4.4% last month but were 16.8% above the October 2023 rate. Completions of single-family homes in October were 1.4% below the September rate.
- Sales of existing homes rose in October, according to the National Association of REALTORS®. Existing-home sales rose 3.4% last month and were up 2.9% since October 2023. The expanding economy, job growth, and increased inventory helped drive sales higher. Total housing inventory sat at a 4.2-month supply at the current sales pace, down from 4.3 months in September but up from 3.6 months in October 2023. The median existing-home price in October was \$407,200 (\$406,700 in September), up 4.0% from one year ago (\$391,600). Single-family home sales accelerated 3.5% in October and were 4.1% above the prior year's pace. The median existing single-family home price was \$412,200 in October, ahead of the September price of \$411,400, and 4.1% above the October 2023 price of \$396,000. According to Freddie Mac, the 30-year fixed-rate mortgage averaged 6.78% as of November 14. That's down from 6.79% one week ago and 7.44% one year ago.
- The national average retail price for regular gasoline was \$3.046 per gallon on November 18, \$0.006 per gallon below the prior week's price and \$0.243 per gallon less than a year ago. Also, as of November 18, the East Coast price ticked up \$0.001 to \$3.003 per gallon; the Midwest price increased \$0.016 to \$2.882 per gallon; the Gulf Coast price dipped \$0.001 to \$2.629 per gallon; the Rocky Mountain price fell \$0.158 to \$2.917 per gallon; and the West Coast price declined \$0.049 to \$3.875 per gallon.
- For the week ended November 16, there were 213,000 new claims for unemployment insurance, a decrease of 6,000 from the previous week's level, which was revised up by 2,000. According to the Department of Labor, the advance rate for insured unemployment claims for the week ended November 9 was 1.3%, an increase of 0.1 percentage point from the previous week's rate. The advance number of those receiving unemployment insurance benefits during the week ended November 9 was 1,908,000, an increase of 36,000 from the previous week's level, which was revised down by 1,000. This is the highest level for insured unemployment since November 13, 2021, when it was 1,974,000. States and territories with the highest insured unemployment rates for the week ended November 2 were New Jersey (2.2%), California (2.0%), Puerto Rico (1.9%), Washington (1.7%), Alaska (1.6%), Nevada (1.6%), Rhode Island (1.6%), Massachusetts (1.5%), New York (1.5%), Illinois (1.4%), Oregon (1.4%), and Pennsylvania (1.4%). The largest increases in initial claims for unemployment insurance for the week ended November 9 were in California (+5,906), New Jersey (+2,439), New York (+2,327), Minnesota (+1,889), and Texas (+1,275), while the largest decreases were in Michigan (-4,072), Kansas (-599), Wisconsin (-436), Ohio (-305), and North Dakota (-284).

Eye on the Week Ahead

There's plenty of potentially market-moving economic information released this week. Two reports will draw the most attention: the second estimate of third-quarter GDP and the report on personal income and outlays. The October release showed GDP advanced 2.8%, while consumer spending rose 3.7%. Also last month, personal income rose 0.3%, personal consumption expenditures increased 0.5%, and consumer prices rose 0.2%.

Data sources: Economic: Based on data from U.S. Bureau of Labor Statistics (unemployment, inflation); U.S. Department of Commerce (GDP, corporate profits, retail sales, housing); S&P/Case-Shiller 20-City Composite Index (home prices); Institute for Supply Management (manufacturing/services). Performance:

Based on data reported in WSJ Market Data Center (indexes); U.S. Treasury (Treasury yields); U.S. Energy Information Administration/Bloomberg.com Market Data (oil spot price, WTI, Cushing, OK); www.goldprice.org (spot gold/silver); Oanda/FX Street (currency exchange rates).

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The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 largest, publicly traded companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the Nasdaq stock exchange. The Russell 2000 is a market-cap weighted index composed of 2,000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks worldwide. The U.S. Dollar Index is a geometrically weighted index of the value of the U.S. dollar relative to six foreign currencies. Market indexes listed are unmanaged and are not available for direct investment.

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