



Market and Economic Update

A Closer Look at Q4 2023 Data

Released January 2024



Table of Contents

1. Market Data

Charts and Tables Highlighting the Performance of Stock Market Indicators and Asset Classes over the Latest Quarter

2. Macroeconomic Data

Leading and Lagging Economic Data and Trends from Key Economic Reports Published Recently

3. Bonds & Interest Rates

Collection of Data Summarizing Moves in the Fixed Income Markets over the Last Quarter

4. Charts of the Moment

Visuals Depicting Trends that are Impacting the Markets and Investments

→ Don't forget to expand and leverage the commentary provided in the speaker notes section for more details on each slide!

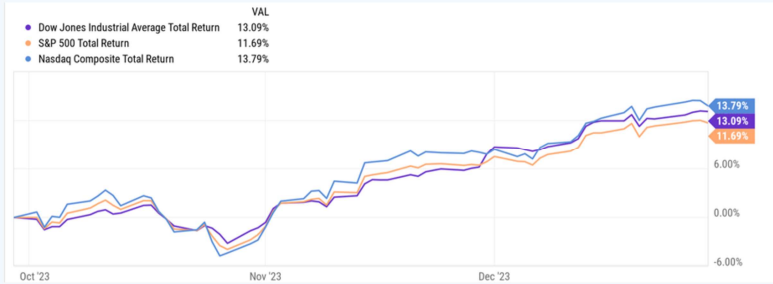


Market Data

Charts and Tables Highlighting the Performance of Stock Market Indicators and Asset Classes over the Latest Quarter



Key Stock Market Index Performance



US Markets	Q4 2023 Return
Dow Jones Industrial Average Total Return	13.09%
S&P 500 Total Return	11.69%
Nasdaq Composite Total Return	13.79%

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Global Markets	Q4 2023 Return
MSCI Emerging Markets Total Return	7.93%
MSCI World Ex USA Total Return	10.51%
MSCI EAFE Total Return	10.47%

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Index Total Returns for Q4 2023:

US Indices:

Dow Jones Industrial Average Total Return: +13.09%

S&P 500 Total Return: +11.69%

Nasdaq Composite Total Return: +13.79%

Global Indices:

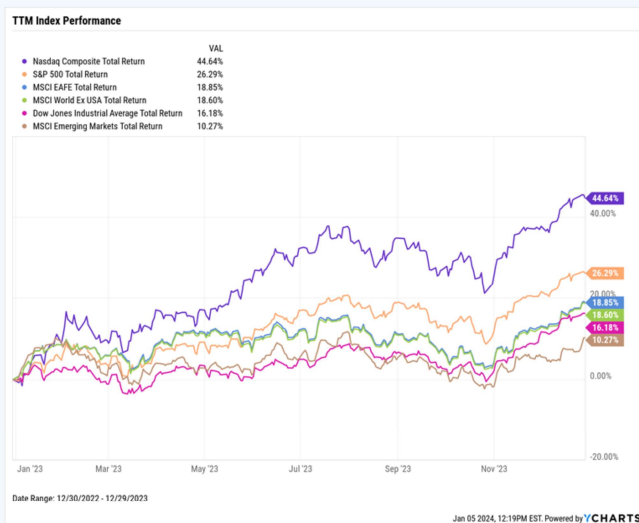
MSCI Emerging Markets Total Return: +7.93%

MSCI World Ex USA Total Return: +10.51%

MSCI EAFE Total Return: +10.47%



Key Stock Market Index Performance (cont'd)



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L: TTM Index Returns, 12/31/2022 – 12/31/2023:

Nasdaq Composite Total Return: +44.64%

S&P 500 Total Return: +26.29%

MSCI EAFE Total Return: +18.85%

MSCI World Ex USA Total Return: +18.60%

Dow Jones Industrial Average Total Return: +16.18%

MSCI Emerging Markets Total Return: +10.27%

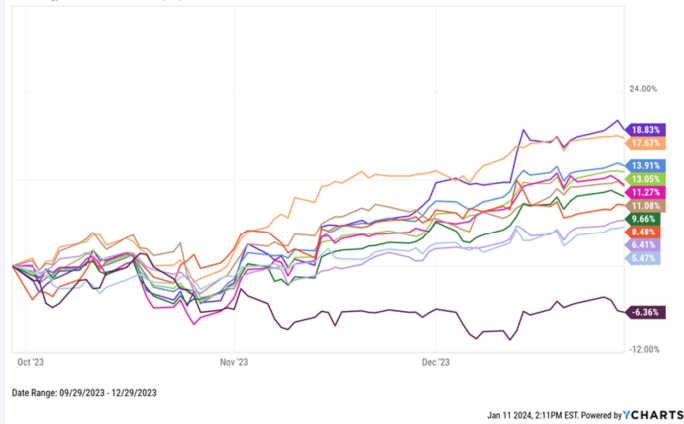
R: With the exception of MSCI Emerging Markets, all five indices are within 5% of their all-time highs.



US Stock Sector Performance

Sector Performance, Q4 2023

	VAL
Real Estate Select Sector SPDR® (XLRE) Total Return	18.83%
Technology Select Sector SPDR® ETF (XLK) Total Return	17.67%
Financial Select Sector SPDR® ETF (XLF) Total Return	13.91%
Industrial Select Sector SPDR® ETF (XLI) Total Return	13.05%
Consumer Discret Sel Sect SPDR® ETF (XLY) Total Return	11.27%
Communication Services Sel Sect SPDR®ETF (XLC) Total Return	11.08%
Materials Select Sector SPDR® ETF (XLB) Total Return	9.66%
Utilities Select Sector SPDR® ETF (XLU) Total Return	8.48%
Health Care Select Sector SPDR® ETF (XLV) Total Return	6.41%
Consumer Staples Select Sector SPDR® ETF (XLP) Total Return	5.47%
Energy Select Sector SPDR® ETF (XLE) Total Return	-6.36%



Sensitive Sectors	Q4 2023 Return
Energy Select Sector SPDR® ETF	-6.36%
Communication Services Select Sector SPDR® ETF	11.08%
Industrial Select Sector SPDR® ETF	13.05%
Technology Select SPDR® ETF	17.67%

Defensive Sectors	Q4 2023 Return
Health Care Select Sector SPDR® ETF	6.41%
Consumer Staples Select Sector SPDR® ETF	5.47%
Utilities Select Sector SPDR® ETF	8.48%

Cyclical Sectors	Q4 2023 Return
Financial Select Sector SPDR® ETF	13.91%
Materials Select Sector SPDR® ETF	9.66%
Consumer Discretionary Select SPDR® ETF	11.27%
Real Estate Select Sector SPDR® ETF	18.83%

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Ten of the eleven S&P Sectors posted positive total returns in Q4 of 2023. The Real Estate sector led the way with an 18.8% total return, followed by Technology (17.7%), Financial (13.9%) and Industrial (13.1%).

Only Energy was in the red in Q4, finishing down -6.4%.



Asset Class Performance – Trailing Periods

YTD Total Return	1 month Total Return	3 month Total Return	6 month Total Return	1 year Total Return	3 year Total Return	5 year Total Return	10 year Total Return
US Growth 42.7%	US Small 12.2%	US Real Estate 18.0%	US Growth 10.6%	US Growth 42.7%	Commodities 19.2%	US Growth 19.5%	US Growth 14.9%
S&P 500 26.3%	US Real Estate 9.0%	US Growth 14.2%	US Small 8.2%	S&P 500 26.3%	S&P 500 10.0%	S&P 500 15.7%	S&P 500 12.0%
World exUSA 18.6%	US Value 5.5%	US Small 14.0%	S&P 500 8.0%	World exUSA 18.6%	US Growth 8.9%	US Value 10.9%	US Value 8.4%
US Small 16.9%	World exUSA 5.5%	S&P 500 11.7%	US Real Estate 7.9%	US Small 16.9%	US Value 8.9%	US Small 10.0%	US Real Estate 7.7%
US Real Estate 12.2%	S&P 500 4.5%	World exUSA 10.6%	World exUSA 6.1%	US Real Estate 12.2%	US Real Estate 5.3%	World exUSA 9.0%	US Small 7.2%
US Value 11.5%	US Growth 4.4%	US Value 9.5%	US Value 6.0%	US Value 11.5%	World exUSA 5.0%	Commodities 8.7%	World exUSA 4.8%
Emerging Markets 10.3%	Emerging Markets 3.9%	Emerging Markets 7.9%	Emerging Markets 4.9%	Emerging Markets 10.3%	US Small 2.2%	US Real Estate 7.3%	Emerging Markets 3.0%
Muni Bonds 6.4%	Aggregate Bonds 3.8%	Muni Bonds 7.9%	Muni Bonds 3.6%	Muni Bonds 6.4%	Muni Bonds -0.4%	Emerging Markets 4.1%	Muni Bonds 3.0%
Aggregate Bonds 5.5%	US Treasuries 3.4%	Aggregate Bonds 6.8%	Commodities 3.5%	Aggregate Bonds 5.5%	Aggregate Bonds -3.3%	Muni Bonds 2.3%	Aggregate Bonds 1.8%
US Treasuries 4.1%	Muni Bonds 2.3%	US Treasuries 5.7%	Aggregate Bonds 3.4%	US Treasuries 4.1%	US Treasuries -3.8%	Aggregate Bonds 1.1%	US Treasuries 1.3%
Commodities -4.3%	Commodities -3.3%	Commodities -10.7%	US Treasuries 2.4%	Commodities -4.3%	Emerging Markets -4.7%	US Treasuries 0.5%	Commodities -3.6%

Asset	Index
US Real Estate	Dow Jones US Real Estate Index Total Return
US Growth Stocks	Russell 1000 Growth Total Return
Commodities	S&P GSCI Total Return
US Small Cap	Russell 2000 Total Return
S&P 500	S&P 500 Total Return
US Value Stocks	Russell 1000 Value Total Return
World ex USA	MSCI World Ex USA Total Return
Emerging Markets	MSCI Emerging Markets Total Return
Aggregate Bonds	Barclays US Aggregate Total Return
Muni Bonds	Barclays Municipal Bond Total Return
US Treasuries	Barclays US Treasury Total Return

3Y, 5Y, 10Y total returns annualized

This table shows the performance of asset classes over different time frames.

US Growth was the top total returner in 2023, with the S&P 500 coming in second. Commodities was the only asset class that failed to post a positive total return in 2023.



Asset Class Performance – Quarter by Quarter

12/31/2023 Qtr Return	9/30/2023 Qtr Return	6/30/2023 Qtr Return	3/31/2023 Qtr Return	12/31/2022 Qtr Return	9/30/2022 Qtr Return	6/30/2022 Qtr Return	3/31/2022 Qtr Return	12/31/2021 Qtr Return	9/30/2021 Qtr Return	6/30/2021 Qtr Return	3/31/2021 Qtr Return	12/31/2020 Qtr Return	9/30/2020 Qtr Return	6/30/2020 Qtr Return
US Real Estate 18.0%	Commodities 16.0%	US Growth 12.8%	US Growth 14.4%	World exUSA 16.3%	US Small -2.2%	Commodities 2.0%	Commodities 33.1%	US Real Estate 14.6%	Commodities 5.2%	Commodities 15.7%	Commodities 13.6%	US Small 31.4%	US Growth 13.2%	US Growth 27.8%
US Growth 14.2%	Emerging Markets -2.8%	S&P 500 8.7%	World exUSA 8.2%	US Value 12.4%	Muni Bonds -3.5%	Muni Bonds -2.9%	US Value -0.7%	US Growth 11.6%	US Growth 1.2%	US Growth 11.9%	US Small 12.7%	Emerging Markets 19.8%	Emerging Markets 9.7%	US Small 25.4%
US Small 14.0%	US Treasuries -3.1%	US Small 5.2%	S&P 500 7.5%	Emerging Markets 9.8%	US Growth -3.6%	US Treasuries -3.8%	S&P 500 -4.6%	S&P 500 11.0%	US Real Estate 0.9%	US Real Estate 11.7%	US Value 11.3%	US Value 16.3%	S&P 500 8.9%	S&P 500 20.5%
S&P 500 11.7%	US Growth -3.1%	US Value 4.1%	Emerging Markets 4.0%	S&P 500 7.6%	US Treasuries -4.3%	Aggregate Bonds -4.7%	World exUSA -4.7%	US Value 7.8%	S&P 500 0.6%	S&P 500 8.5%	US Real Estate 7.7%	World exUSA 15.9%	US Value 5.6%	Emerging Markets 18.2%
World exUSA 10.6%	US Value -3.2%	World exUSA 3.3%	US Treasuries 3.0%	US Small 6.2%	Aggregate Bonds -4.8%	Emerging Markets -11.3%	US Treasuries -5.6%	World exUSA 3.2%	US Treasuries 0.1%	World exUSA 5.9%	S&P 500 6.2%	Commodities 15.5%	World exUSA 5.0%	World exUSA 15.5%
US Value 9.5%	Aggregate Bonds -3.2%	US Real Estate 2.4%	Aggregate Bonds 3.0%	US Real Estate 4.4%	S&P 500 -4.9%	US Value -12.2%	Aggregate Bonds -5.9%	US Small 2.1%	Aggregate Bonds 0.1%	US Value 5.2%	World exUSA 4.2%	S&P 500 12.1%	US Small 4.9%	US Value 14.3%
Emerging Markets 7.9%	S&P 500 -3.3%	Emerging Markets 1.0%	Muni Bonds 4.1%	Muni Bonds 4.1%	US Value -5.6%	World exUSA -14.4%	Muni Bonds -6.2%	Commodities 1.5%	Muni Bonds -0.3%	Emerging Markets 5.1%	Emerging Markets 2.3%	US Growth 11.4%	Commodities 4.6%	US Real Estate 13.9%
Muni Bonds 7.9%	Muni Bonds -3.9%	Muni Bonds -0.1%	US Small 2.7%	Commodities 3.4%	World exUSA -9.1%	US Real Estate -14.5%	US Real Estate -6.5%	Muni Bonds 0.7%	World exUSA -0.6%	US Small 4.3%	US Growth 0.9%	US Real Estate 7.7%	US Real Estate 2.1%	Commodities 10.5%
Aggregate Bonds 6.8%	World exUSA -4.0%	Aggregate Bonds -0.8%	US Real Estate 1.6%	US Growth 2.2%	Commodities -10.3%	S&P 500 -16.1%	Emerging Markets -6.9%	US Treasuries 0.2%	US Value -0.8%	Aggregate Bonds 1.8%	Muni Bonds -0.4%	Muni Bonds 1.8%	Muni Bonds 1.2%	Aggregate Bonds 2.9%
US Treasuries 5.7%	US Small -3.1%	US Treasuries -1.4%	US Value 1.0%	Aggregate Bonds 1.9%	US Real Estate -10.4%	US Small -17.2%	US Small -7.5%	Aggregate Bonds 0.0%	US Small -4.4%	US Treasuries 1.7%	Aggregate Bonds -3.4%	Aggregate Bonds 0.7%	Aggregate Bonds 0.6%	Muni Bonds 2.7%
Commodities -10.7%	US Real Estate -8.6%	Commodities -2.7%	Commodities -4.9%	US Treasuries 0.7%	Emerging Markets -11.4%	US Growth -20.9%	US Growth -9.0%	Emerging Markets -1.2%	Emerging Markets -8.0%	Muni Bonds 1.4%	US Treasuries -4.3%	US Treasuries -0.8%	US Treasuries 0.2%	US Treasuries 0.5%

Contact support@ycharts.com to access these asset class performance quilts

This visual shows historical quarterly asset class performance for the last 15 quarters.

Q4 2023 Total Returns:

US Real Estate: +18.0%

US Growth: +14.2%

US Small Caps: +14.0%

S&P 500: +11.7%

World exUSA: +10.6%

US Value: +9.5%

Emerging Markets: +7.9%

Muni Bonds: +7.9%

Aggregate Bonds: +6.8%

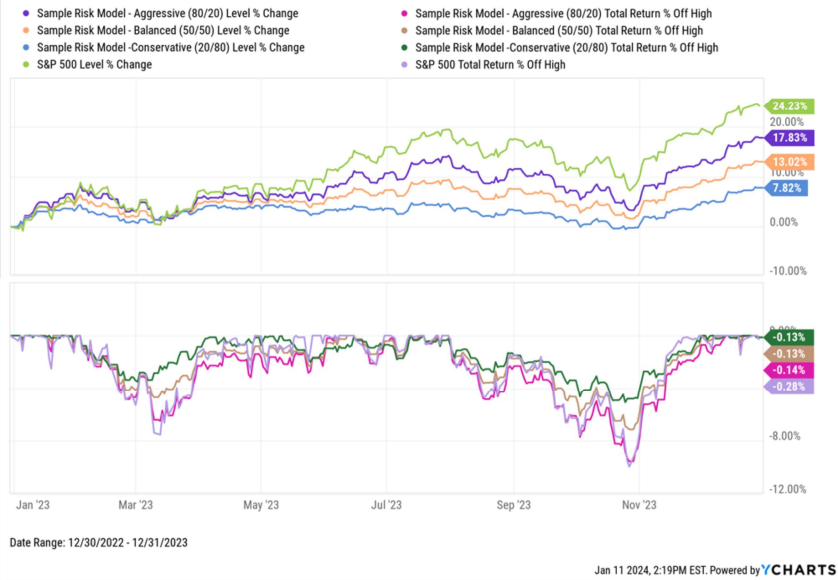
US Treasuries: +5.7%

Commodities: -10.7%



Performance of Diversified Portfolios

TTM Portfolio Performance



Sample Risk Model - Aggressive (80/20) Holdings

Symbol	Name	Target Weight
VTSMX	Vanguard Total Stock Mkt Idx Inv	50.00%
VGTSX	Vanguard Total Intl Stock Index Inv	20.00%
VBMFY	Vanguard Total Bond Market Index Inv	15.00%
VEIEY	Vanguard Emerging Mkts Stock Idx Inv	10.00%
VBISX	Vanguard Short-Term Bond Index Inv	5.00%

Sample Risk Model - Balanced (50/50) Holdings

Symbol	Name	Target Weight
VBMFY	Vanguard Total Bond Market Index Inv	35.00%
VTSMX	Vanguard Total Stock Mkt Idx Inv	30.00%
VGTSX	Vanguard Total Intl Stock Index Inv	15.00%
VBISX	Vanguard Short-Term Bond Index Inv	15.00%
VEIEY	Vanguard Emerging Mkts Stock Idx Inv	5.00%

Sample Risk Model - Conservative (20/80) Holdings

Symbol	Name	Target Weight
VBMFY	Vanguard Total Bond Market Index Inv	49.00%
VBISX	Vanguard Short-Term Bond Index Inv	30.00%
VGTSX	Vanguard Total Intl Stock Index Inv	15.00%
VTSMX	Vanguard Total Stock Mkt Idx Inv	5.00%
VEIEY	Vanguard Emerging Mkts Stock Idx Inv	1.00%

This slide points out TTM total returns (top) and max drawdowns (bottom) of various risk vs. return strategies, including stock-to-bond allocations of 80/20, 50/50, 20/80, and 100/0 (S&P 500).

TTM Allocation Total Returns, 12/31/2022 – 12/31/2023:

All-S&P 500 Portfolio: +24.23%

Aggressive (80/20): +17.83%

Balanced (50/50): +13.02%

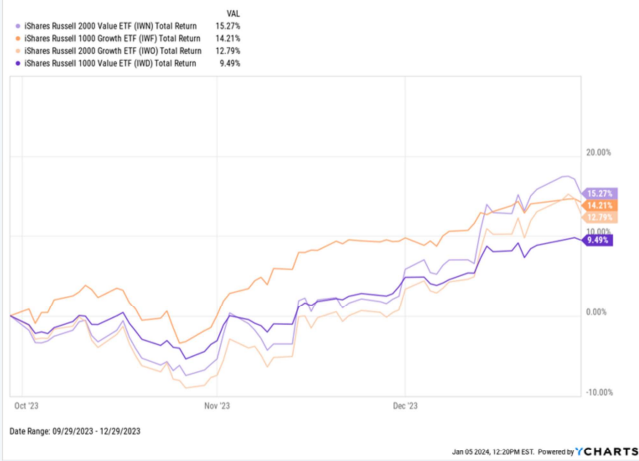
Conservative (20/80): +7.82%

This visual demonstrates the value that diversification can provide investors during turbulent periods for both the stock and bond market.



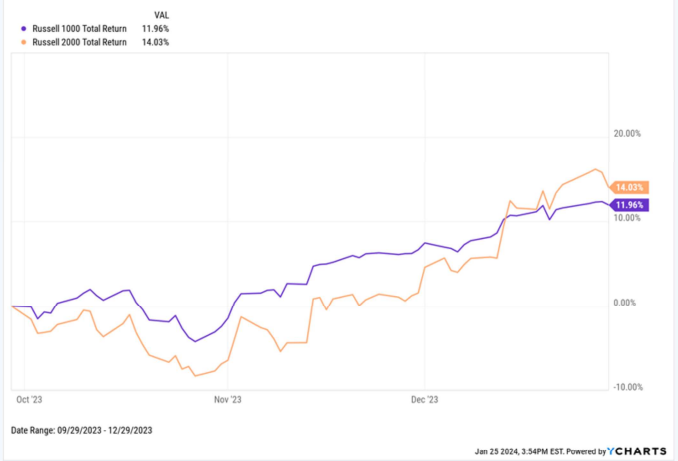
Equity Style Performance

Value vs. Growth Performance, Q4



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Large Cap vs. Small Cap, Q4



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L: Style Box Total Returns for Q4 2023:

Large-Cap Value: +9.49%

Large-Cap Growth: +14.21%

Small-Cap Value: +15.27%

Small-Cap Growth: +12.79%

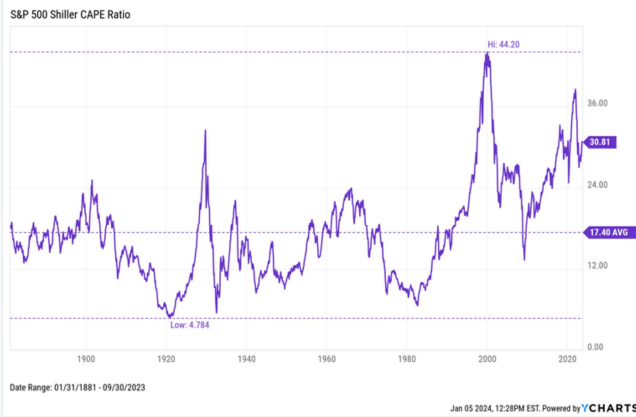
R: Index Total Returns for Q4 2023:

Russell 1000: +11.96%

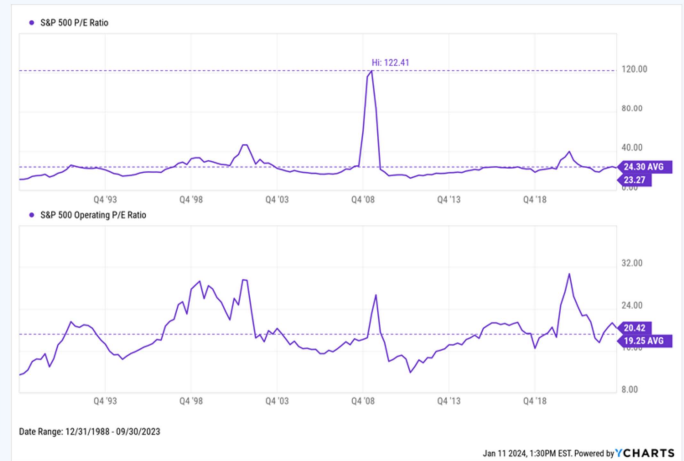
Russell 2000: +14.03%



S&P 500 Valuation Measures



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S&P 500 Valuations as of September 30th, 2023:

S&P 500 CAPE Ratio: 30.81 (Above historical average)

S&P 500 P/E Ratio: 24.30 (Above historical average)

S&P 500 Operating P/E Ratio: 20.42 (Above historical average)



Index Concentration

SPY Top 10 Holdings

SPY Holdings	
AAPL	Apple Inc
MSFT	Microsoft Corp
AMZN	Amazon.com Inc
NVDA	NVIDIA Corp
GOOGL	Alphabet Inc
META	Meta Platforms Inc
GOOG	Alphabet Inc
TSLA	Tesla Inc
BRK.B	Berkshire Hathaway Inc
JPM	JPMorgan Chase & Co

Top 10 = 30.85% of SPY

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QQQ Top 10 Holdings

QQQ Holdings	
AAPL	Apple Inc
MSFT	Microsoft Corp
AMZN	Amazon.com Inc
AVGO	Broadcom Inc
META	Meta Platforms Inc
NVDA	NVIDIA Corp
TSLA	Tesla Inc
GOOGL	Alphabet Inc
GOOG	Alphabet Inc
COST	Costco Wholesale Corp

Top 10 = 45.49% of QQQ

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L: As of December 2023, SPY's Top 10 Holdings comprise 30.85% of the S&P 500-tracking ETF, while QQQ's Top 10 Holdings make up almost half of the Nasdaq-indexed ETF.

R: The "Magnificent Seven", sometimes referred to as the "S&P 7", is comprised of Apple (AAPL), Amazon.com (AMZN), Alphabet (GOOG, GOOGL), Meta Platforms (META), Microsoft (MSFT), NVIDIA (NVDA), and Tesla (TSLA). The Mag 7 was up a staggering 75.1% as a collective on a market-cap weighted basis. Meanwhile, the remaining "S&P 493" finished only 10.4% higher in 2023, and was actually negative at various times on a YTD basis.

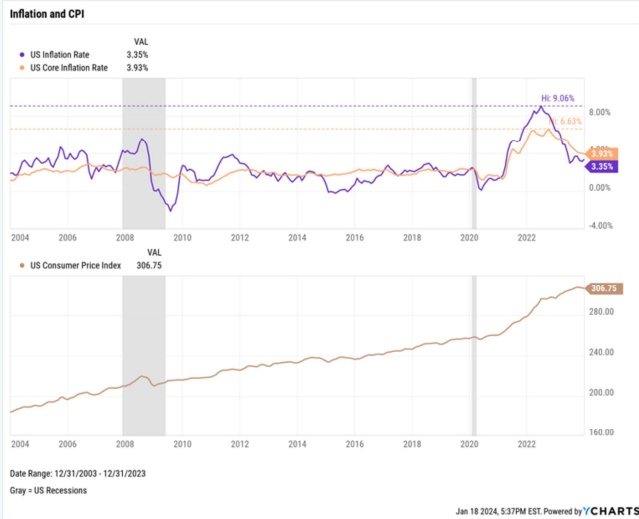


Macroeconomic Data

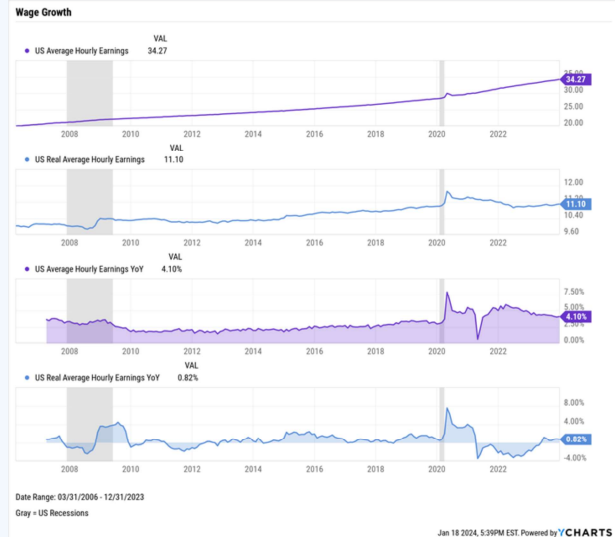
Leading and Lagging Economic Data
and Trends from Key Economic Reports
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Inflation & Wage Growth



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L: As of December 2023:

US Inflation Rate: 3.35%

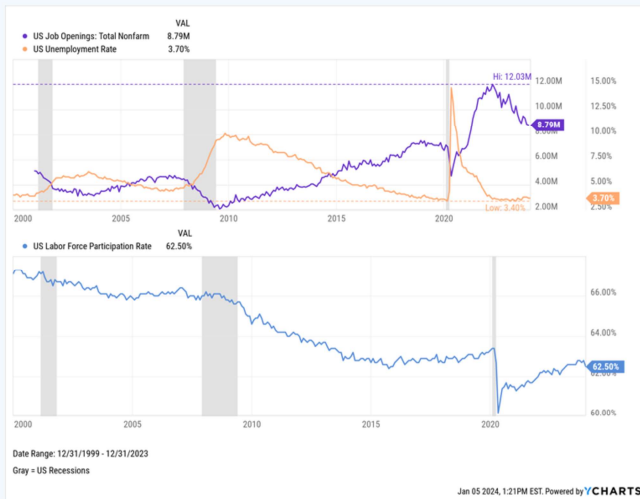
US Core Inflation Rate: 3.93%

US Consumer Price Index: 306.75

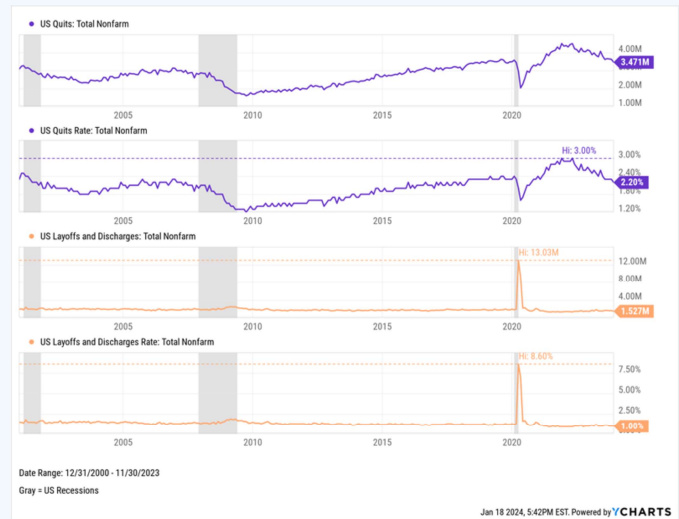
R: Though YoY US (nominal) Average Hourly Earnings have been on a decline since March 2022, YoY Real Average Hourly Earnings (adjusted for inflation) just logged its eighth consecutive monthly increase in December 2023. This means that Real Average Hourly Earnings have outpaced inflation each month since May, marking a turnaround in wage growth following 25 consecutive YoY decreases prior to May.



Employment



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L: As of December 2023:
Total US Job Nonfarm Openings: 8.79M
US Unemployment Rate: 3.70%
US Labor Force Participation Rate: 62.50%

R: As of November 2023:
US Quits: 3.471M
US Quits Rate: 2.20%
US Layoffs and Discharges: 1.527M
US Layoffs and Discharges Rate: 1.00%



Leading Indicator Data and Trends

Indicator	Q4 2023	Q3 2023	Q2 2023	Q1 2023	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
10-2 Year Treasury Yield Spread	▲ -0.35%	▲ -0.44%	▼ -1.06%	▼ -0.58%	▲ -0.35%	▼ -0.53%	▲ 0.79%	▲ 0.80%	▲ 0.34%	▼ 0.21%	▲ 0.51%	▲ 1.25%	▼ 1.21%	▲ 1.50%	▲ 2.66%	▼ 1.53%
NY Fed Business Leaders Survey Current Business Activity	▼ -14.6	▲ -3.0	▲ -5.2	▲ -10.1	▲ -14.6	▼ -17.6	▲ 14.4	▼ -26.9	▲ 3.0	▼ 5.6	▲ 16.7	▼ -0.6	▼ 2.0	▲ 7.8	▲ 7.89	▼ -6.4
Philly Fed Manufacturing Activity Index	▲ -12.8	▲ -13.4	▲ -13.6	▼ -22.4	▲ -12.8	▼ -15.2	▲ 13.8	▲ 11.2	▼ 2.4	▼ 10.9	▲ 29.3	▲ 22.6	▼ -9.0	▲ 21.6	▲ 3.8	▲ 2.4
S&P 500 Return	▲ 11.69%	▼ -3.27%	▲ 8.74%	▲ 7.50%	▲ 26.29%	▼ -18.11%	▲ 28.71%	▲ 18.40%	▲ 31.49%	▼ -4.38%	▲ 21.83%	▲ 11.96%	▼ 1.38%	▼ 13.69%	▲ 32.39%	▲ 16.00%
US Index of Consumer Sentiment	▲ 69.7	▲ 67.9	▲ 64.2	▲ 62.0	▲ 69.7	▼ 59.8	▲ 70.6	▼ 80.7	▲ 99.3	▲ 98.3	▲ 95.9	▲ 98.2	▲ 92.6	▲ 93.6	▲ 82.5	▲ 72.9
US Change in Business Inventories (YoY)	▼ 0.39%	▼ 1.01%	▼ 1.84%	▲ 6.18%	▼ 0.39%	▼ 12.57%	▲ 13.81%	▼ -2.75%	▲ 2.06%	▲ 4.39%	▲ 3.14%	▲ 1.95%	▼ 1.87%	▲ 3.64%	▼ 4.17%	▼ 5.79%
US Housing Starts (Latest TTM)	▲ 16,978	▼ 16,833	▼ 17,060	▼ 17,618	▼ 16,978	▼ 18,615	▲ 19,288	▲ 16,741	▲ 15,492	▲ 14,968	▲ 14,456	▲ 14,125	▲ 13,281	▲ 12,003	▲ 11,138	▲ 9,405
US Building Permits (Latest TTM)	▲ 17,542	▼ 17,448	▼ 17,825	▼ 18,675	▼ 17,542	▼ 19,994	▲ 20,938	▲ 17,709	▲ 16,628	▲ 15,933	▲ 15,425	▲ 14,468	▲ 14,129	▲ 12,625	▲ 11,856	▲ 9,942
US Change in Retail Sales (YoY)	▲ 4.78%	▲ 3.11%	▼ 0.39%	▼ 0.86%	▲ 4.78%	▼ 4.70%	▲ 14.73%	▲ 6.53%	▲ 5.04%	▼ 0.63%	▲ 5.06%	▲ 4.02%	▼ 2.32%	▼ 3.08%	▼ 3.34%	▼ 4.21%

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Latest values as of December 2023/Q4 2023:

10-2 Year Treasury Yield Spread: -0.35%

NY Fed Business Leaders Survey Current Business Activity: -14.6

Philly Fed Manufacturing Activity Index: -12.8

S&P 500 Return: 11.69% for Q4 2023

US Index of Consumer Sentiment: 69.7

US Change in Business Inventories YoY: -0.39%

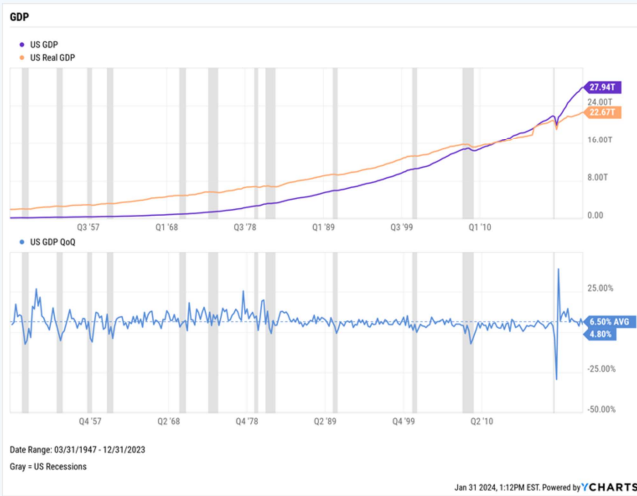
US Housing Starts (Latest TTM): 16,978

US Building Permits (Latest TTM): 17,542

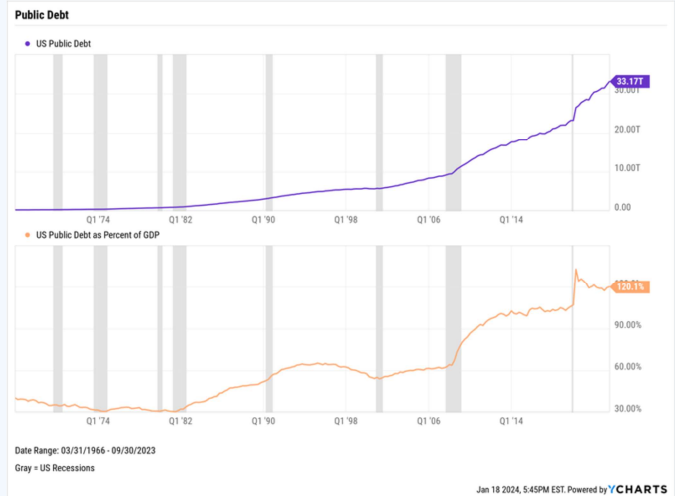
US Change in Retail Sales YoY: 4.78%



GDP & Public Debt



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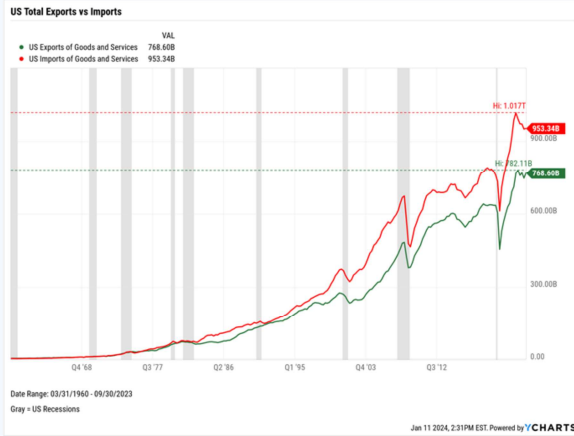
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L: As of Q4 2023:
US GDP: \$27.94T
US Real GDP: \$22.67T
US GDP % change, Q3 to Q4: 4.80%

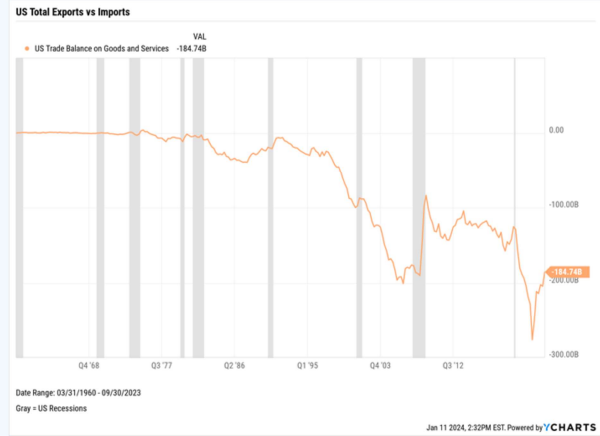
R: As of Q3 2023:
US Public Debt: \$33.17T
US Public Debt as a Percent of GDP: 120.1%



US Trade Balance



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	Exports														
	Total	QoQ	YoY	Canada	QoQ	YoY	Mexico	QoQ	YoY	EU	QoQ	YoY	China	QoQ	YoY
Total:	\$768.6 B	3.0%	-1.4%	\$108.4 B	1.5%	-0.3%	\$93.2 B	6.7%	0.5%	\$163.1 B	5.4%	6.9%	\$46.5 B	-0.2%	-4.3%
Goods:	\$516.4 B	4%	-6%	\$87.8 B	0%	-3%	\$82.2 B	6%	-1%	\$97.5 B	7%	6%	\$34.6 B	-3%	-11%
Services:	\$252.2 B	1%	7%	\$20.6 B	7%	11%	\$11.0 B	6%	14%	\$65.6 B	3%	7%	\$11.9 B	7%	14%
	Imports														
Total:	\$953.3 B	0.3%	-3.8%	\$118.4 B	3.3%	8.1%	\$132.3 B	2.2%	3.2%	\$189.6 B	2.5%	7.1%	\$110.2 B	-1.9%	-18.2%
Goods:	\$777.4 B	1%	-4%	\$105.2 B	4%	8%	\$122.0 B	3%	3%	\$146.2 B	4%	8%	\$105.4 B	-2%	-22%
Services:	\$176.0 B	-1%	-2%	\$13.2 B	-3%	1%	\$10.3 B	-3%	5%	\$43.4 B	-3%	1%	\$4.9 B	-3%	-33%

This slide shows the US trade activity through Q3 2023 (the latest data available).

L:

US Exports of Goods and Services: \$768.60B

US Imports of Goods and Services: \$953.34B

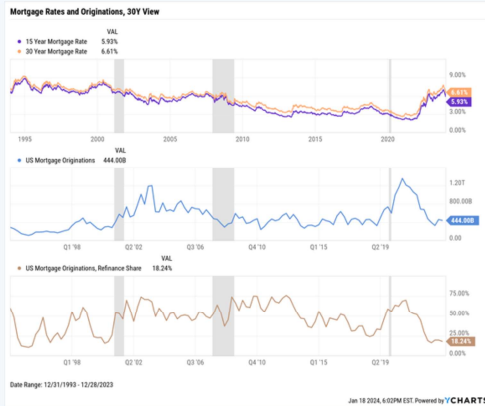
R:

US Trade Balance between Goods and Services: -\$184.74B

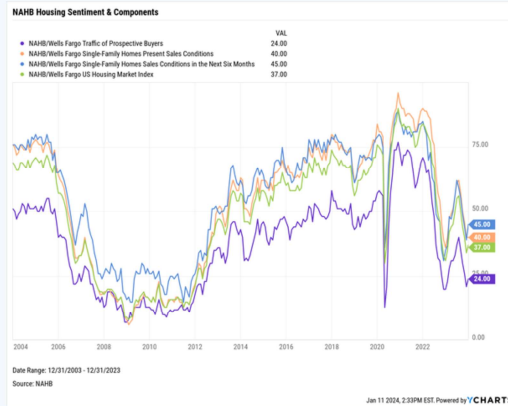
The table at the bottom shows trade activity between the USA and other key partners for Q3 2023. For example, the US saw \$110.2B worth of combined goods and services imports from China in Q3 2023, which is 18.2% less than that same figure a year ago from Q3 2022.



US Housing Market Data



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Housing Indicator Review										
Overall	Indicator Name	Latest Period	Frequency	Value	1 Mo. Ago		3 Mo. Ago		1 Yr. Ago	
					1 Mo. Ago	% Change	3 Mo. Ago	% Change	1 Yr. Ago	% Change
▲	Case-Shiller Home Price Index: National	10/31/2023	monthly	313.3	311	0.65%	307	2.11%	299	4.80%
▲	US Housing Starts	12/31/2023	monthly	1,460	1,525	-4.26%	1,356	7.67%	1,357	7.59%
▲	US Building Permits	12/31/2023	monthly	1,495	1,467	1.91%	1,471	1.63%	1,409	6.10%
▼	US New Single Family Houses Sold	11/30/2023	monthly	590	672	-12.20%	654	-9.79%	582	1.37%
▲	US Pending Home Sales Index	11/30/2023	monthly	72	72	0.00%	72	-0.28%	76	-5.17%
▼	30 Year Mortgage Rate	12/31/2023	weekly	6.61%	7.22%	-8.45%	7.31%	-9.58%	6.42%	2.96%
▲	US Households	9/30/2023	monthly	130,593	130,287	0.23%	130,179	0.32%	128,667	1.50%

L: As of December 2023:

15-Year Mortgage Rate: 5.93%

30-Year Mortgage Rate: 6.61%

US Mortgage Originations: \$444B

US Mortgage Originations, Refinance Share: 18.24%

R: NAHB/Wells Fargo data as of December 2023:

Traffic of Prospective Buyers: 24.00

Single-Family Homes Present Sales Conditions: 40.00

Single-Family Homes Sales Conditions in the Next Six Months: 45.00

US Housing Market Index: 37.00

Table:

National Case-Shiller Home Price Index: 313.3 (10/31/2023)

US Housing Starts: 1,460 (12/31/2023)

US Building Permits: 1,495 (12/31/2023)

US New Single Family Houses Sold: 590 (11/30/2023)

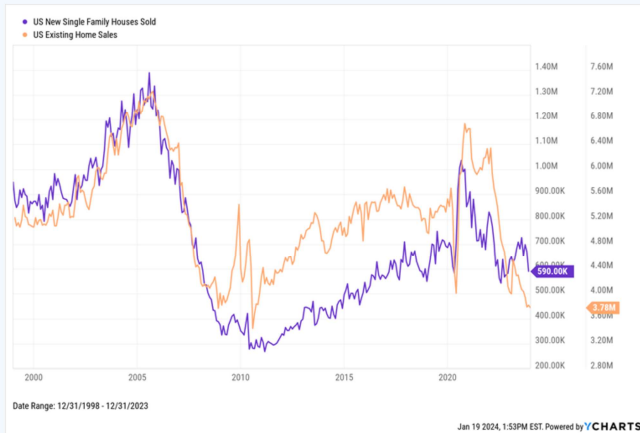
US Pending Home Sales Index: 72 (11/30/2023)

30-Year Mortgage Rate: 6.61% (12/31/2023)

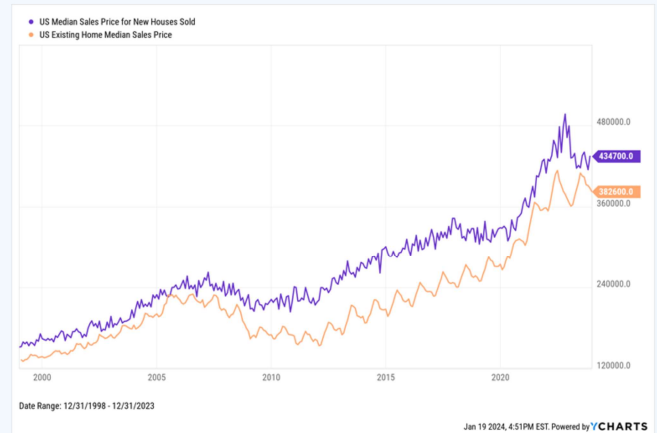
US New Households: 130,593 (9/30/2023)



US Housing Market Data (cont'd)



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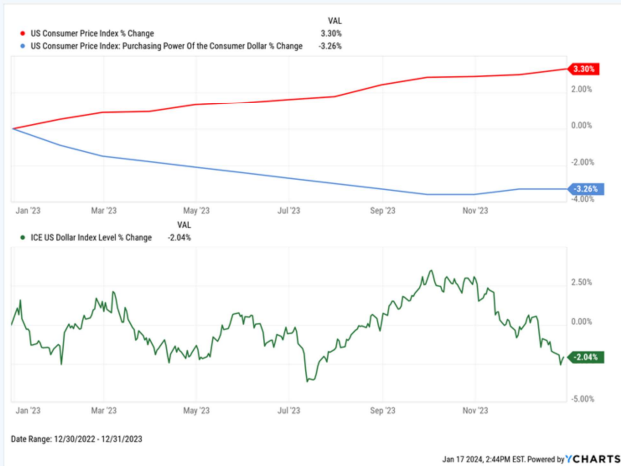
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L: As of December 2023:
US New Single Family Houses Sold: 590K
US Existing Home Sales: 3.78M

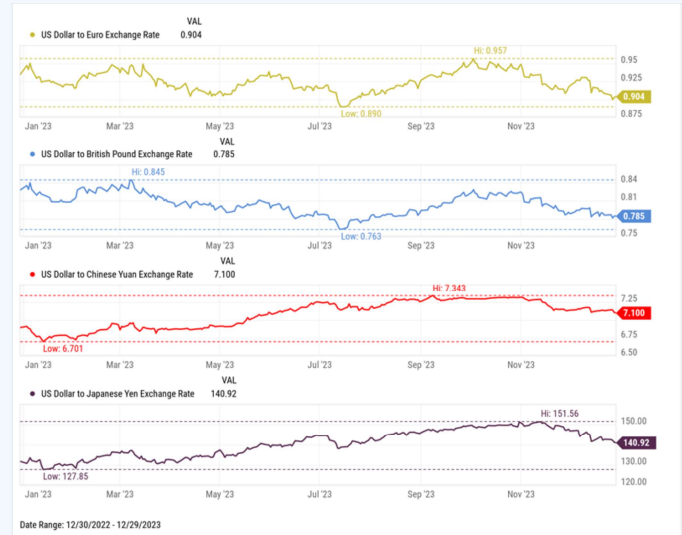
R: As of December 2023:
US Median Sales Price for New Houses Sold: \$434,700
US Existing Home Median Sales Price: \$382,600



US Dollar Strength



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L: As of December 31st, 2023:

1Y US CPI % Change: 3.30%

1Y Purchasing Power of the Consumer Dollar % Change: -3.26%

1Y ICE US Dollar Index Level % Change: -2.04%

R: As of December 29th, 2023:

1 USD = 0.904 EUR (0.957 TTM high, 0.890 TTM low)

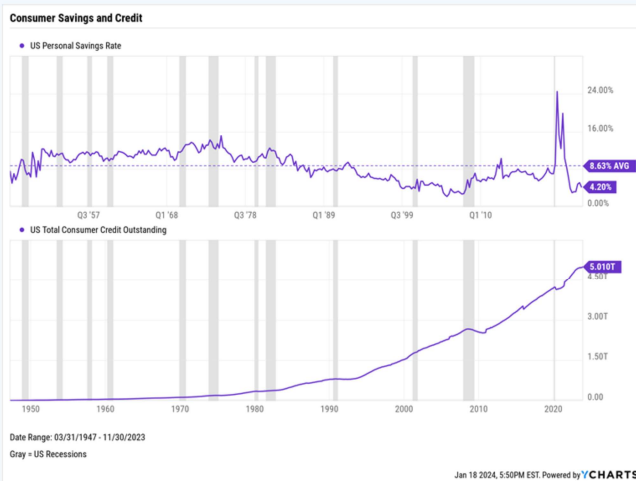
1 USD = 0.785 GBP (0.845 TTM high, 0.763 TTM low)

1 USD = 7.100 CNY (7.343 TTM high, 6.701 TTM low)

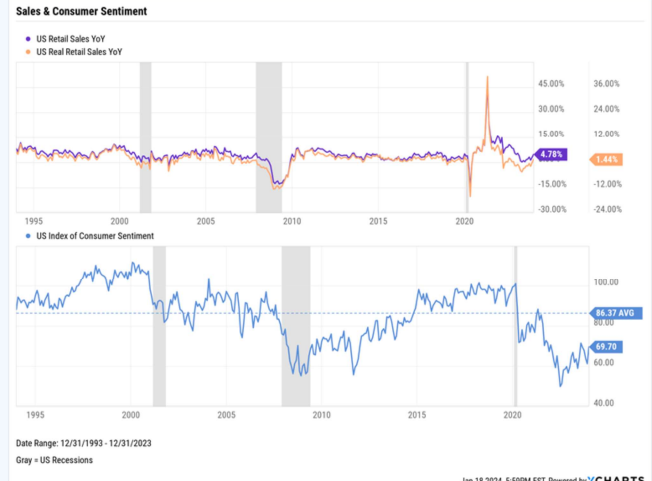
1 USD = 140.92 JPY (151.56 TTM high, 127.85 TTM low)



Consumers



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L: As of November 2023:

US Personal Savings Rate: 4.20% (Below historical average)

US Total Consumer Credit Outstanding: \$5.01T (first time above \$5 trillion)

R: As of December 2023:

US Retail Sales YoY: 4.78%

US Real Retail Sales YoY: 1.44%

US Index of Consumer Sentiment: 69.70 (Below historical average)

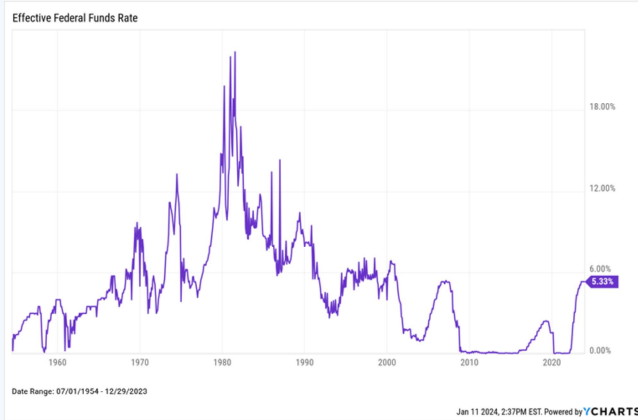


Bonds & Interest Rates

Collection of Data Summarizing Moves
in the Fixed Income Markets over the
Last Quarter



Interest Rates & Spreads



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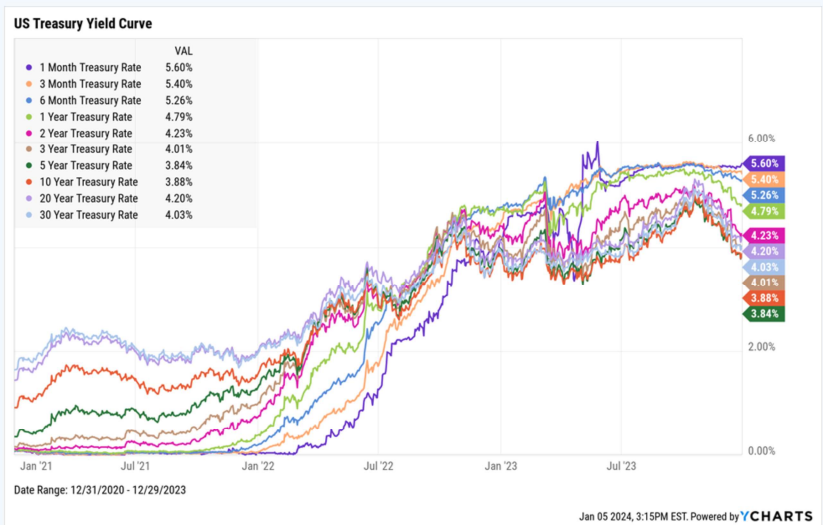
L:
Effective Federal Funds Rate as of 12/29/2023: 5.33%
Current Target Upper Limit Fed Funds Rate: 5.50%

R: As of December 29th, 2023:
S&P 500 Level: 4769.83
10-2 Year Treasury Yield Spread: -0.35% (Inverted since July 2022)



Yield Curve Summary

Duration	Rate	QoQ Δ
1-Month	5.60%	▲ 5 bps
3-Month	5.40%	▼ 15 bps
6-Month	5.26%	▼ 27 bps
1-Year	4.79%	▼ 67 bps
2-Year	4.23%	▼ 80 bps
3-Year	4.01%	▼ 79 bps
5-Year	3.84%	▼ 76 bps
10-Year	3.88%	▼ 71 bps
20-Year	4.20%	▼ 72 bps
30-Year	4.03%	▼ 70 bps



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Duration:	12/31	9/30	QoQ Δ
1 Month	5.60%	5.55%	5 bps
3 Month	5.40%	5.55%	-15 bps
6 Month	5.26%	5.53%	-27 bps
1 Year Rate	4.79%	5.46%	-67 bps
2 Year Rate	4.23%	5.03%	-80 bps
3 Year Rate	4.01%	4.80%	-79 bps
5 Year Rate	3.84%	4.60%	-76 bps
10 Year	3.88%	4.59%	-71 bps
20 Year	4.20%	4.92%	-72 bps
30 Year	4.03%	4.73%	-70 bps



Corporate Yields

Type	Rate	QoQ Δ
AAA	4.51%	▼ 79 bps
AA	4.66%	▼ 83 bps
A	5.02%	▼ 90 bps
BBB	5.35%	▼ 98 bps



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Duration:	12/31	9/30	QoQ Δ
AAA Bond	4.51%	5.30%	-79 bps
AA Bond	4.66%	5.49%	-83 bps
A Bond	5.02%	5.92%	-90 bps
BBB Bond	5.35%	6.33%	-98 bps



Charts of the Moment

Visuals Depicting Trends that are Impacting the Markets and Investments



End of the Bull Market

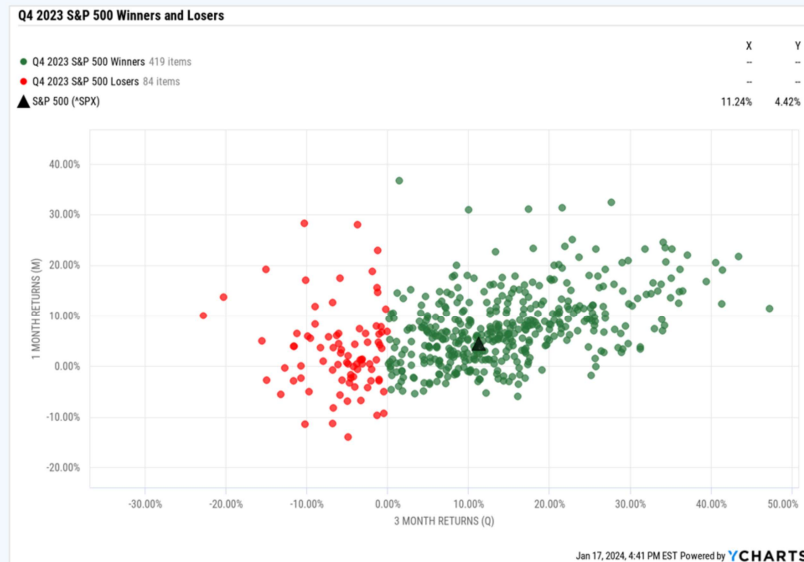


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The S&P 500, represented here by the SPDR® S&P 500 ETF Trust ([SPY](#)), drew down by as much as 25.4% in 2022. Not only did the index emerge out of bear market territory in 2023, but it just about fully erased that drawdown heading into 2024. The S&P 500 index rose 24.3% in 2023, ending the year half a percent away from its all-time high.



Q4 2023 Winners and Losers



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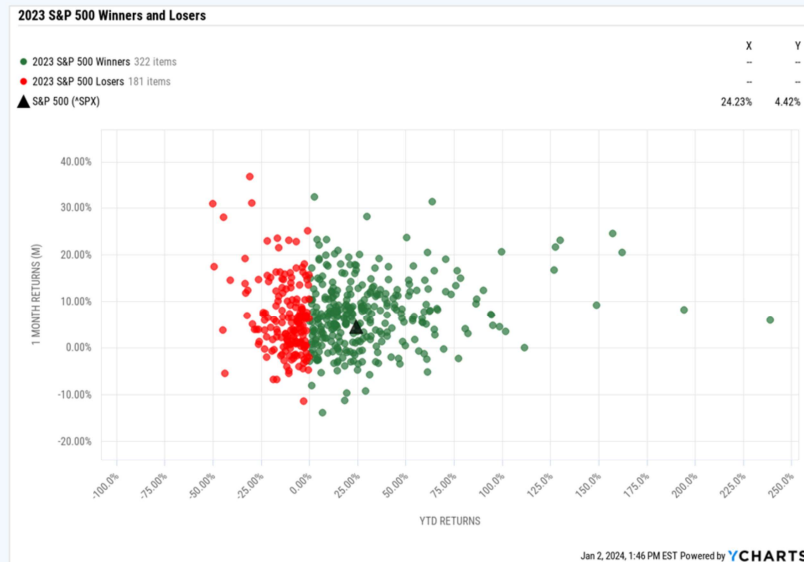
Scatter Plot not appearing in your browser?
Contact support@ycharts.com to access this visual

Out of the 503 S&P 500 constituents, 419 of them posted positive returns in Q4 2023. In other words, 5/6ths of the S&P 500 (83.3%) had a good quarter.

The best performer in Q4 was Expedia Group (EXPE), which finished up 47.27% in the quarter. The worst performer? Hasbro (HAS), posting a -22.80% slump in Q4.



2023 FY Winners and Losers



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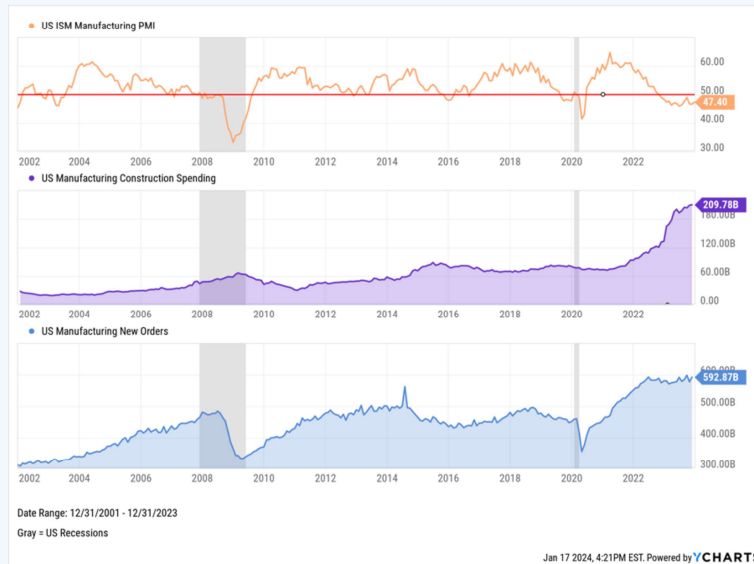
For the year, 322 of the 503 S&P 500 constituents posted positive returns in 2023. In other words, about two-thirds of the S&P 500 (64%) had a good year.

Who were the best and worst performers in 2023? The best: NVIDIA (NVDA) took the crown with a whopping 238.9% increase. Meta Platforms (META) was a close second at 194.2%, followed by Royal Caribbean Group (RCL), which bounced back 162% in 2023 after slumping 63% between 2020-2022.

The worst performers in 2023: Enphase Energy (ENPH), FMC (FMC), and Dollar General (DG), which ended the year down 50.1%, 49.5%, and 44.8%, respectively.



Manufacturing: Contraction, or Expansion?

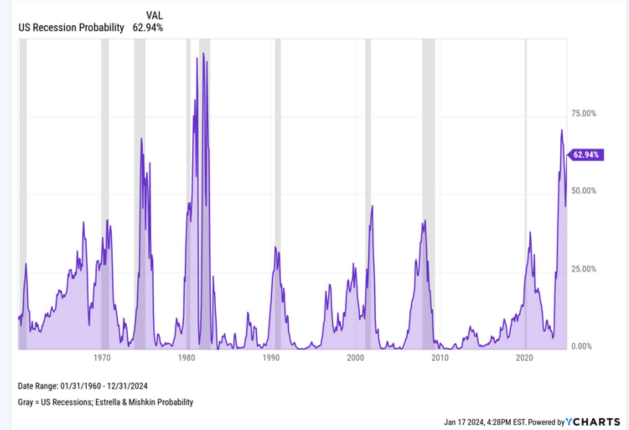
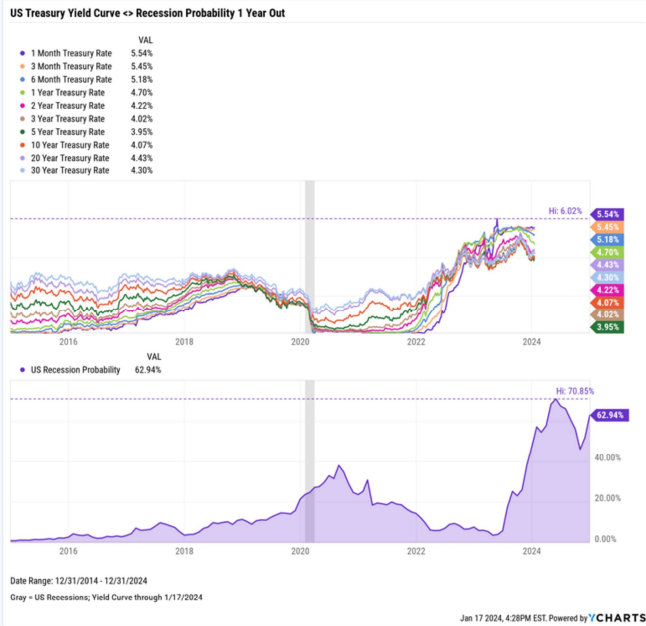


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A reading below 50 indicates the US ISM Manufacturing PMI is in contraction territory. The Manufacturing PMI has been below 50 since November 2022. At the same time, US Manufacturing Construction Spending has accelerated since then, while the \$ amount of US Manufacturing New Orders has remained at an elevated level.



Yield Curve 🍷 Recession Probability



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The Yield Curve has been inverted for quite some time, causing the Estrella & Mishkin yield curve-based US Recession Probability indicator to spike. The current figure of 62.9% for December 31st, 2024 is higher than most recessions in recent memory, including the 1990s, dot-com bubble of 2001, GFC of 2008, and the brief pandemic recession in 2020.