

WEEKLY INSIGHT

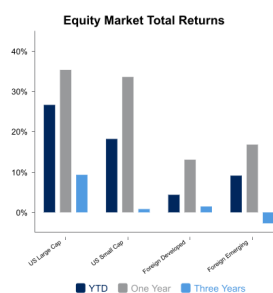
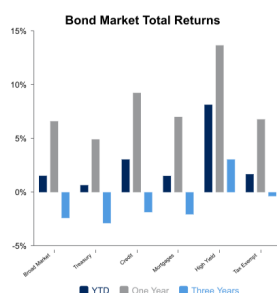
November 15, 2024

Equity markets continued their post-election rise this week with U.S. stocks moving higher by 3.8%, as measured by the Russell 3000 Index. In contrast to the strength demonstrated by domestic equities, international stocks, as measured by the MSCI EAFE Index declined 0.8%. Given the outcome of the election, investors are now attempting to discern what industries and sectors may benefit from policies that could prospectively be enacted when the new administration takes over in January. An example would be how the increased utilization of tariffs might impact the price of goods for companies directly impacted by such policy changes. In contrast to the move higher by equities, the fixed income market was essentially flat with a return of 0.1%.

On the economic front the focus was on the Federal Reserve (Fed) and inflation. Regarding inflation, the Consumer Price Index for October came in at 0.2%, matching the consensus expectation according to FactSet. On a year-over-year basis the reading was 2.6%, also in line with the consensus but higher than the previous month's reading of 2.4%. Housing related costs, as well as services overall continue to remain the primary obstacle to the Fed's efforts to bring the rate of inflation down to its targeted level of 2.0%.

The Fed, at the meeting of its Open Market Committee last week, reduced the Fed Funds rate by another 25 basis points, or quarter of a percent. This brings the range down to 4.50% – 4.75%. Currently financial markets are anticipating another cut of 25 basis points at the next meeting in December. Beyond the reduction expected next month, a slowing in the pace of future reductions is being contemplated as more details on prospective policy changes by the new administration become available.

Other economic releases last week included the NFIB Small Business Index and the Michigan Consumer Sentiment Index (MCSI). Both measures came in with results that exceeded the prior month but are still below their pre-pandemic levels. The MCSI has now moved almost 50.0% higher from its all-time low reading recorded in June 2022. The increased reading for October reflected improved expectations by consumers for personal finances and business conditions. Within the reading for the NFIB Small Business Index the underlying Uncertainty Index rose to its highest recorded level. It is anticipated the level of uncertainty being expressed will ease going forward now that the presidential election is over and more certainty on the government policy front will begin to materialize.



Interest Rates (%)	Current	12M Ago	3YR Ago
Fed Funds Rate (Upper b)	4.75	5.50	0.25
3-Month T-Bill	4.50	5.38	0.04
10-Year Treasury	4.45	4.45	1.56
30-Year Treasury	4.64	4.62	1.93
10-Year Corporate AA	5.18	5.52	2.09
10-Year High Yield Corp.	6.47	7.34	3.90
Commodity Prices (\$)	Current	12M Ago	3YR Ago
Gold (\$/oz.)	2,572.98	1,984.29	1,864.90
Oil (WTI, \$/barrel)	68.43	78.26	67.70
Currencies	Current	12M Ago	3YR Ago
USD (Dollar Index Spot)	106.48	104.05	95.13
USD/EUR	0.95	0.92	0.87
USD/JPY	155.46	150.37	113.89

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