

Market Monthly

November 2024

Highlights

- **Economics** Global equities as measured by the MSCI World gained in November after the US election, reaching yet another new all-time high in November. In the US, annualized GDP came in at 2.8% (previous 2.8%) which was also the expected percentage; the unemployment rate stayed the same as prior 4.1% (which was also expected). Manufacturing PMI for October was expected to be at 47.6 and the final October number came in lower at 46.5. Services were expected to be at 53.8 and came in higher at 56.0 with the previous at 54.9.

In Europe the picture was a bit different with GDP YoY at 0.9% which was also the expected percentage; PMI numbers for October final also weaker with manufacturing at 46.0 (prior 45.0), services at 51.6 (prior 51.4).

- **Inflation:** October CPI in USA increased from 2.4% to 2.6% as expected and the preferable FED measure, core price inflation (PCE) YoY increased to 2.3% (also expected) from 2.1% previous. Eurozone aggregate inflation increased to 2.0% from the previous newly revised from 2.0% down to 1.7%. Values in other economies were as follows: China 0.3%, India 6.21%, Brazil 4.77%, Russia 8.54%
- **Central bank interest rates:** In November the FED meeting brought in a decrease of 25bps in the Upper Bound Rate from 5.00% to 4.75%. The ECB did not hold a rate meeting in November with the next one set for December 12, 2024.
- **Capital market rates:** During the course of the month, the yield on the 10Y Treasuries moved down from 4.29% to 4.17% after rates were cut in November. Similarly the 10Y Bund moved down also from 2.39% to 2.09% at the end of November.

Tactical Asset Allocation

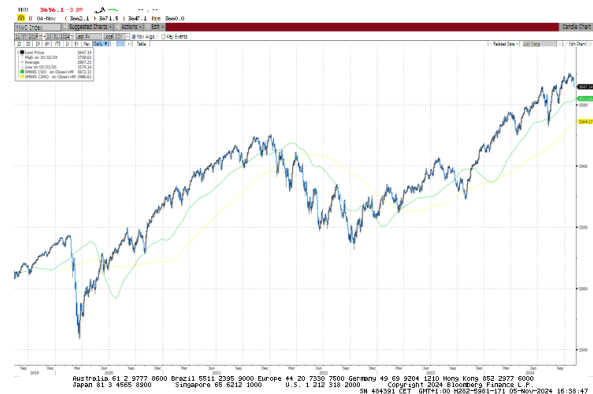
- **Forex:** The USD strengthen against the EUR (+2.78% with the exchange rate being at 0.95 EUR to 1 USD at the end of November.
- **Bonds incl. High Yields (Nⁱ):** So far, our view with peak of yields on US Treasuries in April has materialized. Currently fixed income rebalances should be done to utilize the still high yield environment as worries of the outcome of the US elections have pushed recent yields higher.

- **Equities (N):** November was a strong month for the US with the S&P500 returning +5.73%, Dax followed +2.88% while the SMI was down -0.24%.

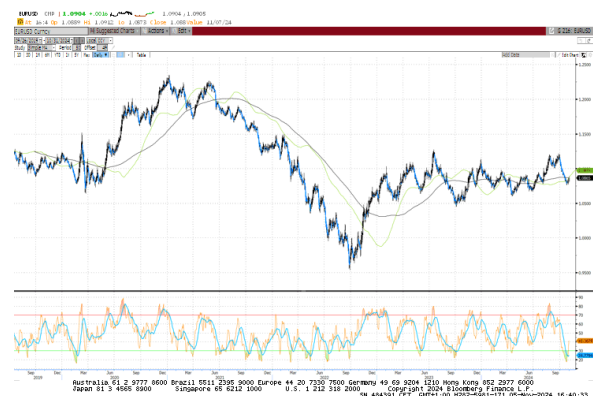
- **Commodities (U):** Crude oil had a mixed month with \$69.26/barrel at the start of the month, and ending at \$68.00/barrel with the conflict in the Middle East continuing. Gold retracted a bit -3.73% in November ending at \$2'639.90/oz after touching a new all-time high of \$2'788.66/oz during the previous month.

Investment Ideasⁱⁱ

- Our exposure remained largely unchanged and focused on taking some profit on various stocks.



Performance Equity Markets MSCI World 5Yⁱⁱⁱ



EURUSD Technical Chart 5y, Bloomberg

ⁱ How to read: (U) underweight; (N) neutral; (O) overweight
ⁱⁱ See rationales on our web page www.aspermontcapital.ch

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