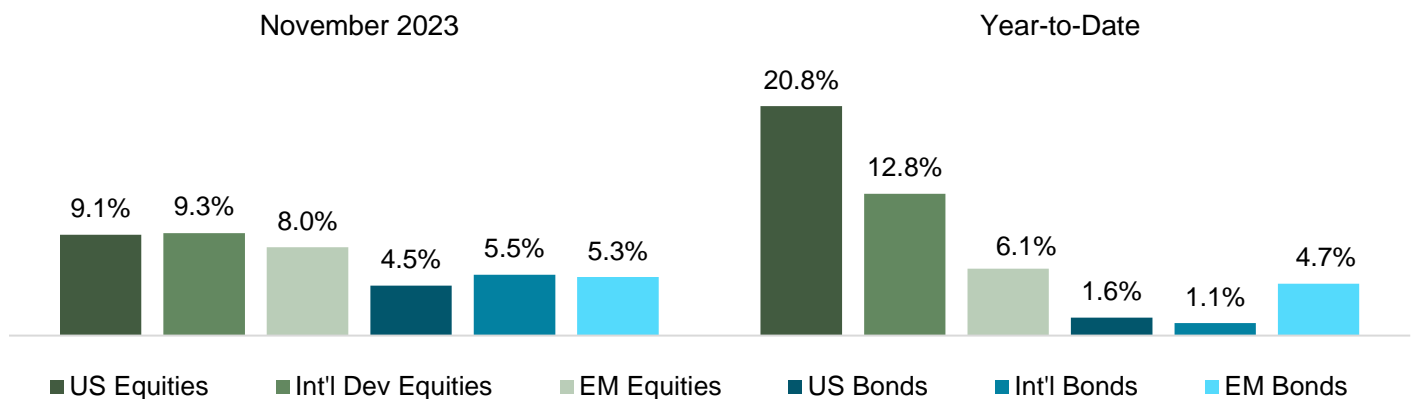


# Monthly Market Review

## November 2023 Market Review

### Returns as of November 30, 2023



Source: FactSet

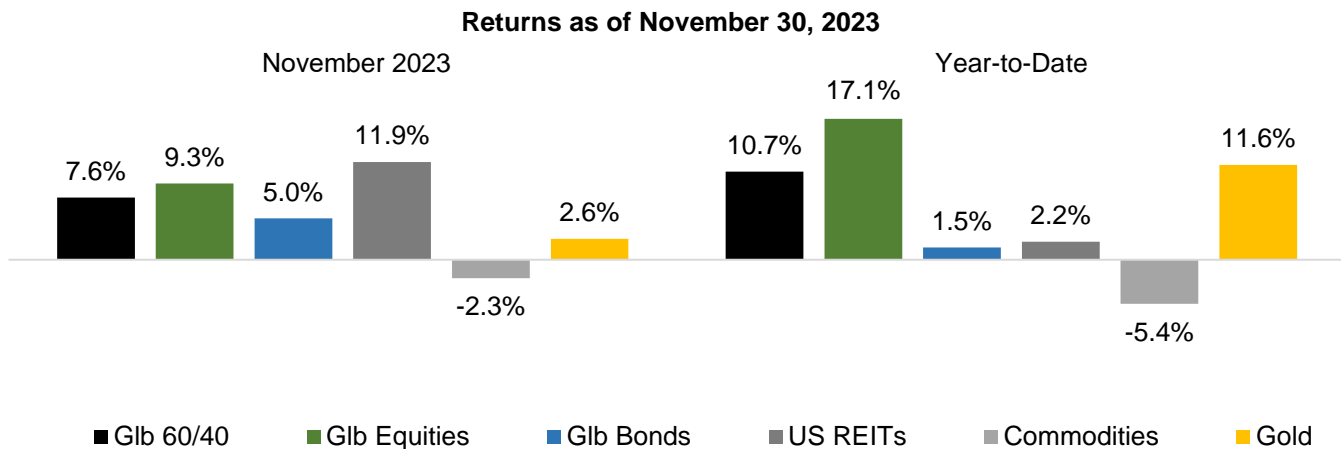
Equities soared during the month of November as softer-than-expected US inflation data strengthened investors' belief that the Federal Reserve (Fed) was done raising interest rates. This helped shift the sentiment of higher interest rates for longer to interest rate cuts in 2024. Despite geopolitical tensions around the world, the US economy remains resilient, and corporate profits are on the rise, according to data from Factset<sup>i</sup>. Technology stocks regained their swagger during the month, with the so-called "Magnificent 7"<sup>ii</sup> mega-cap tech stocks helping drive investment results.

Across the market cap spectrum, value stocks performed better than growth according to the S&P 500 Style Indices. Looking across equity sectors, investment results were varied. The Technology and Real Estate sectors were the top performers, both up over 12%; however, the Energy sector lost value during the month (down 1%).

Bonds broadly saw significant gains as interest rates moved meaningfully lower. The US 10-year note yield fell by over half a percentage, delivering one of the best monthly returns in 10 years (St. Louis Fed Data)<sup>iii</sup>. The two-year Treasury yield, which is more sensitive to policy moves, fell by over 30bps. Lower quality bonds, such as high yield, also gained 4.5%, reflecting broad risk-on sentiment.

Lastly, broad commodities lost value -2.3% for the month. Despite rumors of OPEC production cuts, oil prices fell during the month as production ramped up to historic highs in the US. The price of Gold increased during the month and is at a six-month high, with the weaker dollar providing support for the metal. The Real Estate index spiked, with US REITs increasing by 11.87%. This was largely due to mortgage rates retreating in November after topping 8% in October.

With stocks and bonds increasing in value during the month, traditional balanced portfolios performed well with the global 60/40 index blend up 7.6% in November.



Source: FactSet

## INDEX DEFINITIONS

Asset Class	Index	Definition
Commodities	Bloomberg Commodity	Measures the performance of a broadly diversified exposure to physical commodities via futures contracts.
Emerging Markets Bonds	Bloomberg Emerging Markets USD Aggregate	Measures the performance of hard-currency emerging markets debt, including fixed and floating-rate USD-denominated debt issued from sovereign, quasi-sovereign, and corporate emerging markets debt.
Emerging Markets (EM.) Equity	MSCI Emerging Markets	Measures the equity market performance of countries considered to represent emerging markets.
Global 60/40 Index Blend	60% MSCI ACWI, 40% BBG Barclays Global Aggregate	Measures the performance of a blend of global equities and global bond indexes used as a benchmark for balanced portfolios.
Global Equity	MSCI ACWI	Measures large- and mid-cap equity performance of developed and emerging markets. Represents approximately 85% of the global equity investment universe.
Global Bonds	Bloomberg Global Aggregate	Measures the performance of global, investment-grade debt from 24 local currency markets. This benchmark includes Treasury, government-related, corporate, and securitized fixed-rate bonds from both developed and emerging markets issuers.
Gold	Bloomberg Gold – Total Return	Measures the performance of futures contracts on gold and is quoted in USD.
International Bonds	Bloomberg Global Aggregate ex-USD	Measures the performance of investment-grade debt from 24 local currency markets. This multi-currency index includes Treasury, government-related, corporate, and securitized fixed-rate bonds from both developed and emerging markets issuers. It excludes bonds issued in USD.
International Developed Equity	MSCI EAFE	Measures the equity performance of countries considered to represent developed markets, excluding the US and Canada.
Sector – Energy	S&P 500 Sector Energy	Measures the performance of companies involved in the development and production of crude oil and natural gas and provides drilling and other energy-related services.

Sector – Technology	S&P 500 Sector Technology	Measures the performance of companies involved in technology hardware, storage and peripherals, software, communication equipment, semiconductors and semiconductor equipment, internet software and services, IT services, electronic equipment, instruments, and components.
Sector – Real Estate	S&P 500 Sector Real Estate	Measures the performance of companies that produce, generate, transmit, or distribute electricity, water, or natural gas, and also includes power producers & energy traders and companies that engage in the generation and distribution of electricity using renewable sources.
US Bonds	Bloomberg US Aggregate	Measures the performance of USD-denominated, investment-grade, fixed-rate taxable bond market of SEC-registered securities. The index includes Treasury bonds, Government-related Corporate, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS sectors.
US Equity	S&P 500	Measures the performance of 500 leading companies in the US Constituents generally have a market cap above \$5 billion and represent approximately 80% of the investable market.
US REIT	S&P Composite 1500 Real Estate	Measures the performance of publicly traded US real estate securities, such as real estate investment trusts (REITs) and real estate operating companies.

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<sup>i</sup> Butters, J. (2023, December 1). Earnings Insight. FactSet.

[https://advantage.factset.com/hubfs/Website/Resources%20Section/Research%20Desk/Earnings%20Insight/EarningsInsight\\_120123.pdf](https://advantage.factset.com/hubfs/Website/Resources%20Section/Research%20Desk/Earnings%20Insight/EarningsInsight_120123.pdf)

<sup>ii</sup> The New York Stock Exchange (NYSE) Magnificent Seven; Apple (AAPL), Alphabet (GOOGL, GOOG), Microsoft (MSFT), Amazon (AMZN), Meta (META), Tesla (TSLA), and Nvidia (NVDA).

<sup>iii</sup> FRED<sup>®</sup>, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/DGS10#0>, accessed December 5, 2023.

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