



Basis Points 12.7.2023

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S&P 500 and the Dow Reached 2023 Highs

The markets continued to flourish last week. Investors were not deterred by a warning from Federal Reserve Chair Jerome Powell that interest rate hikes may not be over, and it is premature to speculate when rate decreases will begin. The S&P 500 and the Dow reached new 2023 highs, while the Nasdaq posted solid returns as all three indexes extended a run of five straight weekly gains. Despite additional output cuts by OPEC+, crude oil prices continued to lag as demand remained soft. Ten-year Treasury yields closed down nearly 80.0 basis points from a peak in October.

GDP Grew in Third Quarter

The economy accelerated at an annualized rate of 5.2% in the third quarter, according to the second estimate of gross domestic product (GDP). GDP rose 2.1% in the second quarter. The increase in GDP reflected increases in consumer spending, private inventory investment, exports, state and local government spending, federal government spending, residential fixed investment and nonresidential fixed investment. Imports, which are a negative in the calculation of GDP, increased.

Eye on the Week Ahead

Economic data released during the first full week of December focuses on employment. The latest Job Openings and Labor Turnover Survey is for October. The previous report estimated 9.6 million job openings available in September, relatively unchanged from the prior month's total. This week, focus will also be aimed at the latest employment situation report for November. Employment has shown signs of slowing, with an estimate of 150,000 new jobs added in October, well below the downwardly revised September total of 297,000.

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