

Stock Market Recap – November 2024

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Month in Review

- Markets rallied sharply in November following the US elections, with US small cap stocks leading all markets higher at +10.97% for the month (Russell 2000 TR Index). This represents the first all-time high for small caps in three years.
- US large cap stocks also participated, with the S&P 500 TR Index rising +5.87% in November. The gains for large cap growth and large cap value were about even for the month.
- The strength of the US dollar weighed on international stocks, which fell slightly during the month (-0.57%, MSCI EAFE NR USD Index). After interest rates initially rose sharply, longer-term rates ultimately fell in November, resulting in a +1.06% gain for the bond market (Bloomberg Barclays Aggregate Bond TR Index).

Heading into 2025

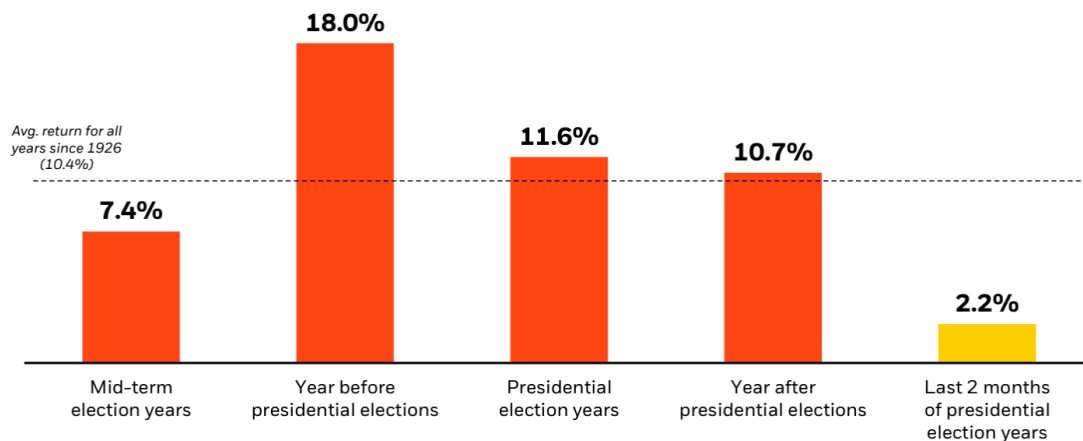
This year has been another strong year for equity markets, particularly US large-cap stocks. For example, the S&P 500 has made over 50 all-time highs in 2024, which is on pace for the fifth most in a calendar year since 1957. Through the end of November, it was also the strongest election year since 1936 for the S&P 500. What do investors have to look to as we head into 2025?

In the very near-term, investors have the month of December. Going back to 1928, the S&P 500 has had a positive return 74% of all Decembers, the highest positive return rate of any month. The average monthly return of +1.3% in December is the second-best month of the calendar year, on average.

There are also historical trends around US election cycles to consider. Since 1926, the S&P 500 has averaged +10.7% during the year after Presidential elections, slightly higher than the +10.4% for any given year. This trend largely reflects the ability for new administrations to enact legislative change prior to mid-term election years, which have historically had below-average results.

U.S. stock performance

Average annual return, 1/1/1926 – 10/31/2024



Morningstar as of 10/31/24. Stock market represented by the S&P 500 Index from 1/1/70 to 10/31/24 and IA S&P U.S. large cap stocks index from 1/1/26 to 1/1/70. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.

What's on Deck for December?

- The Federal Reserve will announce any changes to policy on December 18th. As of December 2nd, the market is pricing a 65% chance of a 0.25% reduction in the Federal Funds Rate.

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