



Weekly Recap

Equities continued to climb higher this week with the S&P 500 and Nasdaq reporting 8 and 9 consecutive days of gains, respectively, resulting in the longest win streak since November 2021. Rates have substantially come in with the 10-Year Treasury rate hovering around 4.65% as compared to the high of 5.00% we witnessed roughly two weeks ago. Analysts believe the main catalyst for the most recent market action is a shift in investors' sentiment. There were concerns that the substantial backup in yields during September and October were tightening financial conditions too drastically, but the market now appears to be warming up to a "soft landing" scenario. On Thursday, Initial Jobless Claims totaled 217,000 for the week prior, coming in below expectations of 218,000. In addition, Continuing Claims reported 1.835 million which was higher than consensus estimates of 1.820 million. The resilient labor market is signaling that layoffs remain subdued; however, the rise in continuing claims is highlighting it is taking longer to secure a new job for those who are unemployed. A preliminary reading of Consumer Sentiment from the University of Michigan was released on Friday with the index reporting 60.4 for the month of November, below economist expectations of 63.7. This marks the fourth consecutive month of declines and the lowest reading since May, as consumers seem to be concerned with the negative effects of inflation and higher interest rates in the long run. Technology and communication services led the week gaining 4.8% and 2.2%, respectively, while energy lagged at -3.8%.

Key Thought for The Week

Following the U.S. Federal Reserve's decision to leave rates unchanged last Wednesday, investors shifted their focus to post-FOMC Fed commentary. The overall hawkish tone from Fed officials, partially in reaction to rates declining nearly 40-50 basis points at the long end of the curve last week, had little impact to the Treasury market. The rally in the Treasury market that began earlier this month was driven by softer-than-expected economic data, slightly less Treasury issuance over the next few months, and investors pricing in a less aggressive Fed. Fed Chair Powell expressed the Fed is "not confident" that interest rates have been satisfactorily raised to curb inflation on Thursday at an IMF event. Rates did increase following Powell's comments with the 2-year trading back above 5%. The Fed's view on inflation and how they are communicating their shifts to policy continue to diverge from the market's view. Investors are pricing in a 20% probability the Fed hikes at one of their two upcoming FOMC meetings and then shifts to rate cuts as early as July of next year. On Tuesday next week, the Consumer Price Index (CPI) will be released, and analysts are expecting the rate of inflation to decline from 3.7% to 3.3% on a year-over-year basis, helped by declining global energy prices. Furthermore, the expectation for CPI on a month-over-month basis is for a 0.1% increase.

11/10/2023	Wk	Wk	YTD	12 Mos
	Net	%	Div	%
	Change	Change	Yield	Change
STOCKS	Close			
DJIA	34,283.10	221.78	0.65	1.68
S&P 500	4,415.24	56.90	1.31	15.00
NASDAQ	13,798.11	319.82	2.37	0.79
S&P MidCap 400	2,439.62	-38.72	-1.56	1.85
EAFE	2,036.08	5.02	0.25	3.34
Emerging Market	956.25	7.99	0.84	2.93

TREASURIES	Yield	FOREX	Price	Change
1-Year	5.38	USD/EUR	1.07	-0.43
2-Year	5.07	JPY/USD	151.53	-1.41
5-Year	4.69	USD/GBP	1.22	-1.26
10-Year	4.65	CAD/USD	1.38	-1.03
30-Year	4.76			

Source: FactSet/Bloomberg

Sector - Large Cap

	Close	Wk	WTD	MTD	QTD	YTD
		Net				
		Change				
Defensive						
Staples	728.23	1.57	0.2%	1.5%	0.1%	(6.5%)
Health Care	1,469.99	-14.20	(1.0%)	1.3%	(2.1%)	(7.3%)
CommServices	231.90	5.01	2.2%	6.5%	4.4%	45.5%

Eco Sensitive

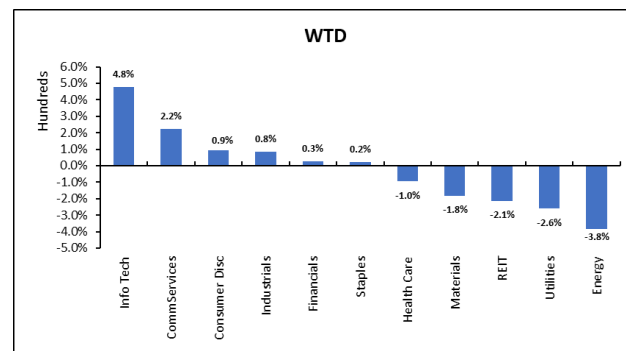
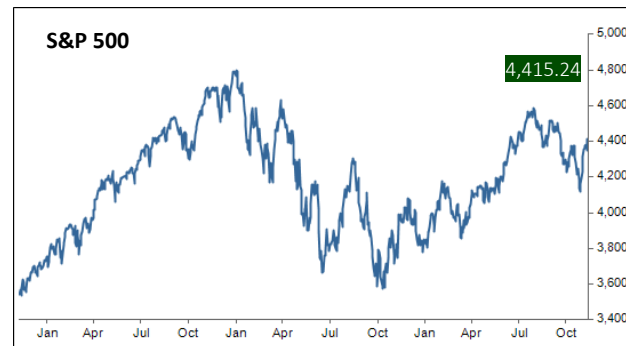
Consumer Disc	1,280.59	11.73	0.9%	6.1%	1.3%	27.4%
Energy	637.88	-25.36	(3.8%)	(2.2%)	(8.1%)	(5.1%)
Industrials	866.21	7.26	0.8%	4.1%	1.0%	4.2%
Info Tech	3,193.75	145.09	4.8%	10.0%	9.9%	47.0%
Materials	486.80	-9.07	(1.8%)	1.7%	(1.6%)	(0.6%)

Interest Rate Sensitive

Financials	562.95	1.56	0.3%	4.7%	2.0%	(1.2%)
Utilities	305.68	-8.15	(2.6%)	0.9%	2.2%	(14.7%)
REIT	215.43	-4.69	(2.1%)	3.8%	0.8%	(7.3%)

COMING UP NEXT WEEK

		Consensus	Prior
11/14	CPI ex-Food & Energy SA M/M	(Oct)	0.30%
11/14	CPI NSA Y/Y	(Oct)	3.3%
11/15	PPI ex-Food & Energy SA M/M	(Oct)	0.25%
11/15	PPI SA M/M	(Oct)	0.10%
11/15	PPI NSA Y/Y	(Oct)	2.0%
11/15	Retail Sales ex-Auto SA M/M	(Oct)	0.0%
11/15	Retail Sales SA M/M	(Oct)	-0.10%
11/16	Philadelphia Fed Index SA	(Nov)	-9.5
11/16	Capacity Utilization NSA	(Oct)	79.3%
11/16	Industrial Production SA M/M	(Oct)	-0.60%
11/17	Housing Starts SAAR	(Oct)	1,365K



Russell Style Return

WTD	Value	Blend	Growth
Large	(0.99%)	1.16%	3.02%
Medium	(1.15%)	(0.74%)	0.26%
Small	(3.79%)	(3.11%)	(2.37%)

YTD	Value	Blend	Growth
Large	0.76%	16.05%	32.46%
Medium	(1.00%)	2.77%	9.86%
Small	(4.01%)	(1.95%)	(0.34%)

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