TREASURE

December 2023
Economic Snapshot

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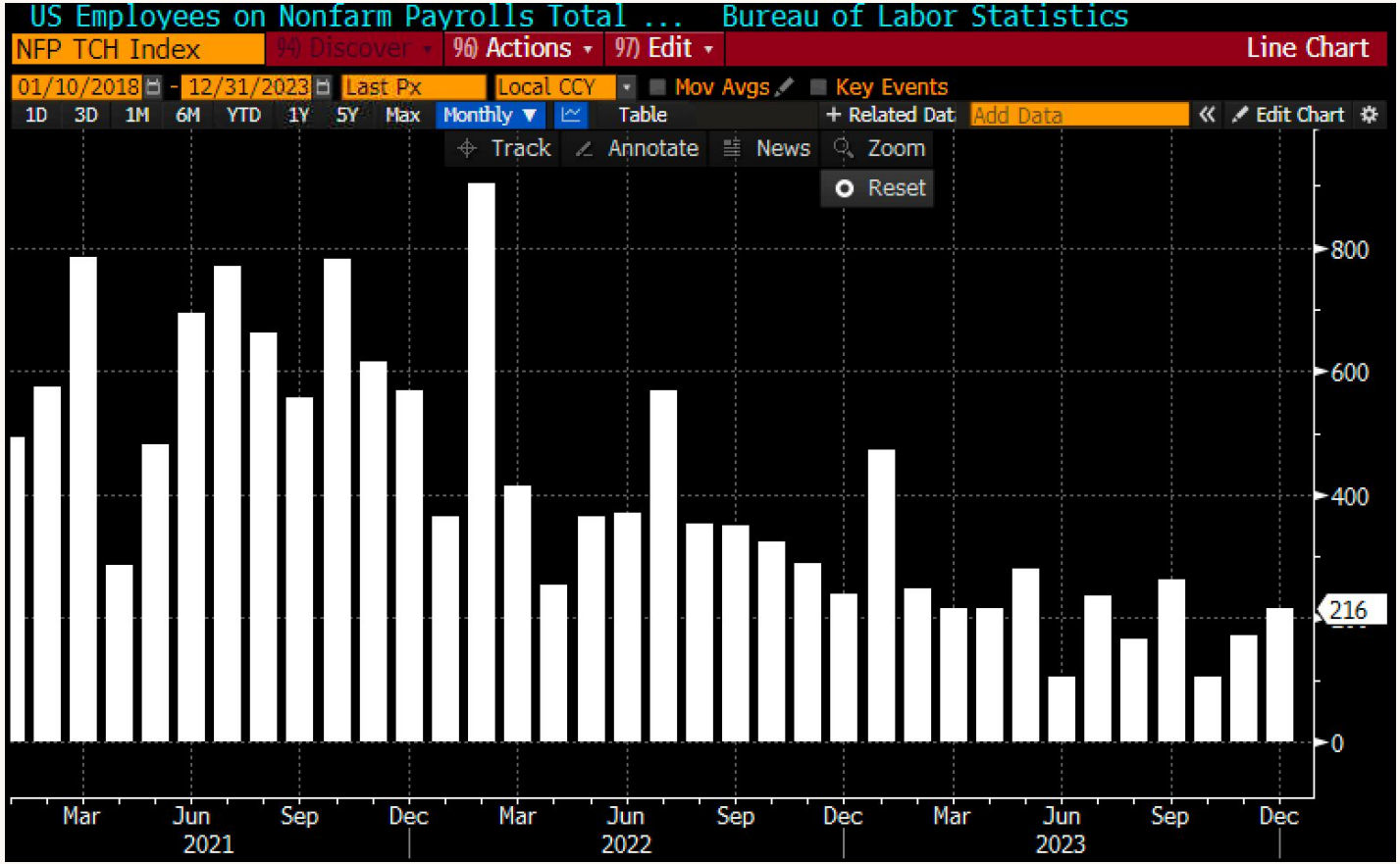
Disclosure: Not investment advice

Employment growth remains above 200k



Monthly change in Non Farm Payroll (in 1000k).

Data: Bloomberg

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Inflation has moderated but remains above 3%

Annual change in Consumer Price Index (CPI).

Data: Bloomberg

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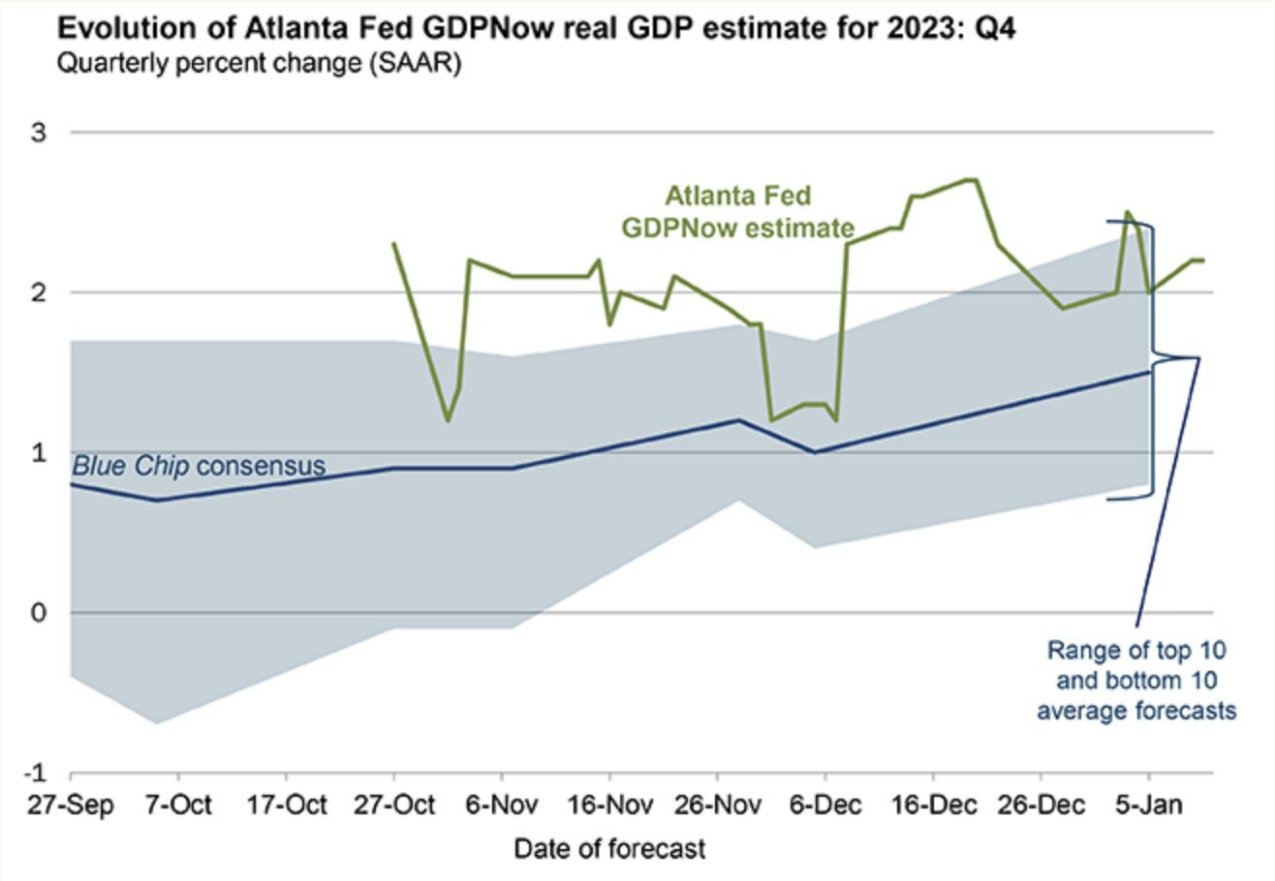
Q4 GDP expected to be above 2%



Helped by yet another strong retails sales number in November.

Data: Fed.

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Gasoline price declined to $3 per gallon

As (non-Opec) oil production increased this has pushed oil price lower; thus resulting in lower gasoline prices.

Data: Bloomberg

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Long dated Government yield declined to 4%

Yield on the 10 year U.S Treasury bond.

Data: Bloomberg

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Mortgage rate declined to 7%

Mortgages rate declined helped by the decrease in long term Government bond yield.

Data: Bloomberg

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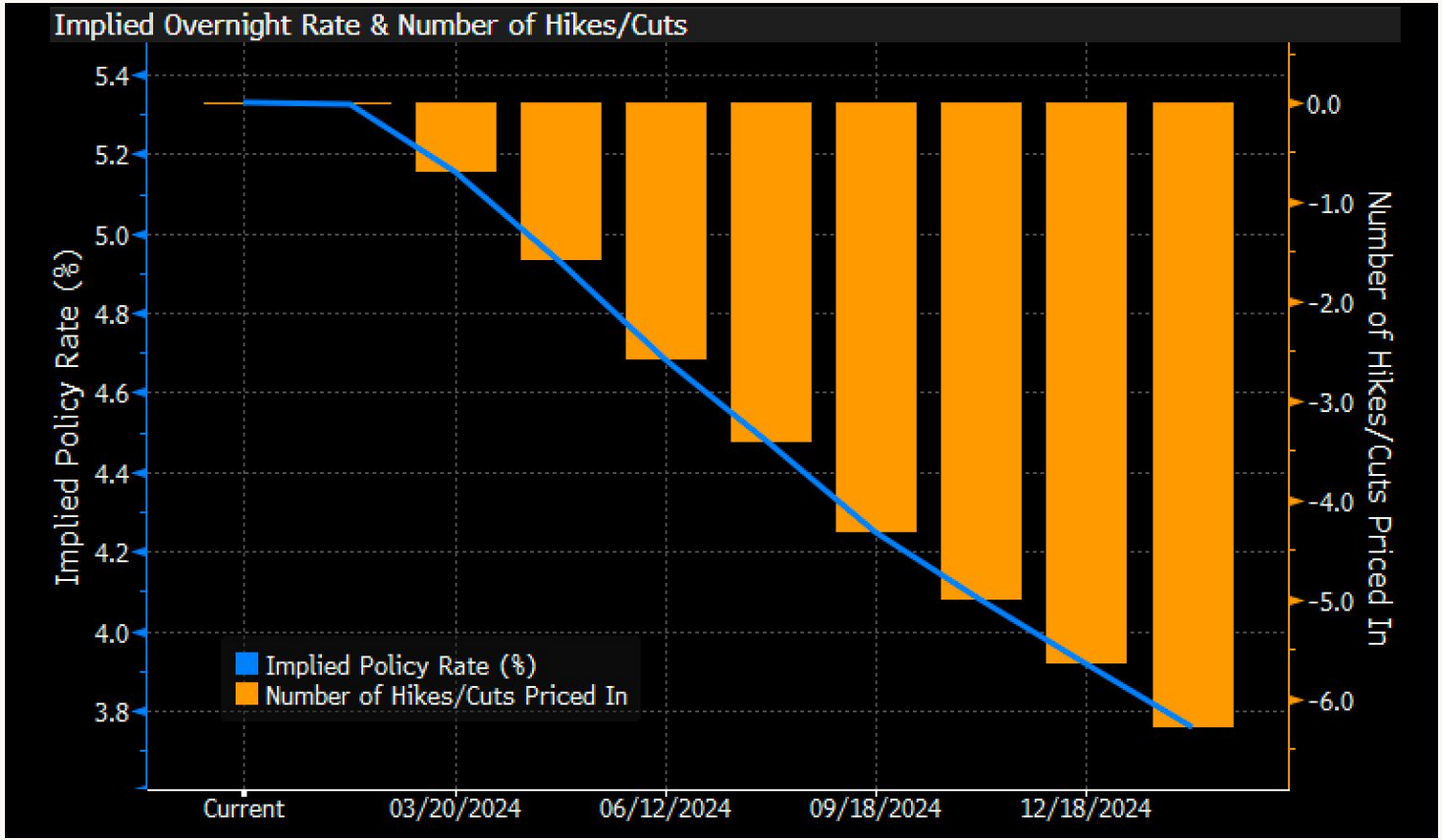
Lots of interest rate cut priced in for 2024



The Fed rate is expected to finish 2024 at 4%; implying more than 5 interest rate cut this year.

Data: Bloomberg

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Equities surged into the New Year

The S&P 500 surged in Q4 helped by the Fed dovish comments at its November meeting.

Data: Bloomberg

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Crypto has kept moving higher

Following the general market movement, crypto rebounded ahead of the launch of several Bitcoin ETF.

Data: Bloomberg

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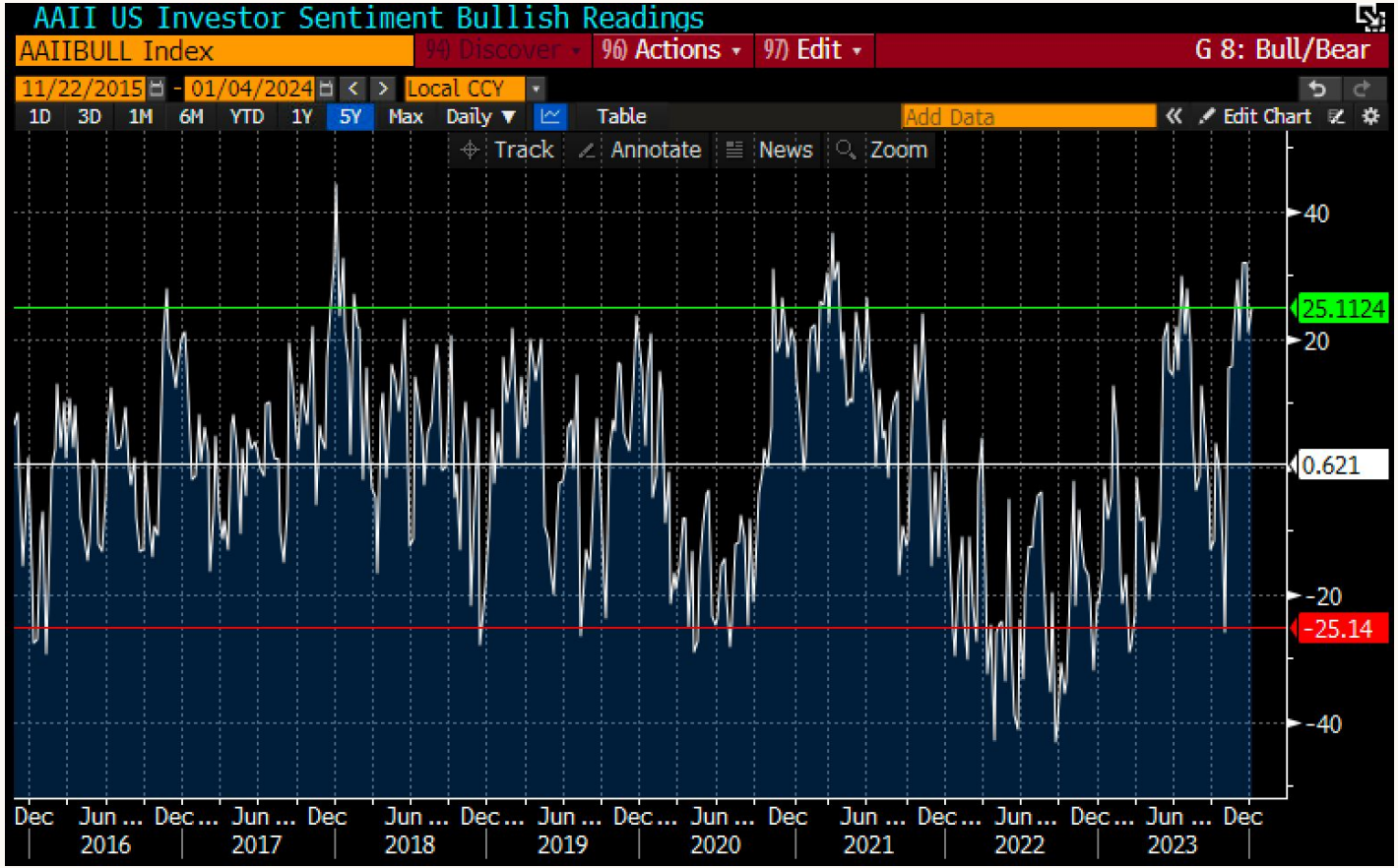
Bullish sentiment is high



The Bull/Bear Ratio is calculated by the difference between the number of bullish advisors and the number of bearish advisors. This ratio indicates the bullish sentiment across market participants and is typically seen as a contrarian indicator (the more bullish the lower the expected returns

Data: Bloomberg

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2023 Summary

Economy: The economy remained extremely resilient in 2023 helped by the strength in the service sector as well as the large Government deficit. This goldilocks environment was also helped by the overall decrease in inflation.

Markets: As with the economy remaining resilient, markets spend the year “climbing the wall of worry” after the bearishness experienced in 2022. 2023 finished with a “Santa rally” helped by the Fed comments in early November about being done hiking interest rates.

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