



November 30, 2024

Here are the informational and educational contents of your Screening Reports, including all attachments and links to files, if any.

### **Market Recap and Outlook:**

Equity markets maintained their upward momentum. With the shopping season in full swing, U.S. companies are expected to benefit from rising revenues.

Please keep an eye on the sales data set to be released this coming Monday. Positive results could provide a boost to the markets.



The Dow opened this week with an upward gap, breaking its most recent record high with a strong rally and surging volume. These bullish signs propelled the index higher each day throughout the week.

However, based on estimates derived from the wave replication method (shown by **arrows**), the index appears to have completed its third wave and is expected to slow down or retrace before the onset of the fourth wave.

## S&P 500



In contrast, the S&P 500 stalled near the 6,000 mark. While no bearish pattern is evident on the chart, the index failed to rally on Monday despite a surge in volume, posting a concern for investors.

Positive news from Black Friday sales could alleviate the concern and push the index higher, with the second target of the **continuation pattern** in sight. Otherwise, the index may move sideways.

## Nasdaq



The Nasdaq traded sideways throughout the week. A positive development is that the downward gap from November 15 has been filled. Although no bearish pattern is present, the index is expected to gradually climb higher, challenging its all-time high in the near future.



The Russell 2000 remained strong, opening the week with an upward gap and piercing its historical high at 2,458. Although the index couldn't close above this level, it showed no signs of pullback. Technical analysis anticipates the small-cap index to test the historical high several more times before achieving a final breakout to establish a new record.

### **Macroeconomic Takes:**

President-elect Donald Trump and Republicans in Congress are planning to renew expiring tax cuts, a move that could add \$4 trillion to deficits over the next decade. While the tax cut extension will benefit nearly all Americans, the rising debt burden is a significant concern on Wall Street. This issue is expected to dominate discussions in 2025.

Trump also announced plans for higher tariffs targeting Canada (25%), Mexico (25%), and China (10%). Canada's largest exports to the U.S. include oil, gasoline, and automobiles, while Mexico primarily exports cars, car parts, and electronics. These proposed tariffs risk disrupting the global trading system. However, whether the policy will be implemented remains uncertain, as Treasury Secretary nominee Bessent views tariffs as a negotiating tool with trade partners. If implemented, the stock market could experience heightened volatility.

The core personal consumption expenditures (PCE) price index, which excludes volatile food and energy prices, is the Fed's most critical economic barometer. The latest data shows the PCE rising 2.8% year-over-year in October and 0.3% month-over-month. A significant portion of this increase stems from higher financial service fees (e.g., wealth management fees, insurance premiums, etc.), influenced by rising stock prices.

U.S. GDP growth remains steady at 2.8%, marking the strongest performance among industrialized nations. Business investment has increased, while consumer spending

saw a slight dip. Consumer spending, the primary driver of economic growth, advanced by 3.5%, its highest rate this year.

**Conforming Credit Spread Screening:**

**Standard** Volatility settings.

The screening report is displayed in PDF and Excel, with identical contents. To further analyze the data in the Excel report, subscribers can select and copy the data entries of interest into a spreadsheet application for their own personalized studies. Subscribers must double check the earnings announcement dates on their own.

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