



December 14, 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:**

The stock market showed mixed performance this week.

Strong Black Friday sales boosted tech companies' revenues, driving the Nasdaq higher.

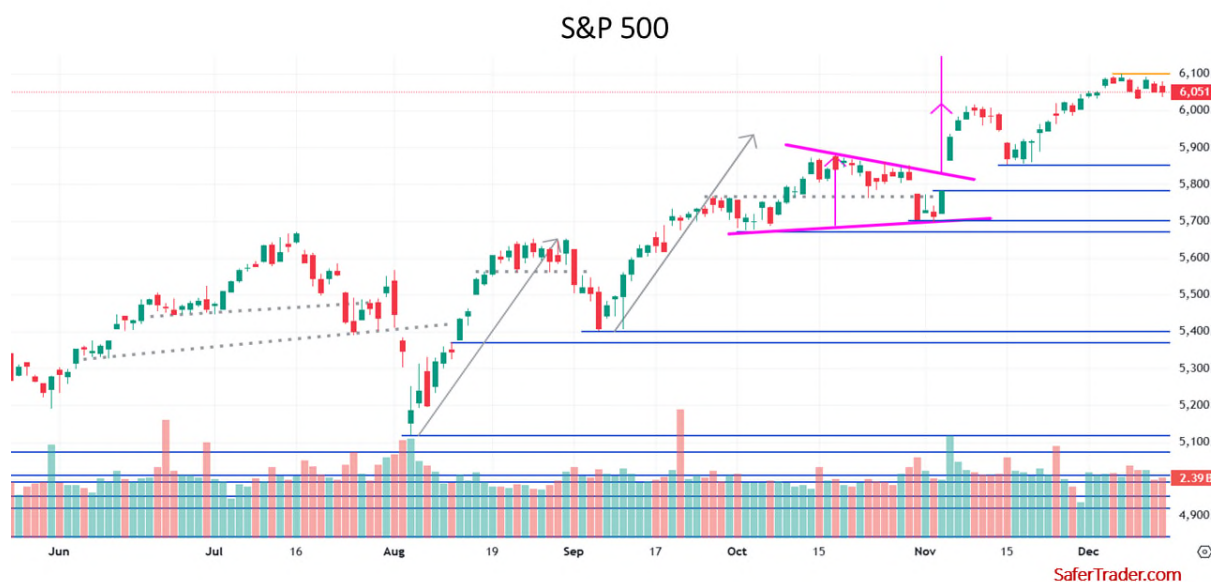
However, news of the United Healthcare CEO being shot negatively impacted its stock price. As a high-priced Dow component, the United Healthcare dragged the index down.

The S&P 500, with its blend of tech and blue-chip stocks, remained relatively flat. This period of consolidation suggests a significant directional move is likely imminent.



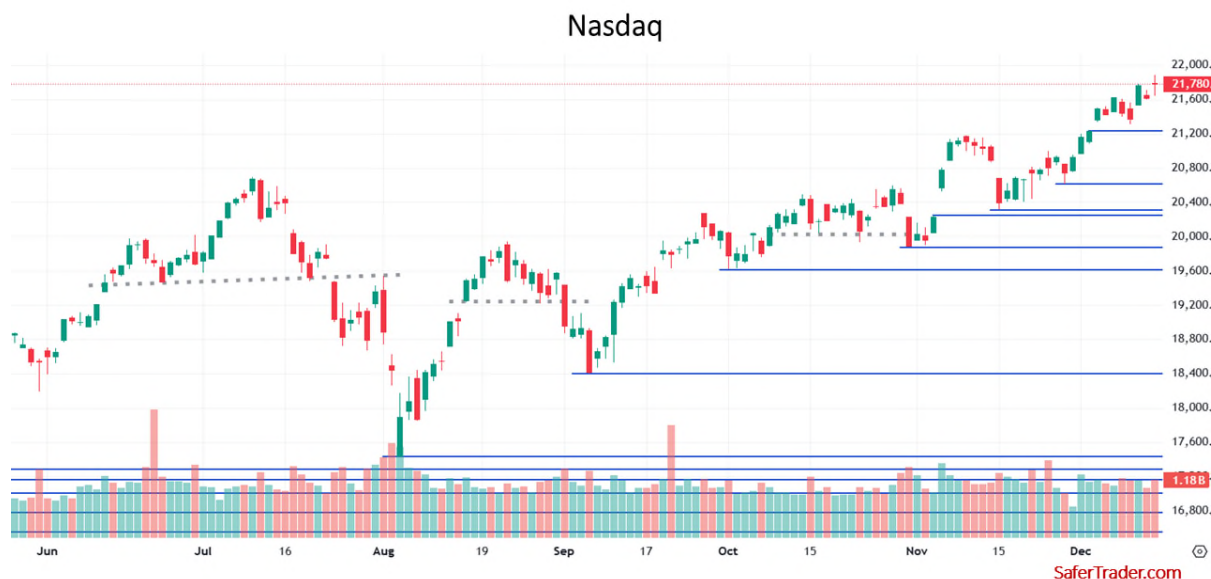
The Dow experienced eight consecutive days of decline, a concerning sign indicating a lack of buying pressure to counter the selling force. This downward trend may persist unless positive news attracts investors back to the market.

The 43,000 level is anticipated to provide support; if this level fails to hold, a double-top pattern could form, signaling a bearish outlook.

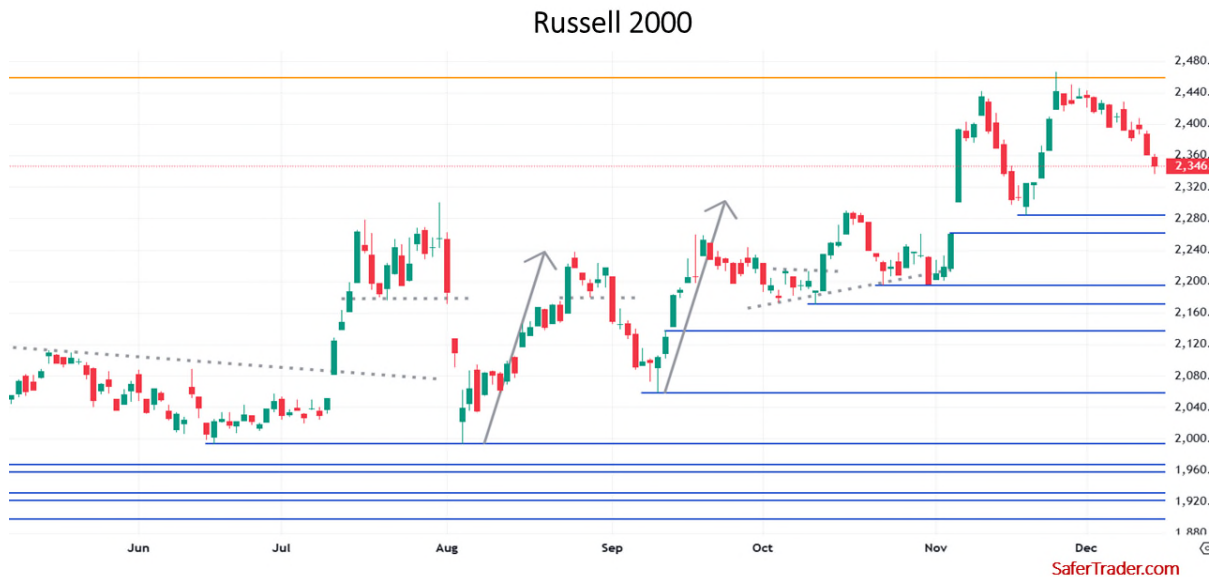


The S&P 500's uptrend has paused, entering a consolidation phase. Last Wednesday's upward gap has been filled, suggesting weakening buying momentum.

The key support level to watch is 6,020, previously a record high. A break below this level would indicate a false breakout, while holding above it could signal a new record high.



The Nasdaq continued its upward trajectory. The gap created on December 4th was tested but remains unfilled. Importantly, volume has not declined alongside the price increase, a healthy indicator. This gradual uptrend is expected to continue.



The Russell 2000 maintained its bullish momentum, although the pace of its decline has accelerated. The 2,320 to 2,280 range was a launchpad for the recent uptrend and may offer support. However, if the index continues to fall below 2,280, a double-top pattern would emerge, leading to a negative outlook.

### **Macroeconomic Takes:**

November's Producer Price Index (PPI) and Consumer Price Index (CPI) releases were key economic events over this week. The PPI jumped by 0.4%, its highest increase in five months, signaling a potential surge in inflation. This follows a period of moderation earlier in the year and adds to uncertainty surrounding prices and interest rates, especially with the Trump administration's proposed tariffs.

The CPI also rose, increasing by 0.3% in November and 2.7% year-over-year, the highest rate since July 2024. This suggests retailers are anticipating inflation in 2025. This data could influence the Federal Reserve's decision on an expected interest rate cut next week. Two consecutive months of rising inflation reverse some of the progress made earlier this year.

As discussed in this newsletter, comparing PPI and CPI provides a simple method for assessing economic health. PPI represents the overall costs incurred by the economy, while CPI reflects total revenues. When PPI grows faster than CPI, it suggests a **decline** in economic "earnings." While investors avoid making predictions based on a single month's data, this trend warrants close attention.

### **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.

Stay safe and Trade cautiously,

A handwritten signature in black ink that reads "Shane". The script is cursive and fluid.

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