WEST SHORE BANK

WEEKLY RECAP - November 18, 2024

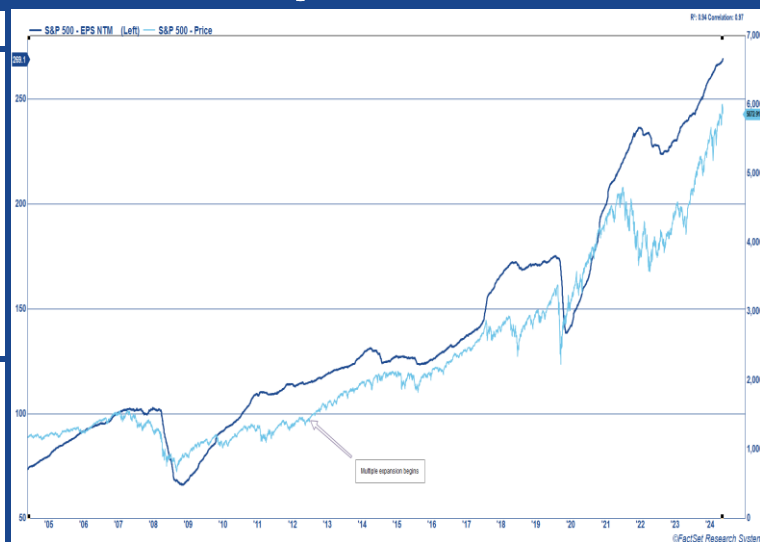
Economic & Market Commentary

The post-election rally faded a bit last week as the market took a more defensive tone with stretched valuations and higher bond yields contributing to market declines. Uncertainty was further punctuated by fast-evolving developments of the new administration on policy and cabinet positions with the bulk of focus on tariffs, deficit, and immigration. Other factors last week centered on economic data, as inflation in October was in line with estimates while October retail sales were higher than projected. October CPI was in line on both a core (excludes food and energy) and headline basis with 12-month rates also coming in as expected. Core goods came in unchanged m/m, while core services rose though decelerated from last month. Still, shelter again continued to provide upside pressure with the index for shelter accounting for over half of the monthly increase. Ultimately, analyst takeaways noted the report showed little signs of inflation reaccelerating, but disinflationary progress has slowed. Retail sales report beat consensus and was highlighted by the large upward revision to September's numbers from +.04% to +.08%. October's release noted solid gains in electronics, cars & parts, restaurants & bars, with declines in furniture and department stores. Overall, there were both bullish and bearish takeaways last week. On the bearish side, bond yields rose amid concerns over the slow pace of disinflation, continued upside macro surprises, and potential Trump-era tariff policies. Also, Fed Chair Powell's comments were slightly more hawkish compared to prior week, while geopolitical tensions added to market uncertainty. On the bullish side, strong US equity inflows highlighted investor optimism, supported by in-line CPI report and consumer resilience theme after strong retail sales readout for October. Additionally, S&P 500 earnings estimates for 2025 have held up well and consensus forecast shows growth of +15.0%.

Index Total Returns - November 15, 2024

	1-Wk	YTD	1-Yr
NASDAQ	-3.13	25.20	33.39
S&P 500	-2.05	24.56	32.22
S&P 400	-2.67	16.82	28.18
Russell 2000	-3.96	14.99	29.73
Dow Jones	-1.17	17.11	26.59
MSCI-Emerging	-4.45	8.26	13.01
MSCI-Developed	-2.57	4.32	11.91
Barclay's U.S. Bond Index			
High Yield	-0.36	7.88	13.56
Int. Gov. Credit	-0.38	2.68	6.29
Aggregate	-0.85	1.33	7.12
5-year Muni	0.09	1.46	4.80
Municipal	0.12	1.46	6.69

Market Price and Earnings Growth Correlation



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.33	4.31	5.26
U.S. 2-Yr	4.31	4.25	4.93
U.S. 3-Yr	4.28	4.20	4.69
U.S. 5-Yr	4.31	4.19	4.53
U.S. 10-Yr	4.44	4.30	4.54
U.S. 30-Yr	4.61	4.46	4.70

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.44	3.45	3.76
U.S. AA	3.46	3.48	3.82
U.S. A	3.83	3.84	4.35
U.S. Baa	4.29	4.29	4.90
U.S. Municipal	3.59	3.60	3.99
Michigan	3.74	3.76	4.14

S&P 500 Sector Total Returns - November 15, 2024

Sector	1-Wk	YTD	1-Yr
Info Tech	-3.16	32.60	39.33
Comm. Services	-2.11	33.23	38.85
Financials	1.44	34.26	46.28
Utilities	0.16	28.25	32.79
Industrials	-2.08	23.37	34.69
Con. Discretion	-1.11	22.23	30.86
Consumer Staples	-1.18	15.37	18.95
Energy	0.86	16.20	16.06
Real Estate	-2.05	10.02	23.68
Materials	-3.26	7.92	16.36
Health Care	-5.52	5.33	12.74

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	21.86	18.40	1.22
S&P 400 - Mid Cap	16.50	15.97	1.33
S&P 600 - Small Cap	16.40	15.49	1.52

Sources: FactSet