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Weekly Wire

Trick or Treat Week

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It's been a rocky road for the stock market of late and last week two major indices, the S&P500 and NASDAQ, [both reached "correction"](#) status meaning both are now down over 10% from their recent price highs. [The 'Magnificent 7' stocks](#) meanwhile, on average, are starting to close in on a 20% loss from their highs.

Two major factors have been impacting market prices in recent weeks. First, the spike in longer-term interest rates due to a [stronger-than-expected economy](#) has negatively impacted equity valuations. Second, it is clear from a variety of price charts, but the major conflict in the Middle East has been a clear [inflection point](#) for prices. Two leading examples are that stock prices had a short-term price peak when the military conflict began, and gold prices had a short-term price bottom.

[This week](#) will have plenty of trick or treat opportunities for investors. Developments in the Middle East will be one. The direction of longer-term interest rates is another. Ten-year Treasuries have been knocking on the door of [5% yields](#) but finished last week at 4.85%. This week we have the latest Federal Reserve meeting. The expectation is that the Fed will change short-term rates, but any perceived guidance could be impactful. The largest stock in the world, Apple, releases earnings this Thursday. This coming Friday also has the latest employment numbers.

Short-term, there are some positives. We are soon entering November, and the typically positive return profile for the [last two months of the year](#). [Investor sentiment](#) has also moved to its most negative levels in months, which in turn usually sets the stage for above-average returns in the months ahead.

Add it all up...

Stay invested. Stay diversified. Stay disciplined.

Key Economic Data Last Week

Data Point	Expectation	Actual
Q3 GDP	4.5%	
Durable Goods Orders	2.0%	
Personal Income	0.4%	
Personal Spending	0.5%	
PCE YoY	-	
Core PCE YoY	3.7%	

Key Economic Data This Week

Data Point	Expectation	Release Date
ADP Employment	150,000	11/1/2023
Job Openings	9.3M	11/1/2023
ISM Manufacturing	49.0%	11/1/2023
Nonfarm Payrolls	175,000	11/3/2023
US Unemployment Rate	3.8%	11/3/2023
ISM Services	53.2%	11/3/2023



Mind Over the Market

Fear to take a risk can bring about the very thing you're afraid of.

The Behavioral Investor, Dr. Daniel Crosby



Trivia

What popular fall beverage introduced by Starbucks in 2003 can significantly impact the company's earnings during the Halloween season?

[Pumpkin Spice Latte](#)