



Old Second
WEALTH MANAGEMENT



RIVERSTREET
ADVISORS, LLC

Monthly Mosaic | November 6, 2024



Perspective

As polls closed and results were tabulated, prognostication conceded to reality. With a clear outcome for the Presidential election the feared “contested election” was averted. Recall that in 2000, the President Elect was not known until six weeks after the election and as a result, there was not the usual post-election rally. That uncertainty impacted both consumer and business confidence ultimately pushing the economy into a recession. With clarity of results at the top of the ticket, markets opened with a “Trump Bump” of over 2%.

Still we fully subscribe to the idea that election outcomes have little impact on the long-term direction of the economy and overall markets! Yet there are underlying themes that may be exploited based on policy and the incoming administration’s agenda. Furthermore, some of those policies may become a mandate depending on pending results for both the U.S. House and Senate.

Additionally, the FOMC is currently meeting and will make a decision on a possible rate cut Thursday. With a 25bp cut anticipated, markets will likely react favorably. Distinguishing the impact between election results and a softer monetary policy from the FED may be difficult but lower rates will certainly prove favorable to the economy. Still the economy may be slowing with the Bureau of Economic Analysis estimating GDP growth slowing to 2.8%. Ultimately the economic landscape will be the primary determinant of markets moving forward but the incoming administration’s policies may provide opportunities within the markets.

Trump has made it clear that he would be tough on trade initiatives and would likely target tariffs on China. This would obviously negatively impact the Chinese markets and likely prove difficult for U.S. Multinationals. Additionally, reduced regulation will benefit financials domestically and a pullback on oversight from the FTC in a falling interest rate environment will lead to an increase in M&A activity.

While we will look closely at those opportunities, remaining vigilant of the credit market and economic outlook will be our primary focus in determining overall asset allocation and portfolio positioning. If you wish to learn more about our views and post-election investment opportunities we encourage you to reach out to your financial advisor.



Monthly Recap

- Middle East tensions tightened when Iran launched a strike of nearly 200 ballistic missiles toward Israeli targets, sending oil prices higher.
- Hurricane Milton made landfall in Florida, leaving a path of destruction, at least 16 people dead, and millions without power with estimated damages between \$20 to \$60 Billion.
- Three Mile Island, the nuclear power plant near Middletown Pennsylvania, notorious for its 1979 partial meltdown is coming back online. The news comes as many hyper-scaler companies search for energy sources for their massive data center projects.
- BRICS-Plus group (Brazil, Russia, India, China, South Africa) held a summit in Kazan, Russia. This group serves as the counterparty to the United States-led G7 group and aims to reduce the global influence of the United States and its allies. Many subjects were broached including the creation of a new payment system to serve as an alternative to the SWIFT system.



Markets

Market Indices	Total Return as of: 10/31/2024		
	MTD %	YTD %	1-Year %
S&P 500 Index	0.01%	21.64%	36.55%
NASDAQ Composite	1.05%	23.25%	39.64%
Russell 2000 Index	0.03%	10.33%	33.46%
MSCI EAFE Index	-4.91%	7.81%	21.67%
MSCI Emerging Markets	-4.59%	12.47%	25.20%
BBG US Aggregate Bond	-2.77%	2.38%	9.48%
WTI Crude Oil	-0.82%	-1.59%	-13.90%
Gold	3.03%	33.27%	38.41%



Interest Rates

	Close 10/31	Prior Month	Year Ago
Fed Funds Target	5.00%	5.00%	5.50%
6-Month US Treasury	4.46%	4.41%	5.57%
2-Year US Treasury	4.17%	3.64%	5.09%
10-Year US Treasury	4.29%	3.78%	4.93%

The Month Ahead

NOVEMBER 7TH

Federal Reserve Rate Decision

NOVEMBER 8TH

University of Michigan Consumer Sentiment Survey

NOVEMBER 13TH

Consumer Price Index Report

NOVEMBER 15TH

Retail Sales, Industrial Production

NOVEMBER 21ST

Existing Home Sales

NOVEMBER 27TH

3rd Quarter GDP 1st Revision

Questions?

Your Wealth Management team is here to answer.

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