

## WEEKLY MARKET RECAP: November 27 – December 01, 2023

Happy Friday, traders.

Welcome to our weekly market wrap, where we look back at these last five trading days with a focus on the market news, economic data and headlines that had the most impact on the financial market – and may continue to into the future for the US Dollar and other key correlated assets.

As Americans gathered around the Thanksgiving table last week and recited what they were thankful for, market performance may have made the list, with 60/40 portfolios up 12% this year after a challenging 2022. The path hasn't been smooth, with a regional banking crisis, war in the Middle East and hawkish Fed policy all challenging markets. However, good news outweighed the bad news, and disinflation, pandemic savings cushions, supported housing prices and new industrial fiscal policies from the Inflation Reduction Act all contributed to economic resilience that surprised many expecting a recession. The biggest surprise though was likely the strength of U.S. large-cap growth against the winds of aggressive monetary tightening. The "Magnificent 7" is up over 70% this year and accounts for 94% of S&P 500 YTD returns. The sudden progression of AI into mainstream culture has not only inspired consumer excitement about the sophistication of AI technologies but also sharpened investment focus, with over 35% of S&P 500 companies mentioning AI in 3Q23 earnings transcripts and global private investment projected to reach \$200bn by next year.

Looking ahead, it's an exciting time to be an investor. AI should remain investable for the long haul, with the rapidly developing AI industry suggesting opportunities will broaden beyond the top 7 stocks. For investors wary of overextended markets, there are plenty of stocks that haven't seen the same run-up in valuations this year, with the remaining S&P 500 only up 3.5% YTD. In short, markets continue to present opportunities for investors either looking to add risk with growth or defensiveness with value, and leaning into active management should allow investors to weather what could be another year of surprises ahead.

**Thanks for reading! Have a great weekend.**

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