

# EAGLE FOCUS

*weekly*

December 23, 2024

## MARKET PERFORMANCE RECAP

WEEK ENDING  
December 20, 2024

INDEX	LAST FRIDAY'S CLOSE	% CHANGE YTD
S&P 500	5930.85	24.34%
Dow Jones Industrial Average	42840.26	13.67%
Nasdaq Composite	19572.6	30.39%
S&P MidCap 400	3124.28	12.32%
Russell 2000	2247.24	10.62%

**The Federal Reserve lowered its key interest rate by 0.25 percentage points last Wednesday, marking the third consecutive cut.** The Federal Open Market Committee reduced the overnight borrowing rate to a target range of 4.25%-4.5%, returning to December 2022 levels. While the rate cut was expected, the focus was on future policy signals. Despite inflation staying above target and steady economic growth, the Fed's "dot plot" now suggests just two more cuts in 2025, down from four projected in September. (Source: CNBC)



**In 2025, the full retirement age (FRA) will rise again.** Starting in January, it will be 66 years and 10 months for those born in 1959, and 67 for those born in 1960 or later. The FRA has gradually increased since a 1983 congressional act aimed at adjusting for longer life expectancies. Additionally, the cost-of-living adjustment for 2025 will be smaller than last year's. (Source: 4WWL)

**The U.S. economy grew faster than initially estimated in the third quarter, driven by strong consumer spending.** The Commerce Department reported GDP rose at a

3.1% annualized rate, up from the previously reported 2.8%. Economists had expected no revision. The increase was due to stronger consumer spending and export growth, which offset declines in private inventory investment and higher imports. (Source: Reuters)

**In a survey of 2,203 people by financial-services firm Empower, Gen Z respondents said an average salary of \$585,797 defines financial success.** This is more than double what other generations cited. Some Gen Z interviewees told *MarketWatch* they'd be happy with a \$500,000 household income. (Source: MarketWatch)

**Small U.S. endowments and foundations are increasingly outsourcing investment management to access profitable but illiquid alternative markets amid funding challenges.** These funds face inconsistent returns and rising costs, pushing them toward external managers for better performance and lower overhead. A Commonfund study shows 39% of private foundations used an outsourced chief investment officer (OCIO) in 2023, up from 24% in 2018. A Captrust study found OCIO use has doubled since 2020. (Source: Financial Times)

**Existing home sales rose 4.8% in November from the prior month to a nine-month high of 4.15 million units, up 6.1% year-over-year.** All regions posted gains, driven by low unemployment, steady income growth, and a brief drop in mortgage rates. Inventories increased 17.7% from last year due to new construction and sellers adjusting to higher rates. (Source: Ned Davis Research)

**Financial advisors now allocate 39% of AUM to model portfolios, up 7% in three years, according to State**

**Street Global Advisors.** Only 4% of advisors surveyed don't use them. Investors with model portfolios report higher satisfaction: 93% say their advisor understands their goals (vs. 79% without models), 92% find the advice useful (vs. 83%), and 81% believe their portfolio is optimized (vs. 70%). (Source: Wealth Management)

**Retail sales rose 0.7% in November, surpassing expectations and maintaining the highest three-month average growth since May 2022.** With falling consumer goods prices, real retail sales are performing even better. The increase was driven by a 2.6% jump in vehicle sales, with higher unit sales and prices. Excluding vehicles, sales rose 0.2%, meeting forecasts. Spending increased for online shopping, sporting goods, electronics, building materials, and furniture. (Source: Ned Davis Research)

**Legacy media companies are struggling to reach younger audiences, with 39% of adults under 30 now getting their news from TikTok, according to Pew Research.** Major outlets like the New York Times and CNN are trying to adapt but often fail to gain traction on their branded accounts. Instead, TikTok users prefer engaging personalities, whether or not they're tied to news organizations. Data shows that in October and November, 88 of the top 150 U.S. political TikTok accounts were independent creators. (Source: Wall Street Journal)

**Industrial production fell 0.1% in November, missing the expected 0.3% gain and marking declines in four of the past five months.** Mining and utilities output dropped, leading to a 1.1% decrease in energy output. Excluding energy, production rose 0.2%. Manufacturing output increased 0.2%,

driven by gains in vehicle and machinery production. (Source: Ned Davis Research)

**U.S. single-family homebuilding rebounded in November as the impact of hurricanes eased.** However, potential tariffs on imports and labor shortages due to deportations could slow construction next year. The Commerce Department reported a slight increase in single-family home permits, indicating residential investment may continue to weigh on fourth-quarter economic growth. (Source: Reuters)

**U.S. new vehicle sales are expected to rise in 2025 to their highest level since 2019, driven by lower interest rates and improved affordability.** Cox Automotive forecasts 16.3 million light-duty vehicle sales, while S&P Global Mobility and Edmunds project 16.2 million, up from 15.9-16 million this year. This 2.5% or lower increase is fueled by normalizing inventories, automaker incentives, and easing loan rates. (Source: CNBC)

**Dealmakers anticipate strong IPO momentum in India and Australia in 2025, helping offset sluggish Chinese deals in the Asia-Pacific region.** The Mumbai-based National Stock Exchange surpassed U.S. exchanges in IPO proceeds for the first time ever, driven by India's strong economic growth and active domestic investors following a surge in 2024 listings. (Source: Reuters)

**Holiday spending is expected to reach a record \$902 per person this year, according to the National Retail Federation.** This is up \$25 from last year and \$16 above the 2019 record. Of this total, \$641 will go toward gifts for family, friends, and co-workers, up from \$620 last year. (Source: National Retail Federation)

**Joseph Mohr and Franz Xaver Gruber may be forgotten by many, but their creation of *Silent Night* endures as the most recorded Christmas song.** According to *TIME*, which analyzed U.S. Copyright Office data since 1978, *Silent Night* has 733 copyrighted recordings—nearly double *Joy to the World*, which ranks second with 391 recordings. Mohr wrote the lyrics in 1816, and Gruber composed the music in 1818. (Source: TIME)

**The longest NFL Christmas Day game was also the longest in league history.** On Christmas 1971, the Miami Dolphins defeated the Kansas City Chiefs 27-24 in a double overtime match lasting 82 minutes and 40 seconds. This was one of the first two Christmas Day games, with the other featuring the Dallas Cowboys and Minnesota Vikings. (Source: Fox News)



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