



Weekly Market Update

## Markets remain quiet as holiday season begins

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### Article Highlights

- Market activity is light given the Thanksgiving holiday.
- Economic releases provide little news to sway the markets.
- Investors are anticipating “Black Friday” spending results and November’s jobs report.
- The Fed’s next Open Market Committee meeting is scheduled for December 17-18.

### November 27, 2013

With the U.S. trading week shortened to just three and a half days and many investors either already home for Thanksgiving or well on their way, equity and fixed-income markets have been relatively quiet. Moreover, many recent economic releases have been non-events, with few data surprises to sway the markets or signal a shift in the economy’s current growth trajectory.

For the month to date through November 25, the S&P 500 Index was up 2.8%, while foreign developed- and emerging-market equities returned 0.2% and -2.2%, respectively, based on MSCI indexes. Many investment-grade bond sectors, including U.S. Treasuries, produced flat to slightly negative returns during the same period, while high-yield corporate bonds continued to outperform. The yield on the bellwether 10-year Treasury security has stayed within a narrow range, generally between 2.6% and 2.8%, throughout much of November.

Current market updates are available [here](#).

### Housing indicators are mixed, while consumer confidence drifts lower

Among the week’s limited data releases was a mixed bag of housing news:

- Pending home sales declined for the fifth consecutive month in October, falling to their lowest level since December 2012.
- Building permits, a forward-looking indicator, jumped in October, but the headline number was driven by the multifamily sector and masked relative weakness in the critical single-family category.



Financial Services

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- Home prices continued to rise in September, measured by both the S&P/Case-Shiller 20-City Composite Index (+1.0%) and the FHFA Home Price Index (+0.3%). The rate of appreciation, however, has slowed from earlier in the year.

Meanwhile, The Conference Board's monthly index of consumer confidence headed lower for the third consecutive month in November, reflecting increased pessimism about jobs and income growth.

### Outlook

As of November 26, major U.S. equity indexes seemed content to stay put at or near the record-high levels reached in the past month. In fixed-income markets, investors are looking ahead to "flash" results of Black Friday retail spending, as well as the November monthly payrolls report (scheduled for release on December 6), for further clues on the potential timing of Federal Reserve tapering. The Fed's next Open Market Committee meeting is scheduled for December 17-18.

From a practical perspective, there are only two to three weeks of active trading left in the debt markets in 2013, and many investors are essentially done for the year. As a result, the impact of whatever trading we do see could be magnified because it will be occurring on very thin volume.

The next Weekly Market Update will be published on Friday, December 6.



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