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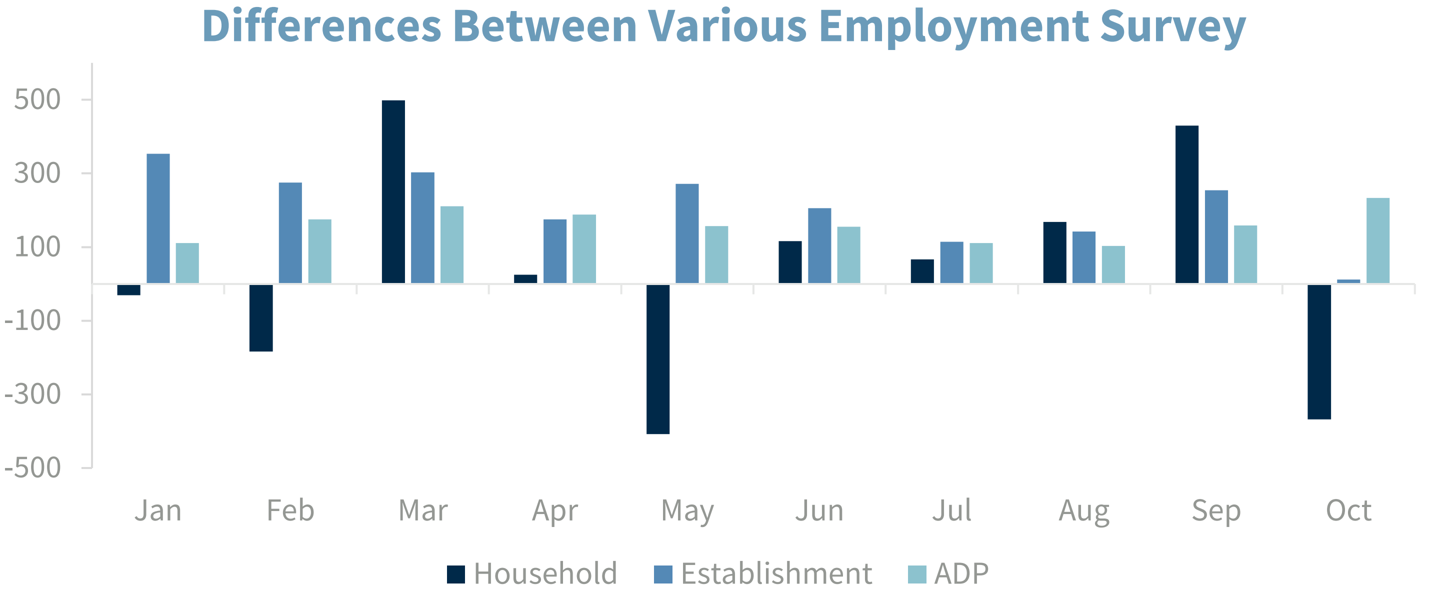
Oh, No, A Three-Handed Economist!!

As you know, economists are normally criticized and accused of being 'two-handed.' This is because when we talk, we typically say, "on the one hand, and on the other hand." Many argue that we are hedging our bets and lack the spine to take a position. While we disagree with that simplistic view of our job, we can understand why we are accused of being 'two-handed.' Well, today's employment reports from the BLS and Wednesday's report from the private payroll company ADP, have the potential to give rise to the existence of a 'three-handed economist!!'

Why do we say this? Because the Establishment Survey, which we normally call the nonfarm payroll survey, indicated that employment in the US was almost flat in October compared to September, only up by 12,000 new jobs. However, the Household Survey, which is the survey from which we calculate the rate of unemployment, showed that employment in the US declined by 368,000 during the same month of October. However, to the amusement of conspiracy fearmongers, the rate of unemployment remained unchanged, at 4.1%, even with such a large loss of jobs! (See our employment indicator at the end of this document for why that was the case.) Furthermore, if you are not confused already, Wednesday's ADP report, which is a survey done by the private payroll company ADP, indicated that employment in the US increased by 233,000 in October. That is, on the one hand (+12,000), on the other hand (-368,000), and on the third hand (+233,000)!

Confused? Wait, there is more. Initial jobless claims, that is claims for unemployment insurance, which is a weekly figure, declined to 216,000 during the latest reported week, the lowest reading since April-May of 2024.

No wonder economics has been referred to as the 'dismal science!'



Source: FactSet, RJ Economics

But joke aside, the fact that these surveys are 'different surveys,' means they are conducted differently; are taken from different samples of the population, or different samples of businesses; and are taken at different times of the month, which has the potential to make the results different, especially when there are circumstances that could potentially distort the responses to these survey, as we had in October with the two hurricanes, the first one affecting Florida and the second one affecting Florida, Georgia, and North Carolina, plus the effects of the Boeing strike.

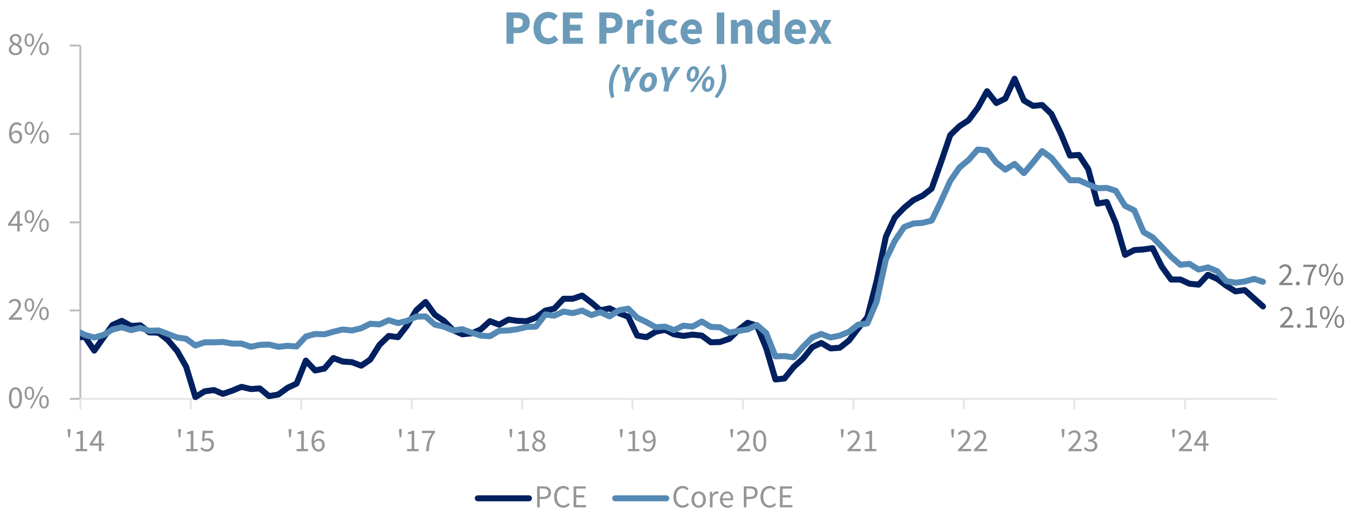
Thus, we would suggest those trying to understand all this information to 'keep the eyes on the ball' and take the employment information as just another data point (or 3 data points!) that allows us to help understand what is happening to the US economy. Today's numbers don't change what we have been saying about the labor market. That is, the labor market is slowing down but it is not tanking.

Going into next week, we will have to take a look at the October ISM Services PMI report on Tuesday to see if that Index shows a reversal in the strength shown in September. The reason for this is service sector employment was very weak in October, according to the nonfarm payroll number, and the ISM Services, and specifically, the Jobs component of that survey, may help confirm whether this was a one-off or if it is something that we should be more concerned with going forward.

We also have the Federal Reserve (Fed) Federal Open Market Committee (FOMC) meeting decision on Thursday of next week and we are still expecting the Fed to cut the federal funds rate by 25 basis points.

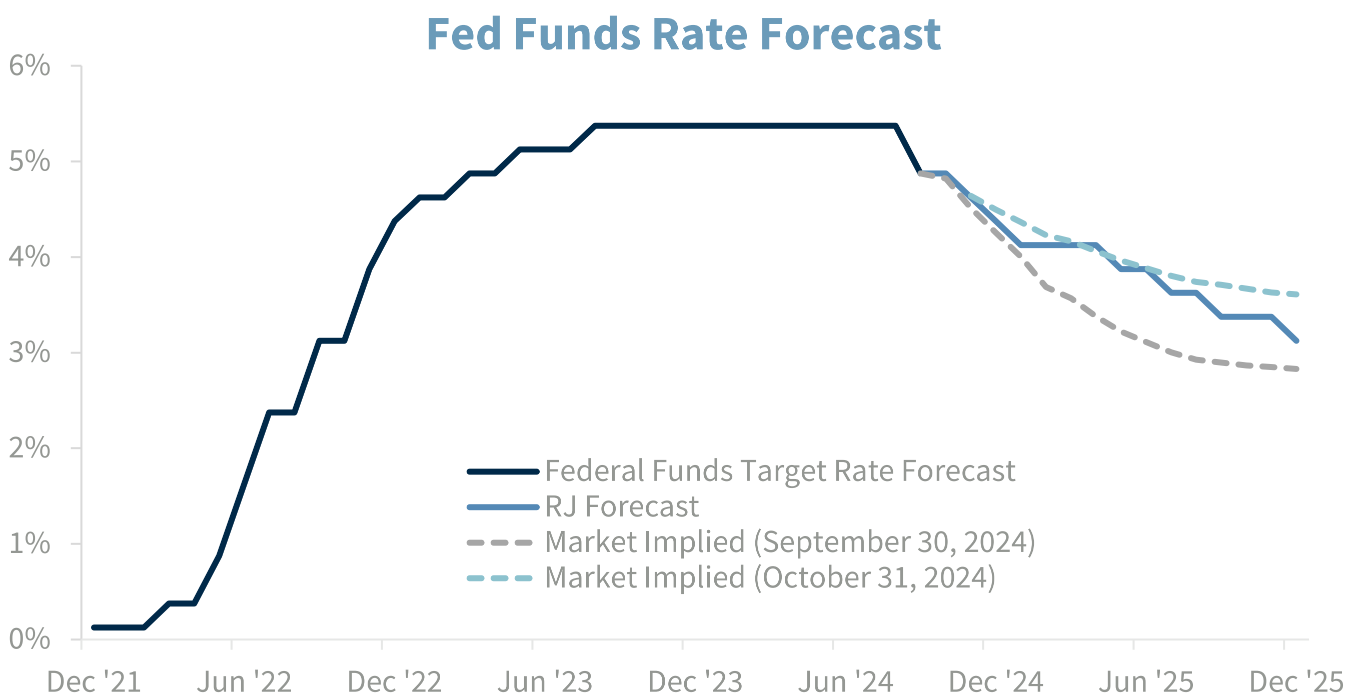
The Federal Reserve's Job is Not Over: Markets Are Taking Notice

What the onslaught of economic data showed this week is not only that the Fed's job is not over, but that it has become even more complex. At this point in time, Fed officials should be concerned about their ability to continue to lower inflation at a time when markets continue to pressure for more rate cuts. However, the data we have been getting does not support the Fed's complacency. Although the disruptions from the COVID pandemic have dissipated almost completely, the Fed has to deal with a still strong economy that is not allowing the core PCE price index to continue to come down. While the Fed's preferred measure of inflation, the headline PCE price index, hit 2.1% in September, year-over-year, the core PCE price index remained stubbornly high, at 2.7% for the third consecutive month. And this is not good for Fed policymakers and for the future path of interest rates.



Source: FactSet, RJ Economics

Perhaps this is what has been internalized by the fixed income markets where the 10-year Treasury yield has moved considerably higher over the last month while the federal funds rate betting markets have also been pricing in fewer rate cuts for next year than they were after the September FOMC meeting.



Source: FactSet, RJ Economics

As we argued during the week, we may see some increased hawkishness from Fed officials during the next several months. The Fed needs to slow down economic activity and while it argued in September that "rates had become too restrictive" the evidence since the September meeting does not conform with such a statement. Today's employment numbers may indeed help convince the Fed and markets, that the economy has started to slow down. However, the Fed's, interpretation of the data may not be as 'plain vanilla' as some may argue.

Barring any external shock that could put further pressure on oil and gasoline prices over the next several quarters, we will see the headline PCE price index probably dropping below the 2.0% target for several months. But the path for the core PCE price index is more uncertain than for the headline PCE price index and Fed officials are probably taking note, just as markets have, over the last several months, of the stickiness of the core PCE price index. Furthermore, the results of next week's elections will also have important implications on monetary policy going forward. Thus, we will be attentive to all these variables and keep our readers informed on the potential path for rates.

But the Fed cannot 'wish' for something to not happen, it needs to pre-empt any potential spike in inflation by keeping the monetary spigot under control. That is, it needs to be aware that much lower interest rates could create an environment that can threaten the disinflationary process if there is a risk of much higher oil and gasoline prices.

Therefore, the Fed may be inclined to lower rates more slowly than earlier anticipated, especially if the economy continues to grow at current rates.

Forecast Table

	Actual			Forecast									Actual	Forecast		
	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	2023	2024	2025	2026
Real Gross Domestic Product [1]	**1.6**	**3.0**	**2.8**	**1.6**	**1.7**	**2.2**	**2.3**	**2.5**	**2.0**	**2.0**	**2.0**	**2.2**	**2.9**	**2.7**	**2.1**	**2.2**
Real Gross Domestic Product [2]	2.9	3.1	2.6	2.2	2.3	2.1	1.9	2.2	2.2	2.2	2.1	2.0	2.5			
Consumer Price Index [2]	**3.2**	**3.2**	**2.6**	**2.4**	**2.0**	**1.9**	**2.1**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**	**4.1**	**2.9**	**2.0**	**2.2**
Ex-food & energy [2]	3.8	3.4	3.2	3.2	2.7	2.5	2.5	2.2	2.2	2.2	2.2	2.2	4.8	3.4	2.5	2.2
PCE Price Index [2]	**2.7**	**2.6**	**2.3**	**2.3**	**2.0**	**1.9**	**2.0**	**2.1**	**2.1**	**2.1**	**2.1**	**2.1**	**3.8**	**2.5**	**2.0**	**2.1**
Ex-food & energy [2]	3.0	2.7	2.7	2.8	2.4	2.3	2.3	2.2	2.2	2.2	2.2	2.2	4.1	2.8	2.3	2.2
Unemployment Rate	**3.8**	**4.0**	**4.2**	**4.2**	**4.4**	**4.5**	**4.5**	**4.5**	**4.4**	**4.4**	**4.3**	**4.3**	**3.6**	**4.0**	**4.5**	**4.4**
Fed Funds Rate [3]	5.50	5.50	5.00	4.50	4.25	4.00	3.75	3.50	3.25	3.25	3.25	3.25	5.1	5.1	3.9	3.3

[1] Annualized Quarter-Over-Quarter Growth
[2] Year-Over-Year Percentage Change
[3] Upper Bound of the Federal Funds Target Range

Economic Releases

3Q24 GDP (1st Release): Today's higher than expected 3Q24 GDP was once again driven by the US consumer, with large increases in spending in both goods and services. However, the strong decline in the price of goods (-1.6 QoQ) was likely the main reason behind the large increase in the consumption of goods, which contributed 1.25 percentage points to Personal Consumption Expenditures. Government spending contributed the most to the headline number since 3Q23, fueled by national defense spending. Business investment remained stable, while residential investment remained negative, although we expect this number to turn the corner as the Federal Reserve (Fed) continues to lower rates. Net exports contributed negatively to GDP growth. Even though there was a strong contribution from exports, the negative contribution from imports was larger. The first estimate of Q3 2024 real GDP was slightly higher than markets and our forecast at an annual rate of 2.8%. The strong consumer was once again the large driver behind the increase, contributing a large 2.46 percentage points to the headline number. Goods consumer spending was strong in Q3 at a seasonally adjusted annual rate of 6.0%, driven by durable goods, which increased at an annual rate of 8.1% during the quarter. This large increase was especially driven by prescription drugs, as well as motor vehicles and parts. Similarly, services increased at an annual rate of 2.6% and were driven by health care spending and food services and accommodations. Contributions to wars in the Middle East and Ukraine boosted national defense spending, which increased at an annual rate of 14.9%, pushing government spending to contribute 0.85 percentage points to overall GDP. Exports increased significantly as well, driven by exports of capital goods. Business investment softened a little bit but remained stable at an annual rate of 3.3%, impacted by a -4.0% annual rate decline in structures, but a strong 11.1% annual rate increase in equipment. This was to be expected as all the investments we have seen over the last several quarters in structures are starting to be completed, and now equipment needs to be purchased to fill those factories and more. On the other hand, private inventory investment, imports, and residential investment were the three negative contributors to 3Q24 GDP, although we expect residential investment to start recovering. We expect this recovery to begin in either the fourth quarter of this year or early next year as the Fed lowers rates. The PCE Price Index slowed down to 1.5%, compared to last quarter's 2.5%. Excluding food and energy prices, the PCE Price Index increased 2.2%, compared to last quarter's increase of 2.8%. Overall, today's release confirms that the US economy is healthy and growing above its potential output, which strengthens our expectations of a soft landing. However, while this is a positive for economic growth, it is something that the Fed will continue to monitor closely and reaffirms our conviction that the process of lowering rates will likely be longer and slower than what markets are currently pricing in.

Economic Releases

Pending Home Sales: The larger than expected increase in Pending Home Sales was due to strong increases across all four regions of the US. This was the largest month-over-month increase since August of 2020. Lower mortgages and more inventory benefited homebuyers, and we expect this trend to continue as the US Federal Reserve (Fed) continues to lower rates over the next twelve months. The Pending Home Sales (PHS) Index increased by a large 7.4% in September, according to the National Association of Realtors (NAR), after declining by 0.6% in August. FactSet expectations were for a 3.2% increase in the index. On a year-earlier basis, the PHS Index was up by 2.6%. By region, the Northeast experienced an increase of 6.5%, month-over-month, and a 3.3% increase on a year-earlier basis. The Midwest saw an increase of 7.1% during the month while it was flat compared to September of last year. The PHS Index increased in the South, up 6.7% versus August of this year and unchanged compared to last year. Finally, the West saw the PHS Index increase by 9.8% versus August of this year and by 12.3% compared to September of last year. According to the NAR: “Contract signings rose across all regions of the country as buyers took advantage of the combination of lower mortgage rates in late summer and more inventory choices. Further gains are expected if the economy continues to add jobs, inventory levels grow, and mortgage rates hold steady.”

FHFA Home Price Index: Home prices have started to accelerate again across the US according to the Home Price Index published by the Federal Housing Finance Agency. As we have been saying for a while, this is probably one of the biggest concerns for the Federal Reserve (Fed) as this increase in home prices could accelerate if the Fed is too aggressive in cutting rates. Thus, we expect the Fed to continue to decrease interest rates but at a measured pace. The Federal Housing Finance Agency (FHFA) House Price Index (HPI) increased by 0.3% in August of this year compared July while increasing by 4.2% compared to August of last year, according to the agency. Furthermore, July’s increase in the HPI, which was originally reported to have increased by 0.1%, was revised up to a 0.2% increase. Two regions of the country, the East North-Central and the New England regions, reported a decline in the HPI of 0.1% while the rest of the regions experienced an increase in the HPI. The Pacific and South Atlantic regions saw prices up by 0.1% while the Mountain region saw prices up by 0.3%. The HPI in the Mid Atlantic region was up by 0.4% while prices in the East South-Central and West South-Central regions were up by 0.8%. The highest increase in HPI in August was in the West North-Central region, up 0.9% during the month. After slowing during the first half of the year, home prices started to pick up steam once again during the second half.

Economic Releases

Consumer Confidence: The Consumer Confidence Index as measured by The Conference Board was much higher than expected and was the largest monthly increase since March of 2021. Strangely enough, the share of consumers expecting higher interest rates during next year increased for the first time in five months, which seems inconsistent with the view that consumers' expected plans to buy homes and cars increased also. The Conference Board reported that the Consumer Confidence Index surged in October to 108.7 from a level of 99.2 in September. The Present Situation Index increased to 138.0 while the Expectations Index increased to 89.1. The Conference Board indicated that the Expectations Index is "well above the threshold of 80 that usually signals a recession ahead." Consumers were optimistic about the stock market and expected markets to continue to increase in the near future. This was the highest reading, at 51.4%, since the question was first asked, which was in 1987. However, a larger share of consumers are now expecting higher interest rates during the next year. This was the first increase in this view after four consecutive monthly declines. Consumers' "purchasing plans for homes and new cars continued to increase" on a six-month moving average basis, according to the report. However, "consumer buying plans for big-ticket appliances were mixed and buying plans for electronics were slightly down," according to the release. Furthermore, consumers' view of the labor market improved during the month. According to the Chief Economist for The Conference Board, Dana M. Peterson, "Consumer confidence recorded the strongest monthly gain since March 2021, but still did not break free of the narrow range that has prevailed over the past two years."

Employment Cost Index: The Employment Cost Index increased less than expected during the third quarter as private industry workers' compensation costs slowed more than state and local government compensation. The difference between private workers' compensation costs and state and local government compensation costs continues to reflect the difficulty of state and local governments to attract workers and compete against the private sector, which mimics the results between the strength in private employment growth and government employment growth. Compensation costs for civilian workers increased by 0.8% during the third quarter of the year as wages and salaries also increased by 0.8% while benefit costs increased by 0.8%, all seasonally adjusted and compared to the previous quarter, according to the Bureau of Labor Statistics. Compared to June of 2023, compensation costs were up by 3.9%. The increase in compensation costs during the third quarter, both quarter-over-quarter and year-over-year, was lower than FactSet expectations, which were estimated at 0.9% and 4.0%, respectively. Compensation costs for private industry workers were up by 3.6% compared to a year earlier as wages and salaries increased by 3.8% while benefits increased by 3.3%. In inflation-adjusted terms, that is, in real or constant dollar terms, compensation costs for private industry workers increased by 1.2% in September of 2024 compared to the same period a year earlier. Compensation costs for state and local government workers increased by 4.7% on a year-earlier basis as wages and salaries increased by 4.6% while benefit costs increased by 4.8% during the period.

Economic Releases

Personal Income: Although these numbers were embedded in yesterday's release for Q3 GDP, the monthly release gives more insights regarding what happened to the various income and consumption measures at the end of the third quarter of the year. And the news is very positive for the economy, with personal consumption expenditures surging, both in nominal as well as in real terms. However, the income side was not as strong as the consumption side and that was the reason for the decline in the saving rate. On the inflation front, the monthly numbers, which were in line with expectations, gives a different view of the still unfinished business by the Federal Reserve (Fed). On the positive side, the year-over-year PCE price index dropped to 2.1%, which is as close as it gets to the Fed's target of 2.0%. However, the core PCE price index remained unchanged at 2.7% on a year-over-year basis for the third consecutive month. With these monthly rates for the core PCE price index, it will remain challenging for the Fed to bring down this rate of inflation back to 2.0%. Although the Fed targets the headline PCE price index at 2.0%, the core PCE's behavior is more important at this time, and it wants to see it coming down further. Our expectation is that this will raise concerns for Fed officials coming into the next Federal Open Market Committee this coming week. Thus, we should expect Fed officials to become a bit more hawkish after the meeting is over. Having said this, we still expect the Fed to lower interest rates by 25 basis points at the end of the meeting. Personal income increased in line with expectations during September, up 0.3%, after increasing by 0.2% during August. Disposable personal income also increased by 0.3% during the month while personal consumption expenditures (PCE) surged by 0.5% after increasing by 0.3% in August. Real disposable personal income increased at a weaker pace due to inflation, up 0.1% during the month. This was the fourth consecutive 0.1% increase in real disposable personal income. Real PCE increased by a strong 0.4%, twice as much as FactSet expectations for September. The headline PCE price index increased by 0.2%, as expected by markets, while the core PCE also increased as expected, up 0.3%. The year-over-year headline PCE price index increased by an expected 2.1%, down from a 2.2% reading in August while the core PCE price index stayed at 2.7% for the third consecutive month on a year-over-year basis. The personal saving rate, that is personal saving as a percentage of disposable personal income, declined slightly, from 4.8% in August to 4.6% in September due to a larger increase in consumption and a weaker increase in disposable personal income.

Economic Releases

Employment Report: The nonfarm employment number in October was much lower than expected and if it weren't for government employment it would have been negative. We knew that there was a chance that the employment report might surprise on the downside because of the two hurricanes affecting Florida, Georgia, and North Carolina as well as the strike affecting Boeing. While the Bureau of Labor Statistics (BLS) indicated that manufacturing employment was affected by the strike at Boeing, they indicated that there was no way to quantify the impact of the hurricanes on the employment numbers. However, they said that the hurricanes affected some sectors more than others. Although this report has to be taken with caution due to the noise created by the hurricanes and the strike at Boeing the overall picture was not positive, with temporary help services posting a large decline in jobs and the health care and social assistance sector slowing down considerably compared to previous months. Furthermore, the strong ADP report on Thursday, which is taken from a very different sample than the nonfarm payrolls number, could be pointing to a 'one-off' for the official number, although we will have to wait for several months for confirmation. The only thing that was clear from this report was that the Federal Reserve's job next week has become even more complex, given all the different signals on the direction of the economy. Nonfarm employment was much lower than expected, up just 12,000 in October, according to the Bureau of Labor Statistics while the rate of unemployment remained unchanged, at 4.1%. Total private employment was negative, down by 28,000 as the goods-producing sector shed 37,000 jobs during the month. The largest decline was in the manufacturing sector, down 46,000 as the Boeing strike took a toll on that sector of employment. Private service-providing employment was up just 9,000 during the month after creating 169,000 jobs in September. The largest decline in private service-providing jobs was in the professional and business services sector, which lost 47,000 jobs during the month, mostly due to a 48,500 decline in temporary help services jobs. Retail jobs declined by 6,400 while transportation and warehousing jobs were down by 3,700. The best sector was, once again, the private education and health services sector, whose jobs increased by 57,000 due to a 51,300 increase in jobs in the health care and social assistance sector. Government sector jobs increased by 40,000 during the month of October. Average weekly hours remained unchanged from September at 34.3 while average hourly earnings increased slightly, from $35.33 in September to $35.46 in October. Average weekly earnings were also higher, at $1,216.28 in October compared to $1,211.82 in September. The Household Survey showed that employment declined by 368,000 during the month of October while the civilian labor force declined by 220,000. Thus, the labor force participation rate declined from 62.7% in September to 62.6% in October. There was a net revision to jobs in the previous two months of -112,000.

Economic Releases

ISM Manufacturing: The August ISM Manufacturing PMI was slightly lower than FactSet expectations, at 46.5 compared to expectations of a 47.6 reading, remaining in contraction territory for the seventh consecutive month after briefly reaching expansion territory in March. Today's report showed weakness in the Production and Customers' Inventories indices, falling further into contraction, suggesting expectations of slower demand ahead. On the other hand, the largest increase in the headline number was driven by the Prices Index with respondents suggesting increases in energy and transportation costs were the primary drivers. While this would normally raise concerns for the Federal Reserve (Fed), energy costs subsided after spiking early in the month, and ended the month up less than 1%. Therefore, if energy prices remain stable, we expect the November Prices Index to be softer and be less of a headwind to the disinflationary trend. According to the Institute for Supply Management, the ISM Manufacturing PMI remained in contraction territory, decreasing slightly from 47.2 in September to 46.5 in October. The New Orders Index increased from 46.1 in September to 47.1. The Production Index declined from 49.8 in September to 46.2 in October. Customers' Inventories also declined by 3.2 percentage points, from 50.0 in September to 46.8 in October. Most concerning was the increase in the Prices Index from 48.3 last month to 54.8 in October. The ISM Manufacturing Index worsened slightly in September and remained in contraction. The Prices Index increased the most, which is unwelcome news for Fed as we head into next week's FOMC meeting, but we expect the increase in prices to be temporary.

Construction Spending: Total construction spending has remained relatively flat during the second part of the year as private construction spending weakened while public construction spending has continued to increase. However, residential construction spending has continued increase, driven by relatively strong growth in construction spending in new single family homes. Infrastructure spending also continued to drive growth in public construction spending in September as well as compared to last year. Total construction spending was up more by a more than expected 0.1% in September, according to the US Census Bureau, compared to expectations for no change from FactSet consensus. On a year-earlier basis, total construction spending was up by 4.6%. Private construction spending was unchanged during the month as private residential construction spending increased by 0.2% due to a 0.4% increase in construction spending for new single family homes and a 0.1% decline in construction spending for new multifamily homes. Meanwhile, private nonresidential construction spending was down by 0.1% during September, month-on-month. On a year-earlier basis, private construction spending was up by 3.8%. Public construction spending was very strong in September, up 0.5%, month-on-month, with residential public construction spending up by 2.3% during the month and nonresidential public construction spending up 0.4%, also month-on-month. On a year-earlier basis, public construction spending was up by 7.0%. Although private construction spending in manufacturing was down 0.2% during the month of September of this year compared to August, it was still strong on a year-earlier basis, as it grew by 20.2% compared to September of last year. Thus, construction spending in manufacturing has continued to benefit from the CHIPS Act, the Infrastructure Act, and the Inflation Reduction Act passed several years ago.

Disclosures

Economic and market conditions are subject to change.

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Consumer Price Index is a measure of inflation compiled by the US Bureau of Labor Statistics. Currencies investing is generally considered speculative because of the significant potential for investment loss. Their markets are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.

Consumer Sentiment is a consumer confidence index published monthly by the University of Michigan. The index is normalized to have a value of 100 in the first quarter of 1966. Each month at least 500 telephone interviews are conducted of a contiguous United States sample.

Personal Consumption Expenditures Price Index (PCE): The PCE is a measure of the prices that people living in the United States, or those buying on their behalf, pay for goods and services. The change in the PCE price index is known for capturing inflation (or deflation) across a wide range of consumer expenses and reflecting changes in consumer behavior.

The Consumer Confidence Index (CCI) is a survey, administered by The Conference Board, that measures how optimistic or pessimistic consumers are regarding their expected financial situation. A value above 100 signals a boost in the consumers' confidence towards the future economic situation, as a consequence of which they are less prone to save, and more inclined to consume. The opposite applies to values under 100.

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GDP Price Index: A measure of inflation in the prices of goods and services produced in the United States. The gross domestic product price index includes the prices of U.S. goods and services exported to other countries. The prices that Americans pay for imports aren't part of this index.

FHFA Home Price Index: The FHFA HPI is a broad measure of the movement of single-family house prices. The FHFA HPI is a weighted, repeat-sales index, meaning that it measures average price changes in repeat sales or refinancings on the same properties.

Employment cost Index: The Employment Cost Index (ECI) measures the change in the hourly labor cost to employers over time. The ECI uses a fixed "basket" of labor to produce a pure cost change, free from the effects of workers moving between occupations and industries and includes both the cost of wages and salaries and the cost of benefits

Disclosures

Import Price Index: The import price index measure price changes in goods or services purchased from abroad by U.S. residents (imports) and sold to foreign buyers (exports). The indexes are updated once a month by the Bureau of Labor Statistics (BLS) International Price Program (IPP).

ISM Services PMI Index: The Institute of Supply Management (ISM) Non-Manufacturing Purchasing Managers' Index (PMI) (also known as the ISM Services PMI) report on Business, a composite index is calculated as an indicator of the overall economic condition for the non-manufacturing sector.

Consumer Price Index (CPI) A consumer price index is a price index, the price of a weighted average market basket of consumer goods and services purchased by households.

Producer Price Index: A producer price index(PPI) is a price index that measures the average changes in prices received by domestic producers for their output.

Industrial production: Industrial production is a measure of output of the industrial sector of the economy. The industrial sector includes manufacturing, mining, and utilities. Although these sectors contribute only a small portion of gross domestic product, they are highly sensitive to interest rates and consumer demand.

The NAHB/Wells Fargo Housing Opportunity Index (HOI) for a given area is defined as the share of homes sold in that area that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.

Conference Board Coincident Economic Index: The Composite Index of Coincident Indicators is an index published by the Conference Board that provides a broad-based measurement of current economic conditions, helping economists, investors, and public policymakers to determine which phase of the business cycle the economy is currently experiencing.

Conference Board Lagging Economic Index: The Composite Index of Lagging Indicators is an index published monthly by the Conference Board, used to confirm and assess the direction of the economy's movements over recent months.

New Export Index: The PMI New export orders index allows us to track international demand for a country's goods and services on a timely, monthly, basis.

Gold is subject to the special risks associated with investing in precious metals, including but not limited to: price may be subject to wide fluctuation; the market is relatively limited; the sources are concentrated in countries that have the potential for instability; and the market is unregulated.

The Conference Board Leading Economic Index: Intended to forecast future economic activity, it is calculated from the values of ten key variables.

Source: FactSet, data as of 11/1/2024

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