

## Beacon Weekly Investment Insights

Equity markets continued their positive momentum last week as the Dow Industrials and the S&P 500 each closed at record highs. The combination of mixed economic data along with a positive outlook for third quarter corporate earning season led to investor confidence. Not only the large cap indexes reflected this, but small- and mid-cap benchmarks gained roughly 1% on the week. Volatility measures did perk up slightly with the VIX index ending the week at 20.46, slightly above its 12-month trading range. Bond prices did fall on the week as the market is adjusting to Fed policy and digesting some mixed inflation data. The yield on the benchmark 10-Year US Treasury ended the week at 4.10%.

The inflation data released last week provided a mixed picture at best. The headline Consumer Price Index (CPI) rose 0.2% a tenth of a percent more than expected. On a year over year basis, this inflation measure is up 2.4%. The “core CPI”, which excludes food and energy costs, rose 0.3% in September for a year over year increase of 3.3%. At the wholesale level, the producer price index (PPI), was unchanged on a month over month basis in September, which was one tenth of a percent lower than anticipated. On a year over year basis, the PPI is up 1.8%. Many economists believe that the decline in prices at the wholesale level will eventually continue to bring consumer prices down closer to the Federal Reserve’s 2% target level.

The other focus of the Federal Reserve is the health of the employment situation in the US. The weakening labor statistics from August, is what led the Fed to lower the Federal Funds rate by 50 basis points at their last meeting in September. The reversal of the data for September calmed investors’ fears for the need for more aggressive interest rate cuts. Markets are now anticipating possibly two more 25 basis point reductions at the November and December meetings. This is also consistent with the release of the minutes from the September FOMC meeting which showed officials split on the 50-basis point, with some favoring a more subdued 25 basis point move.

Last week was the official kickoff of third quarter corporate earnings season. Over the next few weeks, we will see a flurry of reports from the S&P 500 constituents and the consensus currently is for about a 4-5% increase on a year over year basis. As usual, major money center banks, JP Morgan and Wells Fargo sparked a Friday rally in the financial sector with solid results and outlooks. JP Morgan Chief, Jaime Diamon during his conference call expressed confidence that the economy had achieved a “soft-landing”, a catalyst for Friday’s rally. We will certainly keep you abreast of the earnings statistics as the season progresses.

As for the week ahead, the economic data releases are on the lighter side. Manufacturing activity from the NY region is released on Tuesday followed later in the week with overall US industrial production and capacity utilization. Thursday, a gauge of the consumer is Advance Retail Sales, followed Friday by national housing starts and building permits. Corporate earnings from financial sector companies such as Goldman Sachs, Bank of America, Charles Schwab and Morgan Stanley and healthcare components such as Johnson and Johnson, UnitedHealth Group, Abbott Labs and Intuitive Surgical will highlight the first full week of releases.

<b>Market Scorecard:</b>	<b>10/11/2024</b>	<b>YTD Price Change</b>
Dow Jones Industrial Average	42,863.86	13.73%
S&P 500 Index	5,815.03	21.91%
NASDAQ Composite	18,342.94	22.19%
Russell 1000 Growth Index	3,827.71	25.43%
Russell 1000 Value Index	1,884.82	15.67%
Russell 2000 Small Cap Index	2,234.41	10.23%
MSCI EAFE Index	2,418.74	8.16%
US 10 Year Treasury Yield	4.10%	22 basis points
WTI Crude Oil	\$75.56	5.46%
Gold \$/Oz.	\$2,656.60	28.77%



**163 Madison Avenue, Suite 600 | Morristown, NJ 07960 | 973.377.8090 | BeaconTrust.com**

Important Information: Beacon Investment Advisory Services, Inc. ("BIAS") is an SEC registered investment adviser, under the name Beacon Trust, and is wholly owned by Beacon Trust Company ("BTC"), which is a subsidiary of Provident Bank. Provident Bank is a subsidiary of Provident Financial Services, Inc., a holding company whose common stock is traded on the New York Stock Exchange. Beacon Trust may only transact business in those states where they are notice filed or qualify for a corresponding exemption from notice filing requirements. Additional information is contained in the respective Form ADV disclosure documents, the most recent versions of which are available on the SEC's Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov>.

SECURITIES AND INVESTMENT PRODUCTS: Not FDIC Insured | May Lose Value | No Bank Guarantee

This publication is limited to the dissemination of general information pertaining to the wealth management products and services offered by Beacon to U.S. residents of those states where not prohibited by applicable law. No portion is to be construed as a solicitation to effect transactions in securities or the provision of personalized investment, tax, or legal advice. Investing involves risks which may lead to losses, including loss of principal. Different types of investments involve varying degrees of risk and there can be no assurance that any specific investment will be profitable. Any reference to a market index is included for illustrative purposes only, as it is not possible to directly invest in an index. Indices are unmanaged vehicles that serve as market indicators and do not account for the deduction of management fees or transaction costs generally associated with investable products, which otherwise have the effect of reducing the performance of an actual investment portfolio. Calculation methodologies are available from BIAS upon request.

**Past performance is not a predictor of future results.** It should not be assumed that any information discussed herein will prove to be profitable or that decisions in the future will be profitable or provide specific performance results. Any discussion of tax matters contained within this communication should not be used for the purpose of avoiding U.S. tax related penalties or promoting, marketing, or recommending to another party any transaction or matter addressed herein. Beacon Trust does not provide legal advice. 00217084