

Weekly Market Recap

The week in review

- Headline/core CPI: +3.1%/+4.0% y/y
- Headline/core PPI: +0.9%/+2.0% y/y
- Initial claims decreased to 202K

The week ahead

- 3Q23 Real GDP (final estimate)
- Light vehicle sales
- PCE

Thought of the week

Last week's retail sales report surprised to the upside, with total retail sales increasing 0.3% m/m on a seasonally adjusted basis in November. Excluding auto and gas, retail sales increased 0.6% m/m, up from 0.1% growth in October. Sales at gasoline stations decreased 2.9% due to falling energy prices. Auto sales rebounded 0.5% after falling 1.1% the prior month. Elsewhere in the report, sales in food services, furniture, health & personal care, and sporting goods all increased, while sales in electronics & appliances and building materials both decreased, demonstrating consumers' continued preference for services. Importantly, sales in the control group, which includes the categories used to calculate GDP, increased 0.4% in November, above expectations and up from a flat reading in October. As a result, GDP estimates for Q4 were revised upwards. The Atlanta Fed's GDPNow model is currently projecting real GDP to grow 2.6% q/q in 4Q23, up from its estimate of 1.2% a week prior. In addition, healthy retail sales data along with a favorable headline CPI reading, a cooler than expected PPI report, and the FOMC's dovish pivot should similarly augur well for profits in Q4. Moderate CPI and PPI and the prospect of lower rates next year should support margins, while solid retail sales may defy companies' gloomy expectations for consumer demand noted in 3Q earnings calls.

The slew of favorable data and a dovish FOMC meeting also led markets to rally last week, as investors become increasingly hopeful of a "soft landing." Looking ahead, markets should continue to find support over the near term; however, as we move deeper into 2024, the path forward for markets may be bumpier, particularly as economic growth slows to below trend and inflation remains above 2%.

Please see important disclosures on next page.

Weekly Data Center

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	4719	2.53	10.45	24.89	23.16	33.89
Dow Jones 30	37305	2.93	11.94	15.00	14.81	31.29
Russell 2000	4934	5.60	11.59	14.42	13.66	5.40
Russell 1000 Growth	1997	2.20	13.00	41.22	37.30	30.82
Russell 1000 Value	994	3.32	8.08	10.02	9.94	28.59
MSCI EAFE	2193	2.56	8.28	16.49	15.52	14.38
MSCI EM	1001	2.70	5.36	7.64	7.41	-12.57
NASDAQ	14814	2.86	12.26	42.70	38.21	20.38

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.64	2.16	6.16	4.88	2.41	-9.86
U.S. Corporates	5.15	2.68	7.97	7.99	5.09	-9.27
Municipals (10yr)	2.80	1.12	7.00	5.32	4.77	-0.45
High Yield	7.98	1.92	6.03	12.24	10.23	5.73

Key Rates	Levels (%)					
	12/15/23	12/8/23	9/29/23	12/30/22	12/15/22	12/15/20
2-yr U.S. Treasuries	4.44	4.71	5.03	4.41	4.23	0.11
10-yr U.S. Treasuries	3.91	4.23	4.59	3.88	3.44	0.92
30-yr U.S. Treasuries	4.00	4.31	4.73	3.97	3.48	1.65
10-yr German Bund	2.02	2.26	2.82	2.53	2.08	-0.62
SOFR	5.31	5.32	5.31	4.30	4.32	0.09
3-mo. EURIBOR	3.92	3.95	3.95	2.13	2.06	-0.54
6-mo. CD rate	2.21	2.22	2.21	1.80	1.76	0.27
30-yr fixed mortgage	7.07	7.07	7.53	6.58	6.42	2.85
Prime Rate	8.50	8.50	8.50	7.50	7.50	3.25

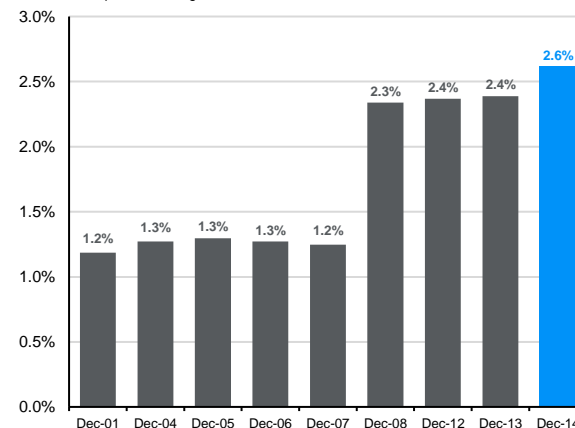
Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
19.32	4.31	1.45	39585
17.56	4.66	N/A	11701
21.31	1.82	1.37	2447
26.32	11.33	0.69	23522
14.75	2.37	2.26	19984
13.16	1.73	2.83	15870
11.78	1.58	2.39	6909
26.65	5.71	0.74	23992

Currencies	Levels		
	12/15/23	12/30/22	12/15/22
\$ per €	1.09	1.07	1.07
\$ per £	1.27	1.20	1.22
¥ per \$	141.76	131.95	137.54

Commod.	Levels		
	12/15/23	12/30/22	12/15/22
Oil (WTI)	71.57	80.16	75.89
Gasoline	3.14	3.09	3.24
Natural Gas	2.39	3.52	6.80
Gold	2032	1814	1784
Silver	24.19	23.95	23.17
Copper	8471	8387	8383
Corn	6.10	6.14	5.89
BBG Idx	226.55	245.89	247.59

Chart of the Week

4Q23 GDP estimates revised upwards after strong retail sales report
Quarter-over-quarter % change, SAAR



Style Returns

	V	B	G
L	3.3	2.5	2.2
M	4.2	4.3	4.4
S	5.5	5.6	5.7
	V	B	G
L	10.0	24.9	41.2
M	11.2	15.6	24.0
S	12.4	14.4	15.9

S&P 500 Sector Returns

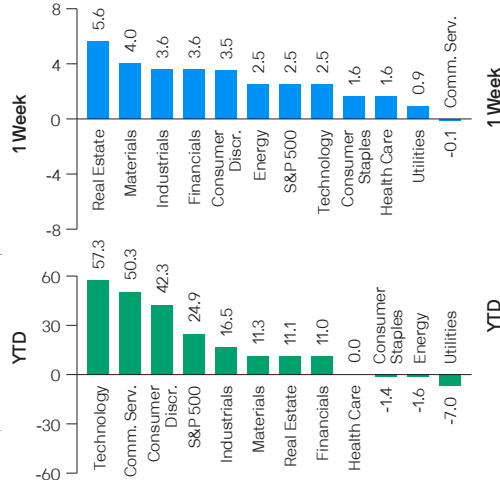




Chart of the Week: Source: Census Bureau, FactSet, Federal Reserve Bank of Atlanta, J.P. Morgan Asset Management.

Thought of the week: Source: Census Bureau, FactSet, Federal Reserve Bank of Atlanta, J.P. Morgan Asset Management.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.); provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI - EAFE; provided by: MSCI - gross official pricing. Index: MSCI - EM; provided by: MSCI - gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Bloomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period.

Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

Past performance does not guarantee future results.

Diversification does not guarantee investment returns and does not eliminate the risk of loss.

Opinions and estimates offered constitute our judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The views and strategies described may not be appropriate for all investors. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, accounting, legal or tax advice. References to future returns are not promises or even estimates of actual returns a client portfolio may achieve. Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation.

The Market Insights program provides comprehensive data and commentary on global markets without reference to products. Designed as a tool to help clients understand the markets and support investment decision-making, the program explores the implications of current economic data and changing market conditions.

The J.P. Morgan Asset Management Market Insights and Portfolio Insights programs, as non-independent research, have not been prepared in accordance with legal requirements designed to promote the independence of investment research, nor are they

subject to any prohibition on dealing ahead of the dissemination of investment research.

This document is a general communication being provided for informational purposes only. It is educational in nature and not designed to be taken as advice or a recommendation for any specific investment product, strategy, plan feature or other purpose in any jurisdiction, nor is it a commitment from J.P. Morgan Asset Management or any of its subsidiaries to participate in any of the transactions mentioned herein. Any examples used are generic, hypothetical and for illustration purposes only. This material does not contain sufficient information to support an investment decision and it should not be relied upon by you in evaluating the merits of investing in any securities or products. In addition, users should make an independent assessment of the legal, regulatory, tax, credit, and accounting implications and determine, together with their own financial professional, if any investment mentioned herein is believed to be appropriate to their personal goals. Investors should ensure that they obtain all available relevant information before making any investment. Any forecasts, figures, opinions or investment techniques and strategies set out are for information purposes only, based on certain assumptions and current market conditions and are subject to change without prior notice. All information presented herein is considered to be accurate at the time of production, but no warranty of accuracy is given and no liability in respect of any error or omission is accepted. It should be noted that investment involves risks, the value of investments and the income from them may fluctuate in accordance with market conditions and taxation agreements and investors may not get back the full amount invested. Both past performance and yields are not reliable indicators of current and future results.

J.P. Morgan Asset Management is the brand for the asset management business of JPMorgan Chase & Co. and its affiliates worldwide.

Telephone calls and electronic communications may be monitored and/or recorded.

Personal data will be collected, stored and processed by J.P. Morgan Asset Management in accordance with our privacy policies at <https://www.jpmorgan.com/privacy>.

This communication is issued by the following entities:

In the United States, by J.P. Morgan Investment Management Inc. or J.P. Morgan Alternative Asset Management, Inc., both regulated by the Securities and Exchange Commission; in Latin America, for intended recipients' use only, by local J.P. Morgan entities, as the case may be.; in Canada, for institutional clients' use only, by JPMorgan Asset Management (Canada) Inc., which is a registered Portfolio Manager and Exempt Market Dealer in all Canadian provinces and territories except the Yukon and is also registered as an Investment Fund Manager in British Columbia, Ontario, Quebec and Newfoundland and Labrador.

If you are a person with a disability and need additional support in viewing the material, please call us at 1-800-343-1113 for assistance.

Copyright 2023 JPMorgan Chase & Co. All rights reserved.

©JPMorgan Chase & Co., December 2023.

Unless otherwise stated, all data is as of December 18, 2023 or as of most recently available.

0903c02a81dbac80