
# Liberty brokerage weekly report

1 November, 2024

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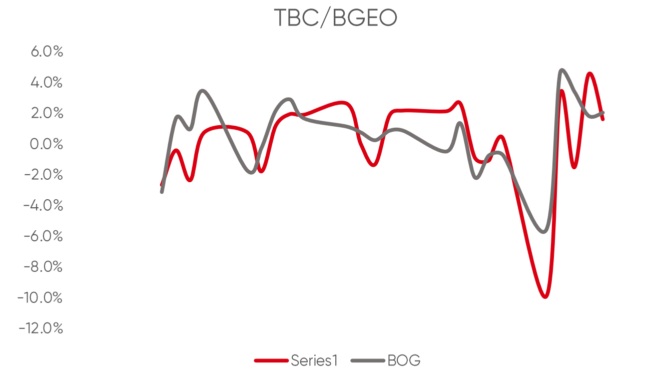
# Quote of the week

Before anything else, preparation is the key to success.

**Alexander Graham Bell**

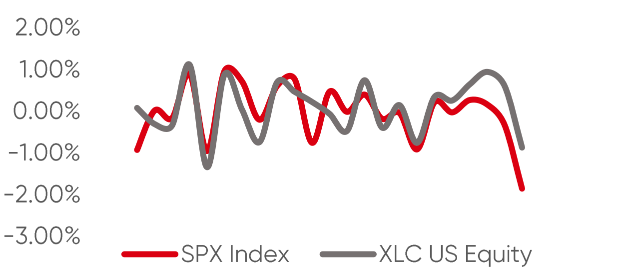
# Executive Summary

- The GBP/USD pair is trading below 1.2900 due to the US dollar's strength from safe-haven demand amid geopolitical tensions and concerns about inflationary policies if Trump wins the upcoming election.
- The S&P 500 is trading at 5,705.45, down 1.8% over the past five days amid persistent market volatility. This decline reflects cautious forecasts from major institutions like Goldman Sachs, anticipating slower returns ahead
- The Eurozone economy grew by 0.4% in Q3 2024, exceeding the 0.2% growth forecast and building on a previous 0.2% expansion.




| NAME | Ticker | Currency | Price | W/W chg | P/E | EPS | Mcap '000 |
|---|---|---|---|---|---|---|---|
| TBCG | TBCG | GBP | £27.95 | -2.61% | 4.66 | 20.74 | £1,617,316.68 |
| BGEO | BGEO | GBP | £42.45 | 6.13% | 2.98 | 31.30 | £1,805,966.04 |
| GCAP | CGEO | GBP | £10.22 | -1.16% | 8.31 | 15.41 | £410,417.87 |

### COMMUNICATION SERVICES

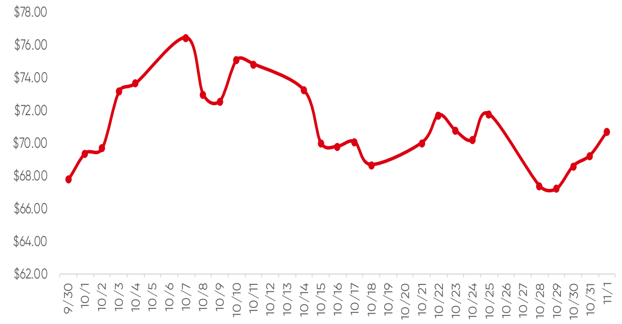



The Communication Services sector is trading at 92.04, up 1.57% over the past five days, with analysts forecasting an 18% earnings growth rate for 2024 driven by digital transformation and increased content consumption.

### CAC 40

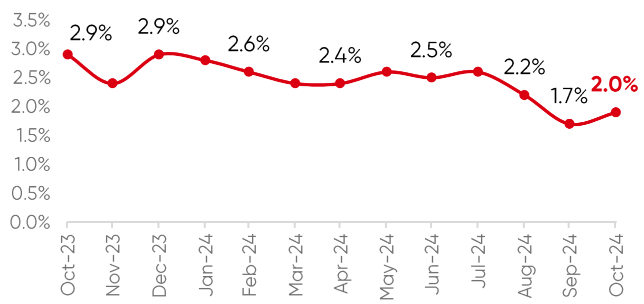

The CAC 40 index is trading at 7,407, down about 1.2% over the past five days, reflecting broader declines in European markets due to inflation and monetary policy concerns.

### GOLD




Crude oil is trading at $71.19, down 0.82% over the past five days amid evolving demand-supply dynamics and mixed earnings reports from energy giants like Shell and BP.

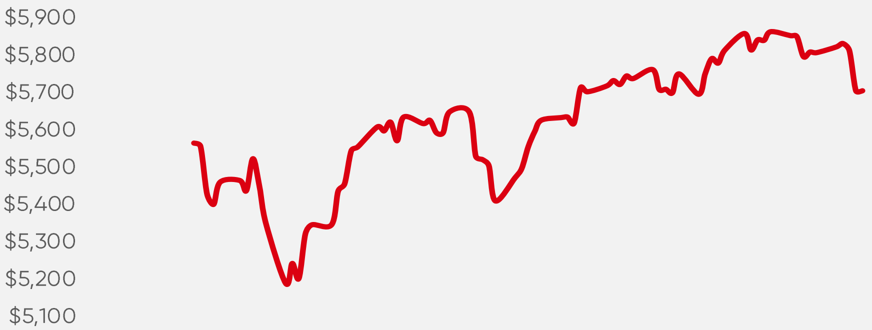
### EUROZONE INFLATION




Euro-area inflation rose to 2% in October from 1.7% in September, driven by a smaller decline in energy costs and faster food price increases, while core inflation remained steady at 2.7%.

# Indices

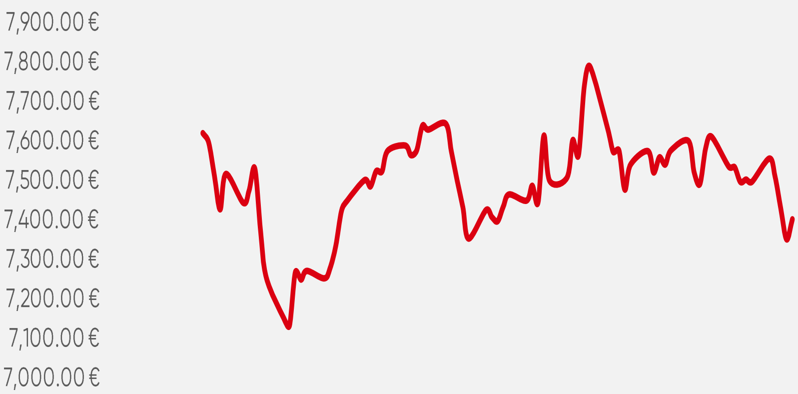
## S&P 500




The S&P 500 is currently trading at 5,705.45, showing a 1.8% decline over the past five days as volatility persists across markets. This recent downturn reflects a cautious outlook from major financial institutions like Goldman Sachs, which anticipates slower returns in the months ahead. Furthermore, shifts in corporate governance, with a notable increase in first-time directors on S&P 500 boards, highlight an effort to bring new perspectives as companies navigate challenging economic conditions. Investor sentiment is mixed, as market participants closely watch corporate earnings and broader economic indicators, making the index a critical gauge of current market resilience.

| NAME | LAST |
|---|---|
| Communication Service | 1.31% |
| Consumer Discretionary | -1.95% |
| Consumer Staples | -1.16% |
| Energy | -1.31% |
| Financial | -0.32% |
| Health Care | -1.16% |
| Industial | -1.16% |
| Materials | -0.61% |
| Real Estate | -1.97% |
| Technology | -3.50% |
| Utilities | -0.58% |

## CAC 40




| Ticker | Price | W/W % | P/E |
|---|---|---|---|
| GLE | $ 27.26 | 10.65% | 6.13 |
| MT | $ 22.62 | 3.28% | -- |
| SGO | $ 83.60 | 1.62% | 14.49 |
| TTE | $ 58.55 | -4.46% | 8.82 |
| RI | $ 115.20 | -8.42% | 19.59 |
| CAP | $ 161.85 | -11.56% | 16.11 |

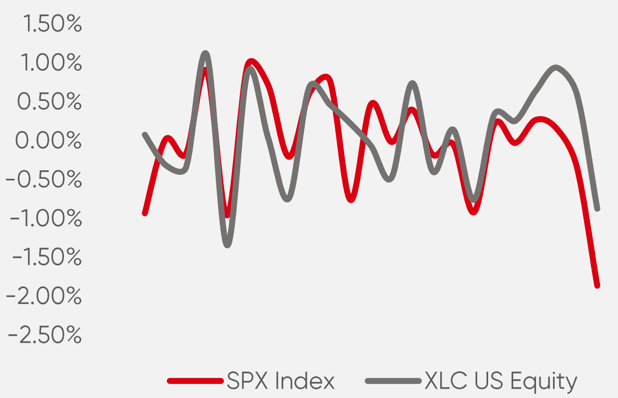
The CAC 40 index is currently trading at 7,407, reflecting a notable decline of approximately 1.2% over the past five days. This downturn follows a broader trend seen in European markets, which are experiencing downward pressure due to concerns over inflation and monetary policy. Analysts have noted that economic indicators, such as inflation rates and consumer sentiment, are impacting market performance across the continent.

Recent data suggests that while the CAC 40 has faced challenges, particularly from sectors sensitive to interest rates, there are also signals of potential resilience. The index's performance is closely tied to the financial services sector, which is currently navigating regulatory changes and market dynamics, potentially impacting its growth prospects.

In summary, the CAC 40 is underperforming recently but remains a focus for investors looking for opportunities as the economic landscape evolves. The index's fluctuations highlight the ongoing complexities of the market as it reacts to both domestic and international factors.

# Top Performing Sectors

## COMMUNICATION SERVICES

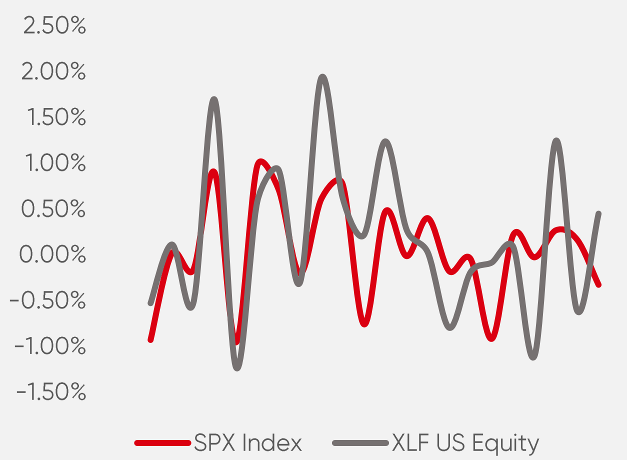



| Ticker | Price | W/W % | EPS T12M | P/E | Vol. mln |
|---|---|---|---|---|---|
| WBD | $ 8.13 | 8.11% | $ (4.80) | -- | $47.57 |
| PARA | $ 10.94 | 6.21% | $ (7.79) | 7.24 | $8.55 |
| GOOGL | $ 171.11 | 5.16% | $ 7.62 | 22.15 | $44.43 |
| NWSA | $ 27.25 | 5.01% | $ 0.46 | 37.26 | $3.61 |
| GOOG | $ 172.69 | 4.96% | $ 7.62 | 22.15 | $32.70 |
| CMCSA | $ 43.67 | 4.85% | $ 3.73 | 11.61 | $35.03 |
| NWS | $ 29.04 | 4.84% | $ 0.46 | 37.26 | $0.89 |
| EA | $150.85 | 4.01% | $ 3.92 | 31.33 | $2.64 |
| FOX | $ 38.96 | 1.62% | $ 3.14 | 10.50 | $0.71 |
| T | $ 22.54 | 1.53% | $ 1.23 | 9.91 | $59.52 |

The Communication Services sector is currently trading at 92.04, reflecting a notable increase of 1.57% over the past five days. This sector has shown resilience, with analysts projecting a strong earnings growth rate of approximately 18% for 2024, primarily driven by the ongoing digital transformation and increased content consumption. Companies within this sector, including those in telecommunications, media, and internet services, are adapting well to consumer preferences in an evolving digital landscape.

Despite past underperformance, particularly last year when it was the weakest sector in the S&P 500, the Communication Services sector is now poised for a significant turnaround. Year-to-date, it has outperformed many other sectors, attributed largely to renewed investor interest, especially in companies focusing on artificial intelligence and digital media. This optimism suggests that the sector's adaptability and potential for growth may present promising investment opportunities as we move into 2024.

## FINANCIAL



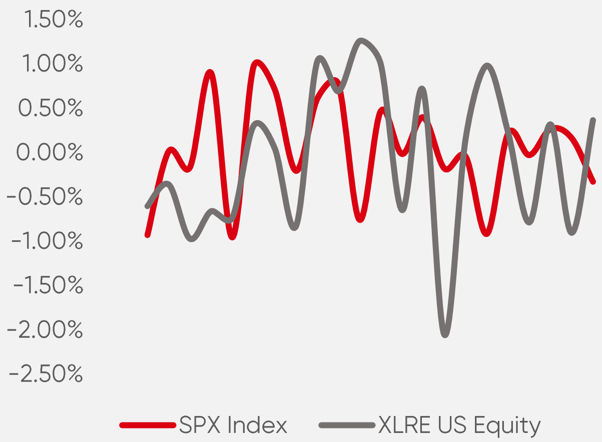

| Ticker | Price | W/W % | EPS T12M | P/E | Vol. mln |
|---|---|---|---|---|---|
| COF | $ 162.79 | 6.22% | $ 10.62 | 14.25 | $3.41 |
| GPN | $ 103.71 | 4.20% | $ 5.32 | 15.82 | $2.91 |
| WTW | $302.19 | 4.01% | $ (7.19) | 17.10 | $1.08 |
| DFS | $148.43 | 3.71% | $ 12.39 | 11.98 | $3.14 |
| AON | $366.87 | 2.81% | $ 11.92 | 30.53 | $1.03 |
| BEN | $ 20.77 | 2.67% | $ 1.63 | 9.26 | $9.80 |
| V | $289.85 | 2.34% | $ 11.84 | 29.54 | $7.82 |
| CINF | $140.83 | 1.87% | $ 19.60 | 20.97 | $1.07 |
| C | $ 64.17 | 1.86% | $ 3.50 | 19.82 | $10.03 |
| AMP | $510.30 | 1.21% | $ 26.52 | 14.86 | $0.40 |

The energy sector, trading at $90 with a 0.6% decline over the past week, is navigating complex dynamics as investor focus shifts between traditional and renewable energy sources. Despite short-term fluctuations, interest remains strong in the sector's potential, especially with developments in Tesla's energy ventures and modular nuclear reactor technology.

Texas' ERCOT initiative to stabilize the state grid highlights the ongoing investments in infrastructure that are crucial for energy resilience. Investors are watching closely, with potential policy adjustments and technological innovations likely to shape the sector's mid- to long-term growth, underscoring energy's critical role in a transitioning economy.

# Top Performing Sectors

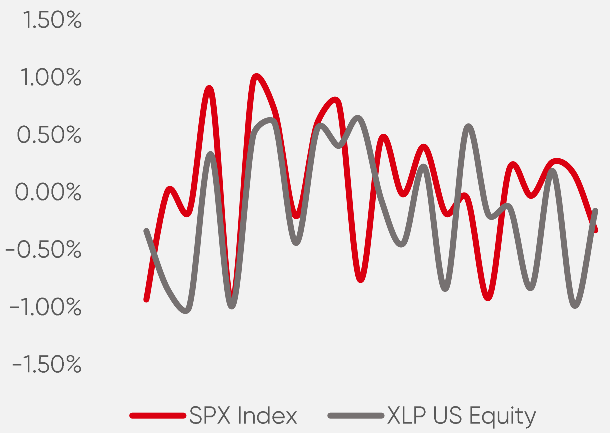
## REAL ESTATE




| Ticker | Price | W/W % | EPS T12M | P/E | Vol. mln |
|---|---|---|---|---|---|
| DLR | $ 178.23 | 7.93% | $ 1.28 | 708.67 | $2.01 |
| WELL | $134.88 | 2.15% | $ 1.53 | 149.38 | $3.98 |
| EQIX | ###### | 1.38% | $ 11.13 | 80.96 | $0.83 |
| VTR | $ 65.49 | -0.71% | $ (0.17) | -- | $4.74 |
| REG | $ 71.44 | -0.78% | $ 2.13 | 36.87 | $1.36 |
| KIM | $ 23.72 | -0.96% | $ 0.55 | 40.54 | $6.01 |
| CSGP | $ 72.79 | -1.52% | $ 0.44 | ##### | $2.34 |
| IRM | $ 123.73 | -1.78% | $ 0.78 | 86.86 | $2.05 |
| CBRE | $ 130.97 | -1.90% | $ 3.12 | 35.13 | $1.78 |
| HST | $ 17.24 | -2.38% | $ 1.07 | 25.39 | $6.29 |

The real estate sector is currently trading at 43.20, reflecting a 2.75% decline over the past five days. This downturn is primarily driven by persistent rising mortgage rates, which have surged to around 8% for a 30-year fixed mortgage. This increase significantly impacts buyer affordability and demand within the housing market.
Recent reports indicate that U.S. pending home sales have shown some growth, attributed to seasonal adjustments and the lingering hope that interest rates might stabilize or even decline in the near future. Despite this, home prices continue to rise, up by about 4% year-over-year, reflecting a supply-demand imbalance, particularly in markets with limited inventory.
Investor sentiment appears cautious as the market grapples with the ongoing effects of high borrowing costs. Although some real estate investment trusts (REITs) have managed to maintain strong fundamentals, the sector overall is waiting for signs of recovery as interest rates potentially level off.

## CONSUMER STAPLES

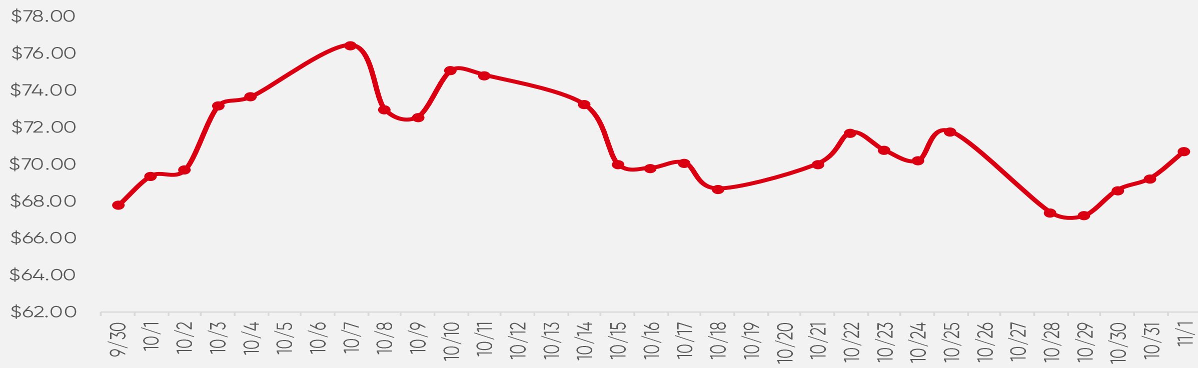



| Ticker | Price | W/W % | EPS T12M | P/E | Vol. mln |
|---|---|---|---|---|---|
| CDNS | $ 276.12 | 9.89% | $ 3.84 | 76.22 | $2.77 |
| FFIV | $233.88 | 9.51% | $ 9.65 | 23.91 | $0.80 |
| GEN | $ 29.11 | 7.74% | $ 0.99 | 23.39 | $10.90 |
| ZBRA | $ 381.97 | 5.50% | $ 7.40 | 48.89 | $0.68 |
| SNPS | $ 513.61 | 3.71% | $ 9.82 | 51.26 | $1.21 |
| GDDY | $166.80 | 3.31% | $ 13.10 | 12.79 | $2.68 |
| DELL | $ 123.63 | 2.54% | $ 5.57 | 20.09 | $7.27 |
| ENPH | $ 83.04 | 2.39% | $ 0.45 | 139.52 | $2.77 |
| GLW | $ 47.59 | 1.67% | $ 0.18 | 39.63 | $6.85 |
| CRM | $ 291.37 | 1.61% | $ 5.81 | 48.00 | $4.30 |

The consumer staples sector is currently trading at 80.12, reflecting a 1.98% decrease over the last five days. This decline comes amid a backdrop of mixed performance within the sector, which includes a notable dip in share prices due to ongoing inflationary pressures and changing consumer behaviors.
Despite the recent downturn, analysts anticipate a rebound for consumer staples stocks moving forward. The sector has shown resilience, with a 17% increase over the past year and expectations of an 11% annual growth in earnings in the coming years. Key drivers for this anticipated growth include strong pricing power and improved volume sales as inflationary pressures begin to ease. Companies such as PepsiCo and General Mills are expected to benefit from moderating price increases, potentially leading to better volume performance after recent declines.

# Commodities

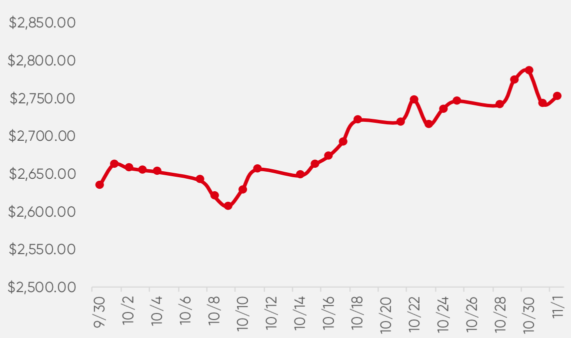
**Crude oil**




Crude oil is currently trading at $71.19, reflecting a 0.82% decrease over the past five days as the market grapples with evolving demand-supply dynamics and mixed quarterly earnings from energy giants like Shell and BP. Shell reported third-quarter profits that fell short of expectations, sparking concerns about cost pressures and operational hurdles facing the energy sector. BP, meanwhile, saw its shares impacted by the same headwinds affecting the broader oil market, signaling the industry's ongoing struggle with volatile market conditions.

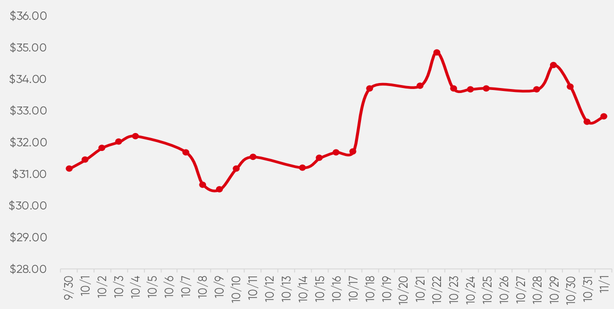
A recent drop in crude prices, down about 6% earlier in the week, reflects a cautious sentiment in the face of declining global demand signals, as well as increased supply from non-OPEC countries. Despite this, supply constraints orchestrated by OPEC+ and uncertainty surrounding future production decisions have kept traders on edge. Market participants are closely watching OPEC+ for potential adjustments in output that could stabilize prices. Moreover, geopolitical factors, such as U.S. foreign policy on sanctions and Middle East tensions, continue to add layers of uncertainty to crude oil's outlook.

**Gold**




Gold is currently trading at $2,764.4, reflecting a 0.86% increase over the past five days. This rise comes amid heightened demand driven by Diwali celebrations and increasing geopolitical uncertainties, with investors seeking refuge in safe-haven assets. Gold's recent momentum has been further fueled by market jitters related to global economic stability and inflation concerns, reinforcing its role as a hedge against volatility.

**Silver**

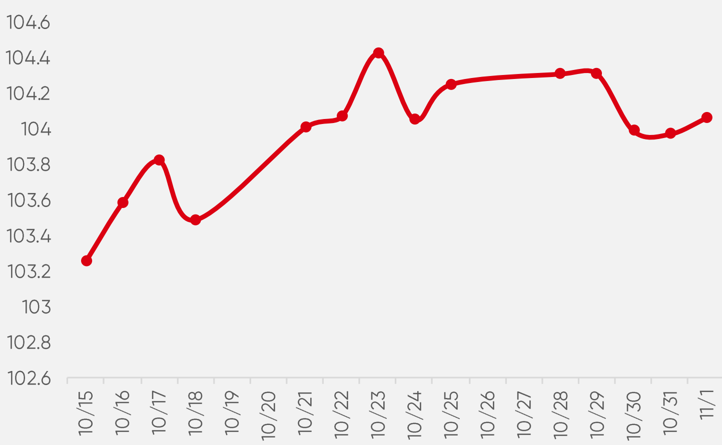



Silver is currently priced at $30.025, marking a 1.72% decline over the past five days. This drop contrasts with recent momentum in precious metals, as gold continues to hit new highs, driven by economic uncertainties and geopolitical risks. Silver's decrease reflects a mix of market factors, including fluctuations in industrial demand and recent stock market volatility, with major indexes like the Nasdaq gaining while the Dow and S&P 500 have opened lower.

Despite the recent dip, silver remains a sought-after asset, especially as investors weigh it as a potential hedge alongside gold.

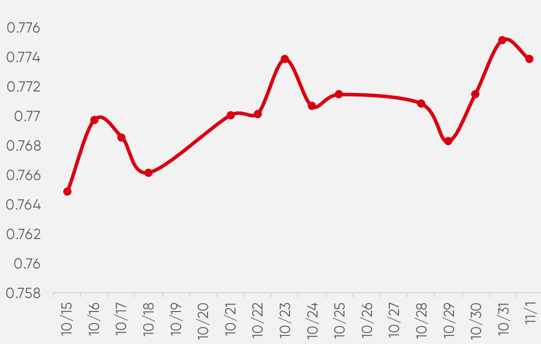
# Currencies

### US Dollar Index



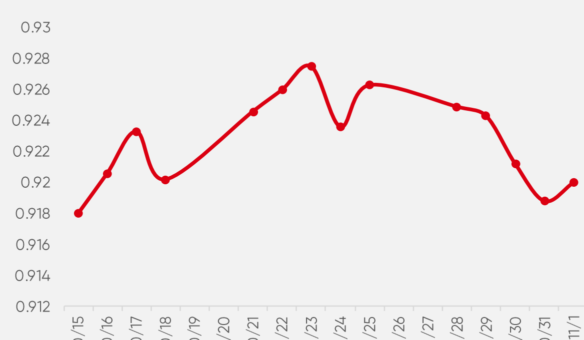

In the latest market analysis, the US Dollar Index (DXY) is exhibiting a robust performance, currently trading at approximately **104.06**. The dollar has benefited from a combination of favorable economic indicators and rising Treasury yields, which have propelled its value against a basket of currencies. Notably, the index reached a three-month peak of around **104.50** earlier in the week, driven by resilient job market data and expectations for sustained higher interest rates from the Federal Reserve.
As the markets anticipate significant economic reports, including GDP growth and nonfarm payrolls the DXY remains well-positioned.
Traders are expecting the economy to reflect a **3% quarterly growth**, while the nonfarm payrolls report is projected to show a modest **111,000 new jobs** added in October significantly lower than the previous month's figure. This backdrop of strong economic fundamentals has kept the dollar supported, although profit-taking and some caution have led to a slight pullback in recent trading sessions.
In conclusion, the US dollar's current strength, coupled with a proactive Federal Reserve and upcoming critical economic data, suggests continued volatility and trading opportunities in the foreign exchange markets. For those interested in a deeper dive into these developments, further analysis can be found in recent financial reports and market updates.

### GBP




In recent developments, the GBP/USD pair continues to face downward pressure, recently trading below the 1.2900 level. This trend has been primarily influenced by the strength of the US dollar, which has garnered safe-haven demand amid geopolitical tensions and uncertainty ahead of the upcoming US presidential election. Market sentiment has been cautious as investors are apprehensive about the potential implications of a possible Trump victory, which is expected to lead to more inflationary policies and a more aggressive Federal Reserve stance.

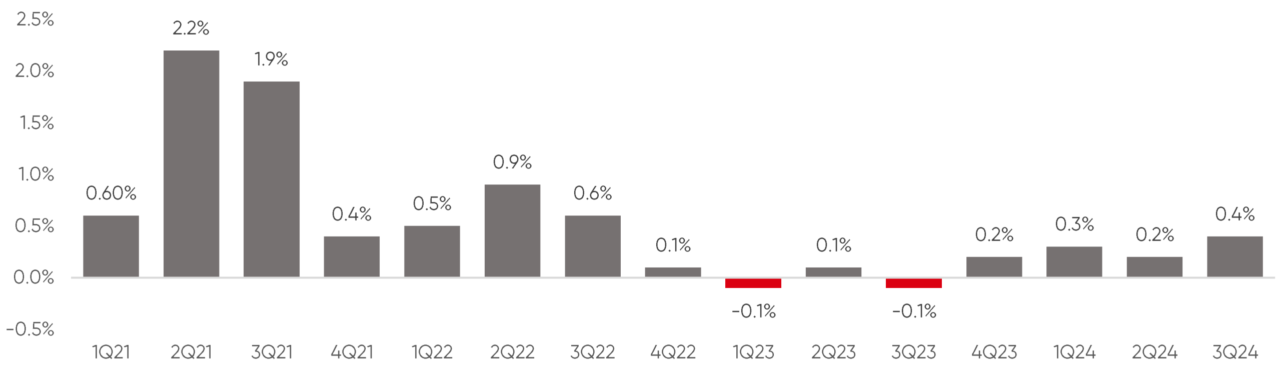
### EUR




The current state of the EUR/USD pair reveals significant bearish pressure amid broader market uncertainty. As of now, the euro trades around $1.08, reflecting recent declines influenced by the stronger US dollar, which has shown resilience in light of geopolitical tensions and impending US election uncertainties. The US dollar index is solidly positioned above the 104 mark, reinforcing its strength.
Market analysts predict that the euro may face further challenges if it fails to maintain critical support levels near $1.0770 to $1.0790. A close below this threshold could prompt a continuation of the downward trend.

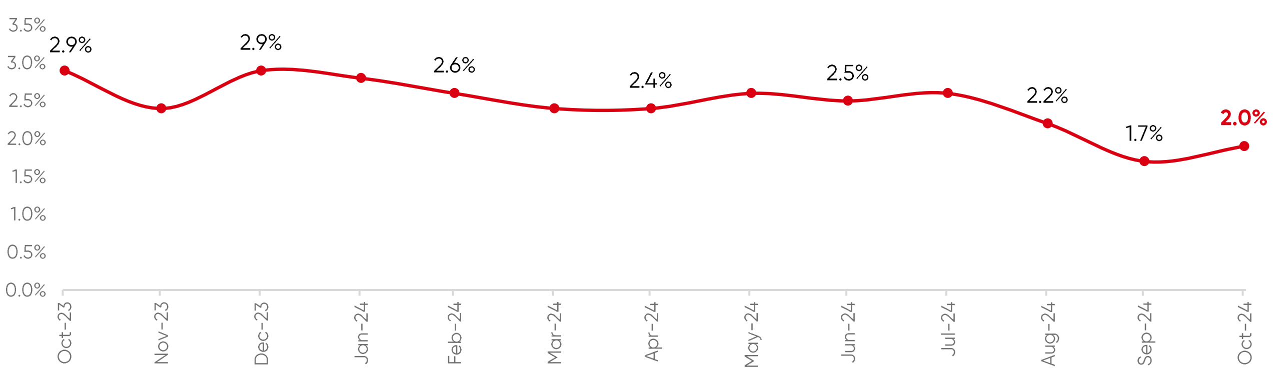
# Macroeconomics

### Eurozone Quarterly Growth of Real GDP




The Eurozone economy grew by 0.4% in the third quarter of 2024, surpassing expectations of 0.2% growth and following a 0.2% expansion in the second quarter. Economists anticipate that business activity and consumer confidence may gradually improve in the coming months, aided by cooling inflation and lower interest rates. The European Central Bank is expected to cut rates again in December, with some speculation about a possible larger cut, though a 25-basis-point reduction remains the baseline. The implications include persistent economic challenges in Germany, which narrowly avoided a recession, and Italy's struggles with the end of construction incentives. The impacts could lead to further discussions about inflation management, as any uptick in inflation may restrict the ECB's options for rate reductions.

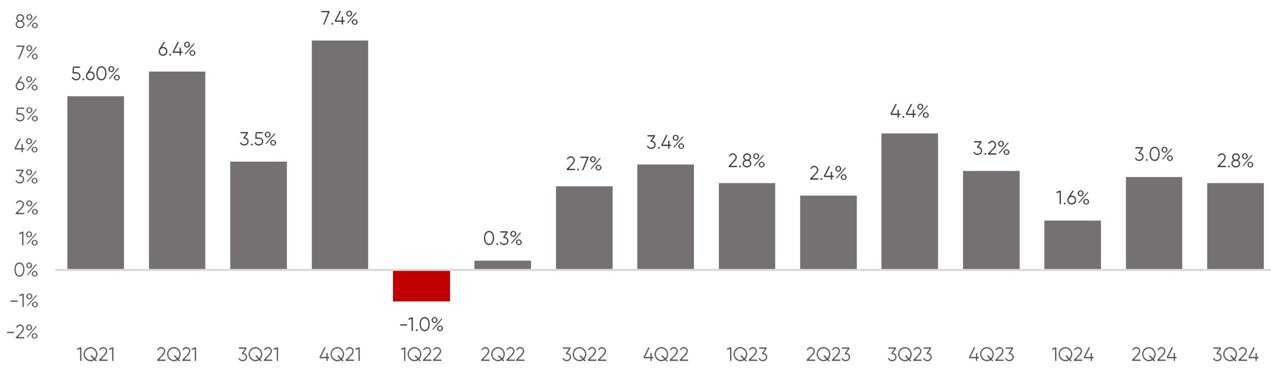
### Eurozone Inflation




Euro-area inflation accelerated to 2% in October, up from 1.7% in September, driven by a smaller decline in energy costs and faster food price increases, while core inflation held steady at 2.7%. This rise supports arguments for a gradual approach to monetary easing, with officials like ECB Executive Board member Isabel Schnabel emphasizing caution. However, there are calls for more aggressive rate cuts due to signs of economic weakness. The debate is fueled by concerns over external risks, such as geopolitical tensions and trade uncertainties, which could drive costs higher. Although inflation is projected to meet the target sustainably next year, a strong labor market adds complexity to future policy decisions.

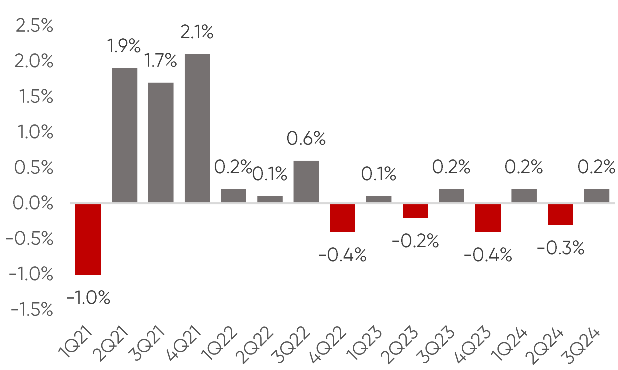
# Macroeconomics

### US Quarterly Annualized Growth of Real GDP



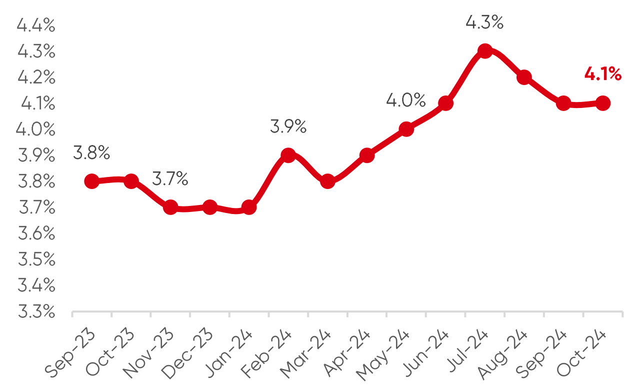

The U.S. economy grew at a solid annualized rate of 2.8% in the third quarter of 2024, driven by strong consumer spending and increased federal government expenditures, though it fell short of expectations for 3.1% growth. Inflation showed signs of easing, with the PCE (Personal Consumption Expenditures Price) index rising at an annualized rate of 1.5%, though core inflation remained at 2.2%. Strong consumer spending and significant federal expenditures are keeping the economy afloat but may add to concerns about fiscal sustainability, especially with the budget deficit of over $1.8 trillion. Looking ahead, the Federal Reserve is expected to cut interest rates further, while the economic landscape plays a key role in the tight presidential race, where candidates are highlighting different economic narratives.

### Germany Quarterly Growth of Real GDP




Germany's economy narrowly avoided a technical recession with unexpected growth of 0.2% in the third quarter, following a 0.3% contraction in the previous period. Despite this uptick, the overall outlook remains grim, with ongoing struggles in the manufacturing sector, significant challenges in the automotive industry, and rising unemployment. Economists, from ING and Bloomberg, predict little to no momentum for growth in the near future, with a potential continued downturn in 2024.

### US Unemployment




The U.S. labor market added only 12K jobs in October, far below the expected 100K, marking the weakest growth since 2020, while the unemployment rate remained at 4.1%. This significant slowdown was driven by disruptions such as the Boeing strike and severe hurricanes. Despite steady hourly earnings, economists warn of a gradually cooling labor market and suggest future implications could be considerable as policymakers and voters prepare for key events like the Federal Reserve meeting and the presidential election.

# Forthcoming Calendar

## Monday

| Name | Currency | Forecast | Current |
|---|---|---|---|
| Spanish Manufacturing PMI | EU | | 53.0 |
| Eurozone Manufacturing PMI | EU | | 45.9 |
| German Manufacturing PMI | EU | | 42.6 |

## Tuesday

| Name | Currency | Forecast | Current |
|---|---|---|---|
| RBA Interest Rate Decision | AUD | | 4.35% |
| US Presidential Election | USD | | |
| Services PMI | USD | | 55.3 |
| Trade Balance | CAD | | -1.1B |

## Wednesday

| Name | Currency | Forecast | Current |
|---|---|---|---|
| Spanish Services PMI | EUR | | 57.0 |
| Bank of Japan Monetary Meeting | JPY | | |
| German Factory Orders (MoM) | EUR | | -5.80% |
| US 30-Year Bond Auction | USD | | 4.39% |

## Thursday

| Name | Currency | Forecast | Current |
|---|---|---|---|
| China Imports (YoY) | CNY | | 0.30% |
| German Industrial Production | EUR | | 2.90% |
| Norway Interest Rate Decision | NOK | | 4.50% |
| BoE Interest Rate Decision | GBP | | 5.00% |
| Fed Interest Rate Decision | US | 4.75% | 5.00% |

## Friday

| Name | Currency | Forecast | Current |
|---|---|---|---|
| Employment Change | CAD | | 46.7K |
| Brazilian CPI (YoY) | BRL | | 4.42% |
| Household Spending (MoM) | JPY | | 2.00% |

## Upcoming Revenue Reports

| Ticker | EPS Forecast | Forecast(B) | Market cap (B) |
|---|---|---|---|
| BRKb | 4.86 | 92.23 | 972.07 |
| BRKa | 7284.23 | 92.23 | 972.07 |
| VRTX | 4.08 | 2.69 | 122.85 |
| PLTR | 0.09 | 703.36M | 93.07 |
| CEG | 2.63 | 5.71 | 82.22 |

| Ticker | EPS Forecast | Forecast | Market cap |
|---|---|---|---|
| RACE | 2.19 | 1.8B | 85.31B |
| APO | 1.73 | 904.33M | 81.59B |
| EMR | 1.47 | 4.57B | 61.94B |
| NTDOY | 0.28 | 1.84B | 60.54B |
| MPC | 1.04 | 34.34B | 48.69B |

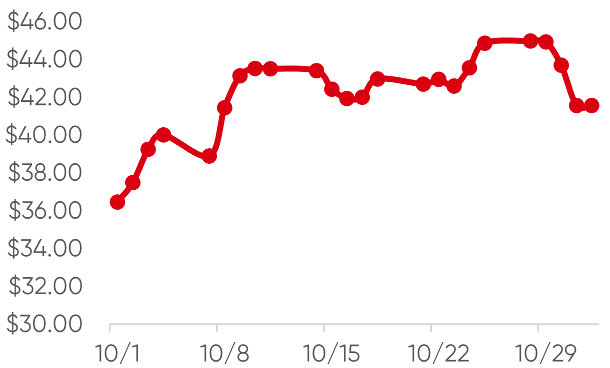
| Ticker | EPS Forecast | Forecast | Market cap |
|---|---|---|---|
| NVO | 0.88 | 10.63B | 499.85B |
| TM | 5.27 | 78.48B | 224.94B |
| QCOM | 2.56 | 9.9B | 181.33B |
| ARM | 0.26 | 744.31M | 148.08B |
| GILD | 1.53 | 7.01B | 110.58B |

| Ticker | EPS Forecast | Forecast | Market cap |
|---|---|---|---|
| ANET | 2.08 | 1.75B | 121.4B |
| DUK | 1.76 | 8.06B | 89.01 |
| ZURVY | . | . | 85.63B |
| ZFSVF | . | . | 85.61B |
| ABNB | 2.14 | 3.72B | 85.24B |

| Ticker | EPS Forecast | Forecast | Market cap |
|---|---|---|---|
| SONY | 0.27 | 20.57B | 106.3B |
| CFRUY | 0.4309 | 5.47B | 86.01B |
| CNSWF | 19.59 | 2.57B | 63.87B |
| UOVEY | 1.37 | 2.74B | 40.44B |
| IX | . | 5.16B | 24.31B |

# Upcoming Opportunities

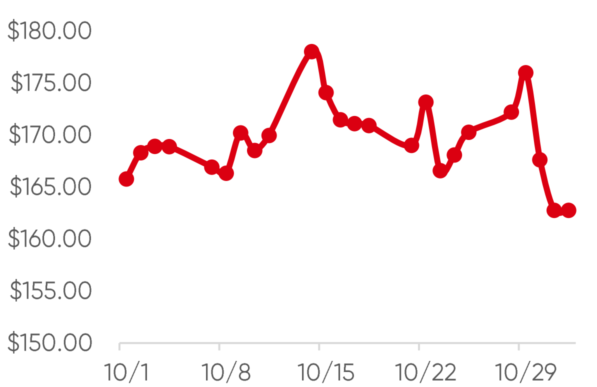
### PLTR




Palantir Technologies Inc. is preparing to release its earnings report next week, building on a trend of four consecutive positive results. Analysts forecast earnings per share (EPS) of 0.0953 and revenue of approximately $742.34 million for this upcoming quarter.

The company's strong performance can be attributed to its expanding presence in government and commercial sectors, where demand for data analytics solutions continues to grow. Palantir has positioned itself as a key player in data integration and analytics, helping organizations make data-driven decisions efficiently.

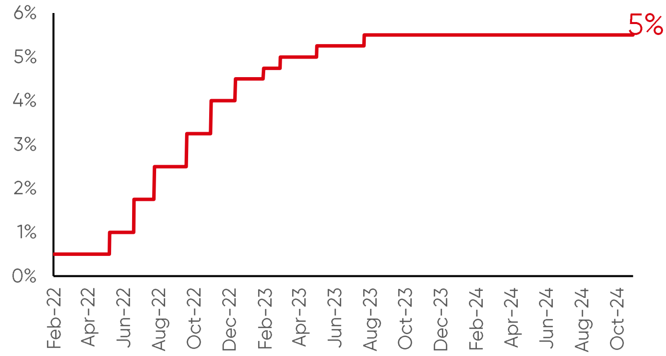
### QCOM




Qualcomm is set to release its revenue report next week, and expectations are high following four consecutive positive earnings reports. Analysts are projecting earnings per share (EPS) of 2.56 and revenue of approximately $9.9 billion for this upcoming quarter.

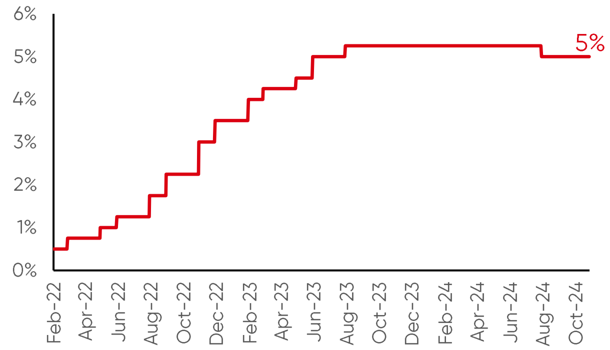
The company has been bolstered by strong demand for its chips in various markets, particularly in smartphones and automotive sectors. Qualcomm's strategic positioning in 5G technology continues to drive its growth, as it capitalizes on the global shift toward faster, more efficient wireless networks.

### Fed Rate Decision




Bank of America analysts project that the Fed will proceed with a 25 basis point cut in November, despite core PCE inflation being firmer than in recent months. Future rate cuts, especially in December and next year, remain uncertain due to mixed economic indicators, since persistent core inflation and potential wage and policy pressures—exacerbated by the upcoming presidential election—pose risks. Consequently, some economists, like Michael Landsberg, suggest the Fed might pause cuts if inflation concerns resurface.

### Bank of England Interest Rate




Interest rates in the U.K. are expected to decrease faster than previously anticipated, with markets fully pricing in a quarter-point cut at the Bank of England's November meeting and likely another in December. Sanjay Raja from Deutsche Bank projected the Bank Rate to gradually decrease to 3.75% by May 2025, with potential pauses if fiscal policy is looser than expected. If inflation continues to ease and the budget dampens demand, the BOE may accelerate rate cuts, though the uncertainty around fiscal policy could influence the final trajectory.

# Story of the Week

## Market Uncertainty Amid Election Season

As the U.S. presidential election approaches, financial markets are grappling with significant volatility, driven by investor anxiety surrounding the potential economic implications of the candidates' policies. Despite a prevailing sentiment suggesting that the economy may be on track for a soft landing, the erratic behavior of the markets indicates that many investors are bracing for a possible recession. This fear is heightened by the unpredictable nature of political outcomes and the potential shifts in economic policy that may follow.

Several key factors contribute to this atmosphere of uncertainty. Foremost among them are anticipated changes in tax policy, which could have wide-ranging effects on corporate earnings and consumer spending. Ongoing inflationary pressures further complicate the landscape, as they impact consumer purchasing power and overall economic growth. In addition, the Federal Reserve's evolving monetary strategies continue to play a pivotal role in shaping market expectations. Each new economic data release is met with heightened scrutiny, often resulting in sharp reactions from market participants who are keenly aware of the interconnectedness between politics and economics.

As election day looms ever closer, the stakes rise considerably. The outcome of the election could significantly influence the direction of economic policies and regulatory frameworks, further adding to market volatility. Investors find themselves navigating a complex environment where political dynamics intersect with financial markets, leading to an atmosphere filled with uncertainty. This situation compels market participants to carefully assess their positions and strategies in anticipation of the potential fallout from the electoral results.

In summary, the convergence of political uncertainty and economic factors is fostering a climate of caution among investors. The potential for a turbulent market environment in the weeks ahead is evident, as stakeholders grapple with the implications of the upcoming election on the broader economic landscape. With both short-term and long-term consequences at play, the need for vigilance and adaptability in investment strategies has never been more critical. As we move forward, the interplay between political events and market reactions will likely remain a central theme in discussions surrounding economic performance.

# Definitions

- **Equities:** Shares of ownership in a company that give investors a claim on profits, often through dividends or stock price gains.
- **Bonds:** Loans to governments or companies, paying fixed interest over time, with repayment at maturity.
- **Commodities:** Basic raw materials like oil, gold, or crops, traded on markets to hedge or profit from price changes.
- **Currency Markets (Forex):** Global trading of currencies where investors profit from exchange rate changes between pairs like EUR/USD.
- **Interest Rates:** The cost of borrowing money, set by central banks, influencing economic activity and inflation.
- **Unemployment Claims:** The number of people filing for jobless benefits. Higher claims can signal economic weakness, impacting stock and bond markets.
- **Job Creation:** A measure of new jobs added to the economy, used as an indicator of economic growth and consumer spending strength.
- **GDP (Gross Domestic Product):** The total value of goods and services produced by a country. It's a key measure of economic health and growth.
- Consumer price index (CPI): measures the average change in prices over time for a basket of goods and services typically purchased by households, serving as a key indicator of inflation.
- **Monetary Policy:** Actions by central banks, like adjusting interest rates, to influence economic activity and control inflation.
- **FOMC (Federal Open Market Committee):** The branch of the Federal Reserve that sets U.S. monetary policy, affecting interest rates and economic growth.
- **Dovish Stance:** A policy outlook that favors low interest rates to stimulate economic growth, often boosting stock and bond markets.
- **Hawkish Stance:** A policy outlook that favors higher interest rates to curb inflation, which can slow economic growth and hurt stocks.
- **Inflation:** The rate at which prices for goods and services rise, reducing purchasing power. It influences central bank policies and market performance.
- **Consumer Spending:** The total amount of money spent by households. It's a major driver of economic growth and corporate earnings.
- **Treasuries:** U.S. government bonds considered low-risk investments, sensitive to changes in interest rates set by the Federal Reserve.

# SOURCES

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