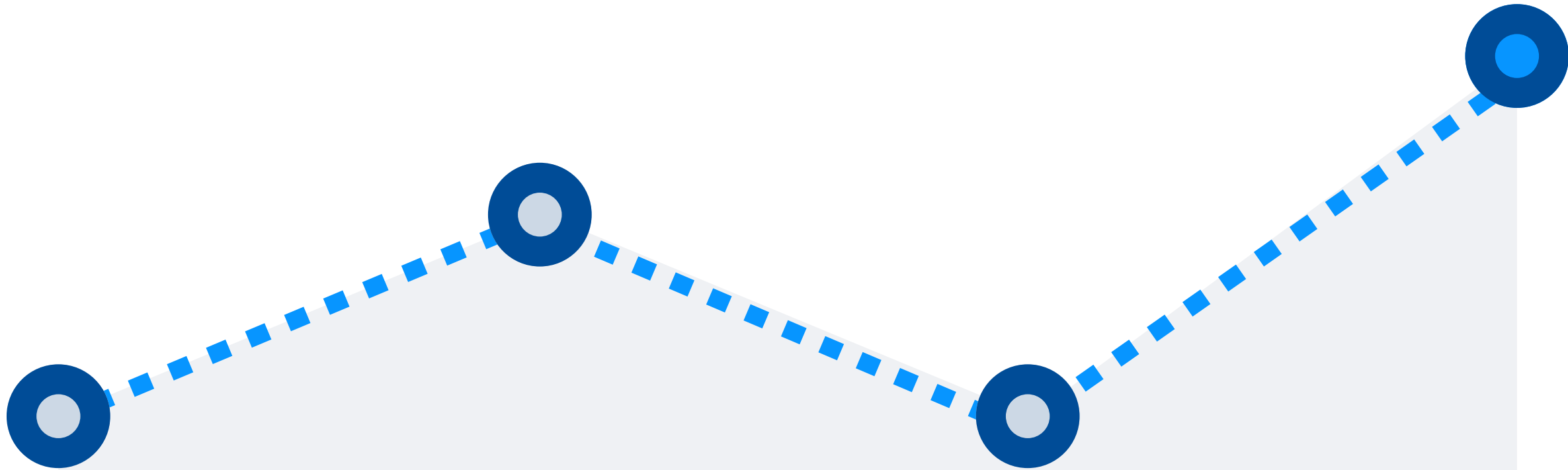


Charts Of The Month

October 2024

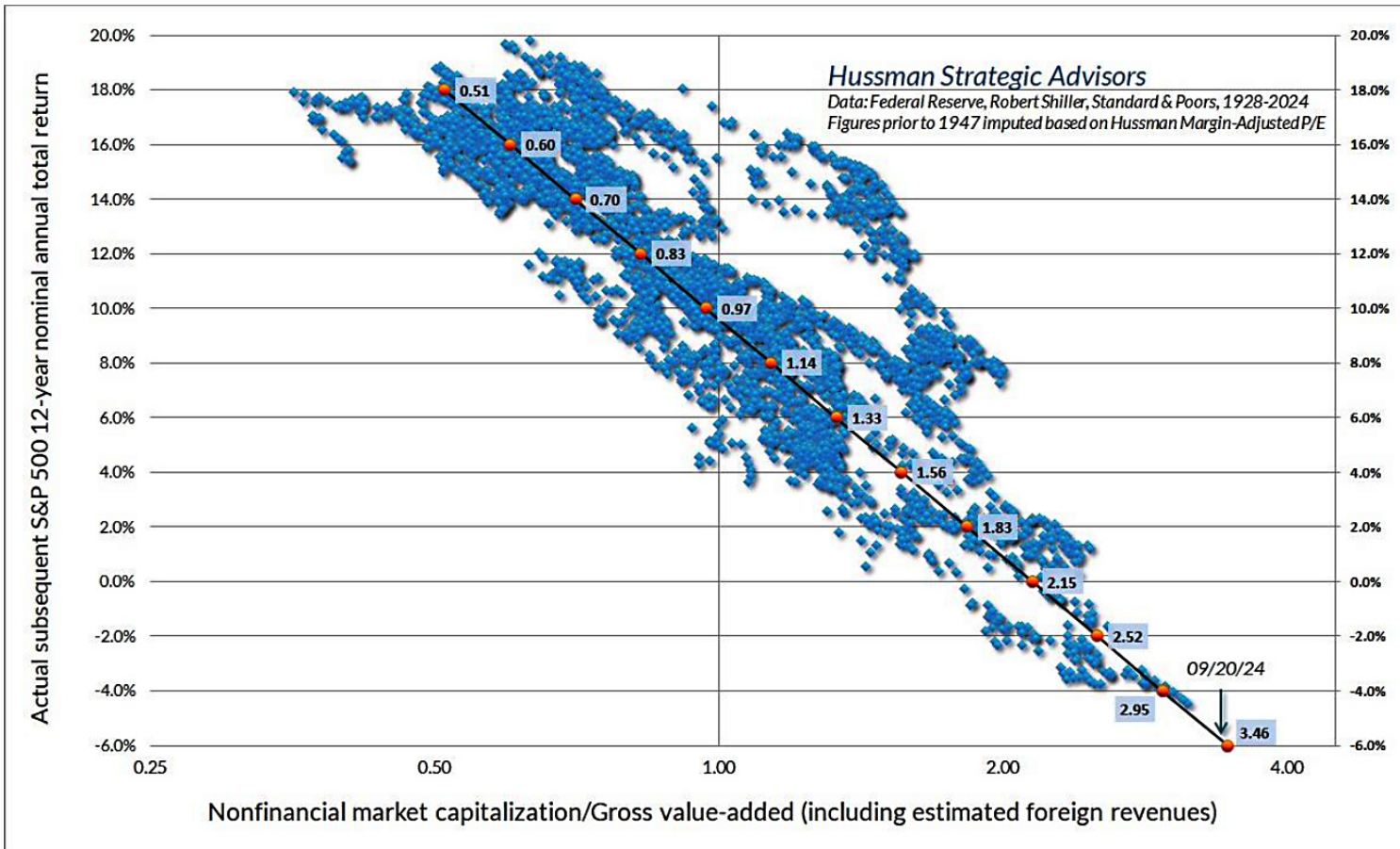


VALUATIONS

ECONOMY

FED

TREND



The 12-year expected returns for the S&P 500 are currently at their lowest in history. However, this is not a cause for alarm. It simply reflects the elevated valuations of U.S. stocks. Valuations, while informative, are not a catalyst for immediate market movements. The trend for the S&P 500 remains upward, and as the saying goes, "the trend is your friend."

That said, long-term investors may benefit from diversifying beyond the S&P 500 market capitalization index.

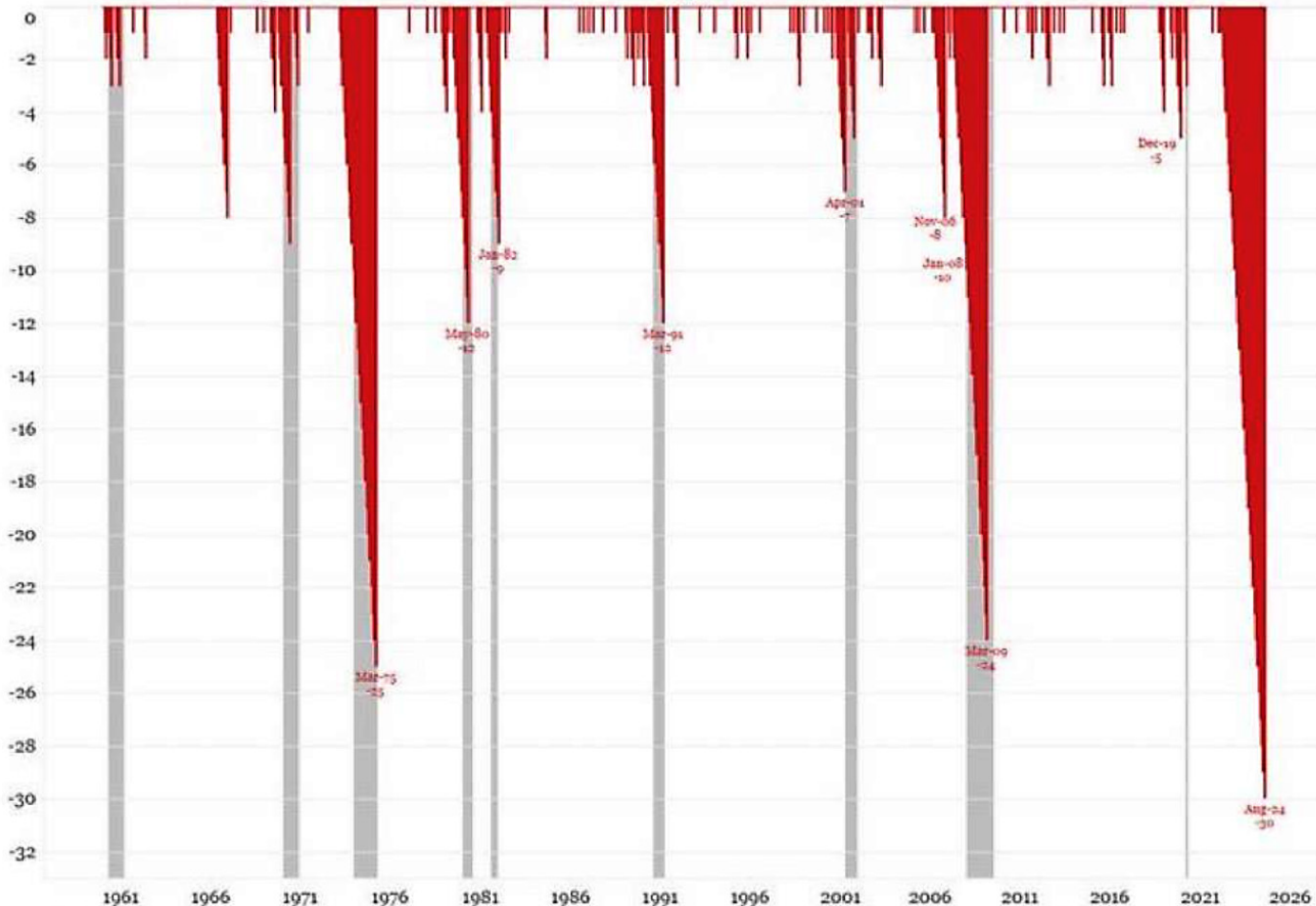
VALUATIONS

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Monthly Streak Without a Positive Reading in the Conference Board's LEI Index



Source: Bloomberg, Conference Board
<https://www.conference-board.org/topics/us-leading-indicators>

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Leading indicators continued to decline last month, marking the longest streak without a positive reading in the history of the Conference Board's Leading Economic Index (LEI).

However, the rate of change in these indicators may have bottomed out, and we are cautiously optimistic about a return to acceleration. Growth has been in long-term deceleration since the Federal Reserve began tightening policy in 2022.

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Global Liquidity index

Global liquidity Long-term cycle*



FINANCIAL TIMES

Source: CrossBorder Capital • *The recurring 65-month cycle

Global liquidity is on the rise, aligning with the recurring 65-month cycle. The Federal Reserve has begun an interest rate cutting process, reflecting a broader global policy shift toward increasing liquidity. The key question now is: will growth and inflation follow?

VALUATIONS

ECONOMY

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The low volatility factor remains in a positive trend against high beta. However, the strength seen in early September and established in August has retraced back to the breakout level (old resistance becomes new support). A breakdown suggests more risk-on behavior, a continued positive trend indicates risk aversion.

DISCLOSURE

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