Gregory M. Hart, CFP®
Haddon Wealth Management
2 Kings Highway W., Suite 201
Haddonfield, NJ 08033
(856) 888-1744
www.haddonwealthmgt.com / gregh@haddonwealthmgt.com

Market Update
(all values as of 11.29.2024)

Stock Indices:

Dow Jones	44,910
S&P 500	6,032
Nasdaq	19,218

Bond Sector Yields:

2 Yr Treasury	4.13%
10 Yr Treasury	4.18%
10 Yr Municipal	2.83%
High Yield	6.88%

YTD Market Returns:

Dow Jones	19.16%
S&P 500	26.47%
Nasdaq	28.02%
MSCI-EAFE	6.50%
MSCI-Europe	4.60%
MSCI-Pacific	9.00%
MSCI-Emg Mkt	7.90%
US Agg Bond	2.93%
US Corp Bond	4.14%
US Gov't Bond	2.89%

Commodity Prices:

Gold	2,673
Silver	31.10
Oil (WTI)	68.15

Currencies:

Dollar / Euro	1.05
Dollar / Pound	1.26
Yen / Dollar	151.58
Canadian /Dollar	0.71

Macro Overview

Financial markets and analysts are anxiously awaiting cabinet and agency appointees by the incoming administration, which shape policy and the possible direction of various sectors. Among pending proposals and legislations are additional tariffs on imports from China, Mexico and Canada, extension of the Tax Cuts and Jobs Act, cryptocurrency, deregulation, and new tax cuts.

Sentiment regarding tariffs and inflationary pressures abated somewhat when the Treasury Secretary nominee was announced, Scott Bessent, who is not an advocate for tariffs. The nomination of Bessent also stoked enthusiasm among the bond market as a proponent of reducing the federal deficit and curtailing government spending.

The digital currency market, also known as the crypto market, responded to the nominee to head the Securities and Exchange Commission (SEC) Paul Adkins, who is an advocate of the crypto evolution. Some analysts see possible implications for the dollar, taxes, federal regulations, Treasury bonds, and gold, as the use of cryptocurrency is introduced to the markets and the economy.

A Federal Reserve survey found that rising personal insolvencies and delinquencies are forcing banks to keep lending standards tight even with rate cuts. Consumers are also taking on debt at a slower rate as the cost of borrowing remains elevated. Economists and analysts are expecting to see changes in lending requirements as proposed deregulation initiatives take affect with the incoming administration.

The Fed is expected to stay on track with its gradual rate reduction trajectory, carefully tracking inflation and the job market. Any uptick in inflation or labor market weakness might prompt the Federal Reserve to slow or pause its rate reduction objectives. Equity indices rallied higher as sentiment and valuations rose in anticipation of broad deregulation and economic stimulus policies. Alleviated corporate taxes as well as initiatives surrounding expansion and domestic capital investment stirred investor confidence.

Proposed new tariffs on imports from Mexico and Canada, might amount to the unraveling of the North American Free Trade Agreement (NAFTA), which was created in 1992. Since its establishment, products from Canada and Mexico have entered the U.S. completely free of any tariffs. Proposed tariffs are increasingly becoming an apparent negotiating tactic with countries that have a trade deficit with the United States.

2025 Retirement Plan Contribution Limits

Traditional IRA	7,000
Traditional IRA Catch Up	1,000
ROTH IRA	7,000
ROTH IRA Catch Up	1,000
SEP-IRA	70,000
401(k) / 403(b) Employee Deferral	23,500
401(k) / 403(b) Employee Deferral Catch Up	7,500

The IRS announced new limits for 2025, including contribution limits for retirement accounts and standard deductions for taxpayers.The revised limits will become effective January 1, 2025 and applicable for the 2025 tax year. (Sources: Fed, SEC, International Trade Administration)

Rates Becoming More Contingent On Data – Fixed Income Update

Treasury yields fell following the nomination of Scott Bessent as Treasury Secretary, who is a proponent of reducing federal debt as well as reducing Treasury bond issuance which fund government expenses.

The Fed is carefully tracking inflation and employment data, which could lead to a pause or delay with its current rate reduction policy. Recent economic data is indicating a possible increase in economic activity that could become inflationary should growth excel above projections.

Sources: Treasury Dept., Federal Reserve

Optimism Elevates Equity Indices – Domestic Stock Overview

Equity markets reacted to election results as expectations rose that deregulation and corporate tax cuts would be part of the incoming administration's agenda. Major equity indices all climbed in November, with the Dow Jones Average, the S&P 500 Index, and the Nasdaq elevating in November.

Nearly all sectors of the S&P 500 index were positive for the month of November, as encouragement surrounding proposals that could possibly boost company earnings and growth forecasts.

Small capitalized as well as large capitalized stocks have experienced advances throughout the month and year. Optimism surrounding earnings and continued economic stability have also contributed to elevated valuations.

Sources: S&P, Dow Jones, Nasdaq. Russel, Bloomberg

Countries That The U.S. Has A Trade Surplus With – International Trade

The U.S. currently struggles with massive imports and trade deficits with 23 of the top 30 trading partners worldwide. However, optimism arises from the nine countries that the U.S. actually maintains a trade surplus with.

The United States has maintained generous trade surpluses with Hong Kong, Netherlands, Brazil, and Australia. South American countries including Chile and Colombia, while the U.K. and Belgium in Europe have also produced a trade surplus with the U.S. The United States exports a variety of products to these countries including machinery, petroleum gas, and medical instruments.

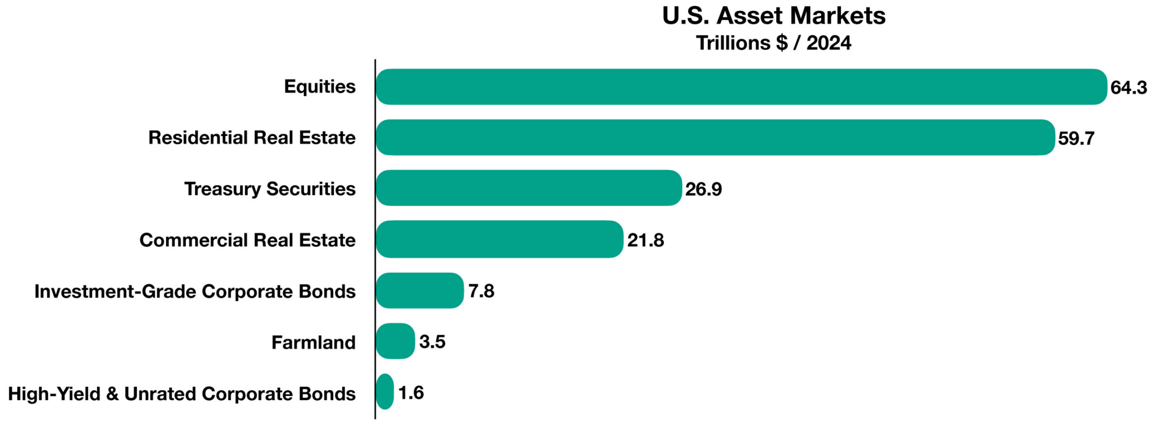
Conversely, countries with significant trade deficits with the U.S. include China, Mexico and Canada. Proposals by the incoming administration include using tariffs as a negotiation tool to reduce excessive deficits in order to achieve a better balance in trade.

Sources: Commerce Dept., International Trade Administration

The Nation’s Largest Asset Markets – Asset Allocation

A survey conducted by the Federal Reserve found that assets in the United States have risen in value over the past few years, as equity and real estate prices rose. Also encompassing asset values are Treasury bonds, commercial real estate, corporate bonds, and farmland.

Equity and real estate values have risen due to a surge in prices while Treasury bond values have risen due to tremendous debt issuance by the federal government. The Federal Reserve tracks and monitors asset values in order to identify any excessive valuations and imbalances.



The Fed’s report includes a survey of the Fed’s financial-market contacts conducted from late August to late October by New York Fed staff members. It also includes the central bank’s assessment of developing risks in four main areas, including asset valuations, borrowing by businesses and households, leverage in the financial sector and funding risks. The survey also gathers feedback from respondents regarding perceived risks in the markets. The most recent survey found that 54% of those surveyed believe that government fiscal debt sustainability as a risk, up from 40% just a half year ago.

Source: www.federalreserve.gov/publications/files/financial-stability-report

Typical Homebuyers Are Getting Older – Housing Market Overview

The age of a typical homebuyer in the U.S. jumped to an all time high of 56 in 2024. Data released by the National Association of Realtors also revealed that the share of first time homebuyers fell to 24% with an average age of 38, about ten years older than the average age in the 1980s. The National Association of Realtors has been accumulating homebuyer data since 1981, using data to help determine where buying and selling trends might be headed.

Collected data found that not only are homebuyers getting older, but homeowners are staying in their homes for longer periods of time. Before the recessionary years of 2008-2009, homeowners stayed in their homes for an average of 6 years. Since then, homeowners have been staying in their homes for an average of over 10 years.

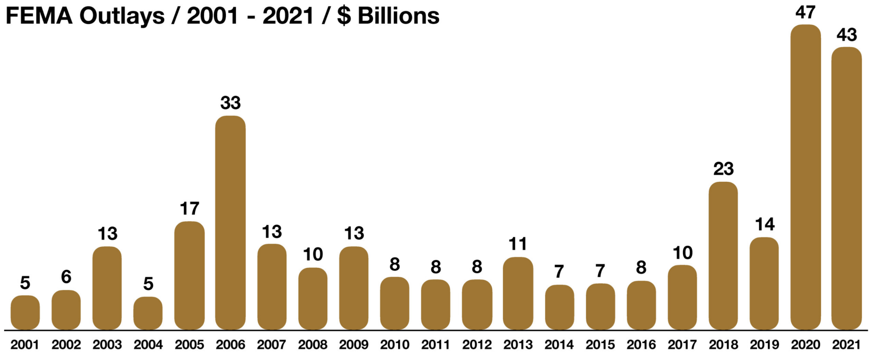
Lack of inventory, elevated mortgage rates, and rising home prices have all contributed to a slow down in home sales, for both new and existing home purchases. Income and financial stability have become increasingly critical for homebuyers, as loan approval mandates have become more stringent and demanding.

Source: National Association of Realtors

FEMA Strains From Natural Disasters – Government Program Update

Following a multitude of natural disasters over the past few years, FEMA has been under increasing strain to make payouts to those that have lost homes and suffered property damage. As hurricanes Helene and Milton pummeled Florida and neighboring states, the Federal Emergency Management Agency (FEMA) announced that the federal emergency funds provided by FEMA for disaster victims could be depleted by early January 2025 if Congress didn't act to approve for additional funding.

During 2017, 2018 and 2019, Congress provided over $139 billion in supplemental disaster funding in response to disasters that occurred during these years, which included hurricanes and California wildfires.



FEMA has provided substantial financial assistance in response to various disasters over the past few years. In 2023, FEMA responded to more than 100 disasters with over $1.3 billion in assistance funds for disaster survivors. Communities and states also received nearly $12 billion to rebuild infrastructure damage. As of October 2024, FEMA had allocated over $137 million in aid to six southeastern states affected by Hurricane Helene. (Sources: FEMA, Treasury Dept., Office of Management and Budget)

Verifying RMDs – Year End Tax Planning

With the end of the year approaching, it is important to be certain that all required minimum distributions (RMDs) have been taken from retirement accounts. As a result of the SECURE 2.0 Act of 2023, many of the rules surrounding RMDs have changed, so it's important to be aware of the current distribution requirements.

Prior to the SECURE 2.0 Act, RMDs started at age 72. If you turned 72 in 2022 or earlier, you were still required to start taking RMDs at age 72. Currently, it is not required to start taking RMDs until 73 if you reached that age in 2023 or 2024. Beginning in 2033, the RMD age will increase to 75. There are a few exceptions to the RMD rules, including for those who are still working well into their 70's. Under the "still working" exception, an individual may be able to delay RMDs from a current employer's 401(k) until retirement. Another exception is for Roth IRAs, which don't require RMDs for the original owner during their lifetime.

For first time RMDs, the first distribution can be taken by April 1 of the year following the year turning 73. For subsequent years, RMDs must be taken by Dec. 31. Several types of retirement accounts are subject to RMDs, including Traditional IRAs, SEP IRAs, SIMPLE IRAs, 401(k) plans, and 403(b) plans. Inherited IRAs involve calculations based on the beneficiaries's age and mortality estimates. Inherited IRAs for surviving spouses are calculated differently and have different distribution requirements than Non-Spousal Inherited IRAs. (Sources: IRS, Tax Policy Center)