



### Weekly Focus – Think About It

“When we love, we always strive to become better than we are. When we strive to become better than we are, everything around us becomes better too.”

—Paulo Coelho, author

## THE MARKETS

### CONSUMERS WERE MORE OPTIMISTIC. INVESTORS WERE LESS SO

As we neared the end of 2024, U.S. consumers were feeling optimistic. Every month the University of Michigan Survey of Consumers conducts about 600 interviews with American households, asking interviewees about their personal finances, business conditions, and buying conditions.

In December 2024, the Index of Consumer Sentiment was up 3.1 percent month to month, and 6.2 percent year to year. Consumer sentiment rose “for the fifth consecutive month...reaching its highest value since April 2024. Buying conditions exhibited a particularly strong 32 [percent] improvement, primarily due to a surge in consumers expecting future price increases for large purchases...Broadly speaking, consumers believe that the economy has improved considerably as inflation has slowed, but they do not feel that they are thriving; sentiment is currently about midway between the all-time low reached in June 2022 and pre-pandemic readings,” reported survey Director Joanne Hsu.

Individual investors, on the other hand, were feeling less bullish than they did earlier in the month. The AAI Investor Sentiment Survey found that investors’ outlook shifted in December. Investors became more uncertain, and a higher percentage reported feeling bearish.

	Week of Dec. 4	Week of Dec. 25	Historical average	Highest in 2024
<b>Bullish</b> (Stock prices will rise over the next six months)	48.3%	37.8%	37.5%	52.7% (July 17, 2024)
<b>Neutral</b> (Uncertain which way stock prices will move)	21.0%	28.0%	31.5%	35.9% (May 15, 2024)

**Bearish**

(Stock prices will fall over the next six months)      30.7%      34.1%      31.0%      38.6% (Nov. 27, 2024)

Source: AAI Investor Sentiment Survey

Investor sentiment is often considered to be a contrarian indicator. The AAI website explained, “Although investors would like to imagine that their decisions are rational, most have bought at near-highs due to fear of losing out on gains and sold at near-lows due to fear of further losses. This herd behavior is called market sentiment; when market sentiment is low, the majority believes the market will fall, while high market sentiment means that the majority feels the market will rise in value. However, more often than not, the market will move against the sentiment of the majority. Therefore, many professional money managers use market sentiment as a contrarian indicator, buying when sentiment is pessimistic and selling when sentiment is optimistic.”

Last week, major U.S. stock indices finished higher, and yields on longer maturities of U.S. Treasuries rose. The benchmark 10-year U.S. Treasury yielded 4.62 percent at the end of the day on Friday.

Data as of 12-27-24	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	0.7%	25.2%	25.7%	7.6%	13.0%	11.1%
Dow Jones Global ex-U.S.	1.4	3.6	4.0	-1.5	1.8	2.5
10-year Treasury Note (Yield Only)	4.6	N/A	3.8	1.5	1.9	2.2
Gold (per ounce)	0.0	25.9	26.4	13.4	11.6	8.2
Bloomberg Commodity Index	0.7	-0.5	-1.9	-0.7	3.8	-0.8

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; the DJ Equity All REIT Total Return Index does include reinvested dividends and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods. Sources: Yahoo! Finance, Barron's, djindexes.com, London Bullion Market Association. Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

**IDIOMS DON'T SAY WHAT THEY MEAN...**

If you've ever “cried wolf,” “gone the extra mile,” or “had butterflies in your stomach,” then you're familiar with idioms—phrases that don't mean what they say. They're used to “add color” to communications, making what's said or written more memorable. The English language has a lot of idioms about money. Test your knowledge of money idioms by taking this quiz.

1. Someone says, “You can take it to the bank.” What they mean is you should:
  - a. Make a deposit.

- b. Proceed with caution, it may be a scam
  - c. Believe a statement is true and accurate
  - d. Understand that a venture will generate a lot of money
2. If someone is 'living on a shoestring," they have a very limited budget. Which of the following may explain how the saying originated?
- a. Shoestrings are thin and break easily
  - b. Peddlers once made a living by traveling town to town selling shoelaces
  - c. British prisoners would lower a shoe by its laces through cell windows hoping someone would give them money
  - d. All of the above
3. If you believe that a new product or service will do well you might say it will:
- a. Break the bank
  - b. Put cash on the barrelhead
  - c. Sell like hotcakes
  - d. Hop on the gravy train
4. When people offer aid to a person or group in need, they are:
- a. Striking while the iron is hot
  - b. Following the herd
  - c. Playing the long game
  - d. Offering a helping hand

Answers: 1) c; 2) d; 3) c; 4) d

Best regards,

Andrew Zittell  
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### Sources:

Andrew Zittell, CLU®, ChFC®, AIF®, RFC® is a registered representative with, and securities offered through LPL Financial, Member FINRA/SIPC.

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\* Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.

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- \* All indexes referenced are unmanaged. The volatility of indexes could be materially different from that of a client's portfolio. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. You cannot invest directly in an index.
- \* The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.
- \* The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.
- \* Gold represents the 3:00 p.m. (London time) gold price as reported by the London Bullion Market Association and is expressed in U.S. Dollars per fine troy ounce. The source for gold data is Federal Reserve Bank of St. Louis (FRED), <https://fred.stlouisfed.org/series/GOLDPMGBD228NLBM>.
- \* The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.
- \* The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.
- \* The Dow Jones Industrial Average (DJIA), commonly known as "The Dow," is an index representing 30 stock of companies maintained and reviewed by the editors of The Wall Street Journal.
- \* The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system.
- \* International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.
- \* Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
- \* The risk of loss in trading commodities and futures can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. The high degree of leverage is often obtainable in commodity trading and can work against you as well as for you. The use of leverage can lead to large losses as well as gains.
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- \* Consult your financial professional before making any investment decision.
- \* To unsubscribe from the Weekly Market Commentary please email us at [info@ybpf.com](mailto:info@ybpf.com)

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