

MONDAY

Recent data from Adobe Analytics reveals a fascinating insight into Black Friday sales, painting a picture of current spending trends. Clocking in at \$9.8 billion, these sales represent a 7.5% increase from the previous year. It's a hefty figure, signaling an ongoing trend of robust consumer spending that seems unyielding.

Black Friday's allure of discounts and slashed prices drew in consumers, despite the challenges posed by inflation. Many individuals are feeling the pinch of rising prices, yet the drive to spend persists. This has led many to believe that the American economy is currently in a very strong position. However, an important question to ask is: are Americans truly in a better financial position now than they were last year, or are they tempted to purchase beyond their means due to the appeal of discounted prices?

While consumer spending can be a great indicator of economic strength, it's important to understand how consumers are spending their money. Recent trends have shown that Americans are outdoing themselves by over-relying on their credit cards. On top of an overreliance on credit card use driving spending, much of Black Friday's sales numbers were pushed up due to inflationary pressures. What's important to gather from this is that inflated prices can sometimes create an illusion of increased consumer activity.

Overall, major stock market indices were little changed this Monday.

Major Stock Indices Performance Today...

S&P 500: -0.20%

Dow Jones: -0.16%

NASDAQ: -0.07%

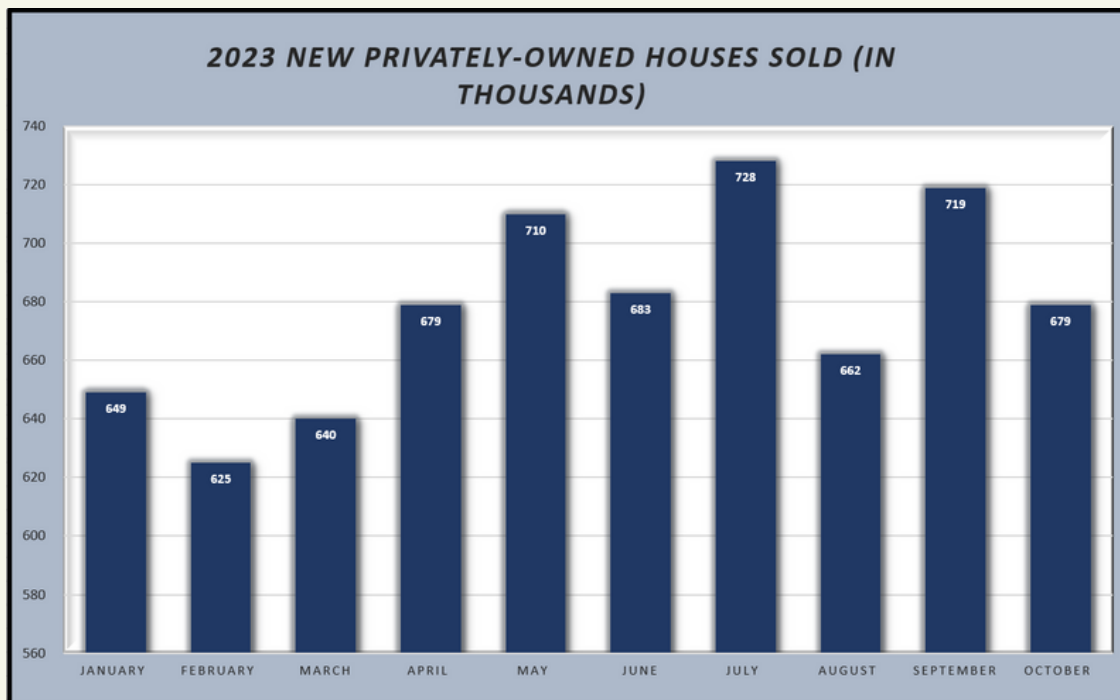


October Monthly New Residential Sales

Data from October's new residential sales report indicates that the housing market is shifting, and the signs aren't subtle. The increase in available properties for sale coupled with declining new single-family home sales paints a clear picture of declining demand for new homes. This dip in sales could signal an issue with overpricing properties coupled with sky-high mortgage rates.

According to the Federal Reserve's data, the average 30-year fixed mortgage rate has surged past the 7% mark. That's a substantial leap just from last year, making homeownership seem like an increasingly far-off dream for many Americans. Extremely high rates are making prospective homeowners rethink their aspirations, feeling the weight of unattainable costs. With home prices stubbornly high, the idea of a "good deal" when purchasing a property is fading fast, and it's reflected in the dwindling interest in new residential spaces.

However, the challenges aren't confined to buyers; sellers are feeling the strain too. The time between listing a property and finalizing the sale has stretched noticeably. In October, the median wait time from listing to closing stood at 2.5 months—an increase of 4% from September and a staggering 67% jump from the same period last year. As a result of declining demand, buyers should hopefully benefit from more downward pressure being placed on the prices of new residential homes.



TUESDAY

Markets ended the day on a relatively optimistic note as bond yields continued their descent from Monday. After Christopher Waller, a governor on the Federal Reserve Board, stated that he believed economic activity and inflation have cooled enough to help bring inflation to its 2% target rate, investors took this as a sign that the Federal Reserve is either near the end of its rate hike cycle or possibly even past it. At this point, the majority of investors are looking out for when the Fed will pivot, or transition to lowering interest rates because they believe that the Fed is done raising rates for the foreseeable future. Whether this is truly the case or not is completely dependent on the numbers. If upcoming economic data reveals further signs of a cooling economy, the Fed will likely leave interest rates be for some time until an eventual pivot. However, if there are signs that the economy is heating up, especially inflation, interest rates could very much so be raised again.

Piggybacking off of Monday's Black Friday Data, we can see that spending on Cyber Monday increased 9.6% compared to last year. From one perspective, it appears great that consumers have all of this money to spend, but another perspective begs the question: do consumers have as much money as it seems? The number of "buy now pay later" sales rose by 42.5%, amounting to \$940 million of spending.

Is it really the case that consumers have loads of money to spend now, or that companies are making it easier for consumers to spend money they may not have? While the answer to this question is uncertain, it's important to ponder, and it's even more important to ask yourself this question as you navigate the vast world of holiday spending. Ask yourself this: are you making a purchase you can truly afford? Try your best to avoid the temptations of discounts, credit cards, "Buy Now Pay Later" payments, etc. if you don't have the money to spend. While the holiday season is a wonderful time, it can quickly turn in the opposite direction if you financially overextend yourself. For those prone to overspending during this time, establishing a budget can be a protective measure against financial stress, ensuring a more enjoyable and financially stable festive season.

Major Stock Indices Performance Today...

S&P 500: 0.10%

Dow Jones: 0.24%

NASDAQ: 0.29%

WEDNESDAY

Amidst the buzz surrounding Wednesday's highly anticipated 2nd release of GDP figures, the primary stock market indices displayed minimal fluctuations. While the initial real GDP estimate hovered around 4.9%, the latest update unveiled a surprising revelation: the U.S. economy surged ahead at a faster pace than initially projected, reaching an impressive 5.2%.

With that said, why didn't markets react very much to an indication that the U.S. is even stronger than economists originally estimated? Though there are differing opinions on why, some believe that it's because the new data doesn't really tell anything surprising, merely confirming what investors, analysts, and economists already perceived: robust growth in the U.S. economy during the third quarter, primarily propelled by escalated consumer spending. Conversely, there's a prevailing sentiment casting doubt on the reliability of recent economic data. The skepticism has left many wondering: if the first GDP estimate significantly varies from the second, can we truly rely on GDP figures at all? This growing skepticism along with very unsurprising data revealing that the economy is experiencing strong growth likely both contributed to the subdued response witnessed within markets today.

Major Stock Indices Performance Today...

S&P 500: -0.09%

Dow Jones: 0.04%

NASDAQ: -0.16%



THURSDAY

Upon Thursday's PCE release, markets ended the day on a fairly mixed note. October's PCE inflation numbers hinted at a promising trend—indications of a potential moderation in inflation, which injected a sense of optimism into market sentiment.

The Dow Jones in particular finished the day on a fantastic note after Salesforce's stock grew over 9% thanks to strong revenue and earnings growth. Compared to last year, Salesforce's revenue in the 3rd quarter of 2023 rose by around 20%, highlighting very strong sales growth from the software company.

Furthermore, improvements in cost reduction, especially in operating expenses such as research & development and marketing, helped the company increase its net income and retain more of its revenue after accounting for various expenses. Salesforce's net income rose by nearly 500% from Q3 2022, which is an incredibly strong improvement. To say the least, investors were remarkably impressed by Salesforce's financial performance over the past year. Also, I know that in reading this, you may be thinking: well, why don't I own any shares of Salesforce, or why don't I buy more? Before going off and purchasing any Salesforce stock, it's crucial to conduct your own comprehensive research to assess whether Salesforce aligns with your investment strategy. Making informed investment decisions requires careful consideration and understanding of a company's potential risks and rewards. Additionally, 9 times out of 10 it will work to your benefit to seek guidance from a financial advisor before making any significant investment decisions, ensuring they align with your financial goals and risk tolerance.

Major Stock Indices Performance Today...

S&P 500: 0.38%

Dow Jones: 1.47%

NASDAQ: -0.23%



U.S. Initial Jobless Claims for Week ending November 25th

Following a notable drop in initial jobless claims the previous week, which plummeted by 22,000 to 211,000, there was a slight uptick in the most recent week, reaching 218,000. Despite this increase in individuals filing for unemployment benefits, these figures still sit notably below this year's average. This signals a consistent resilience in the labor market despite recent fluctuations.

Presently, the labor market is notably robust, particularly in contrast to previous years. For those currently employed or entering the workforce, this is an opportune moment to seize the advantages offered by the present labor market. Employees, on one hand, can leverage increased bargaining power to negotiate better wages and enhanced benefits. Simultaneously, job seekers or those in between roles have a wealth of opportunities to explore, affording them the chance to apply for several job openings, expanding their options, and enhancing their prospects.

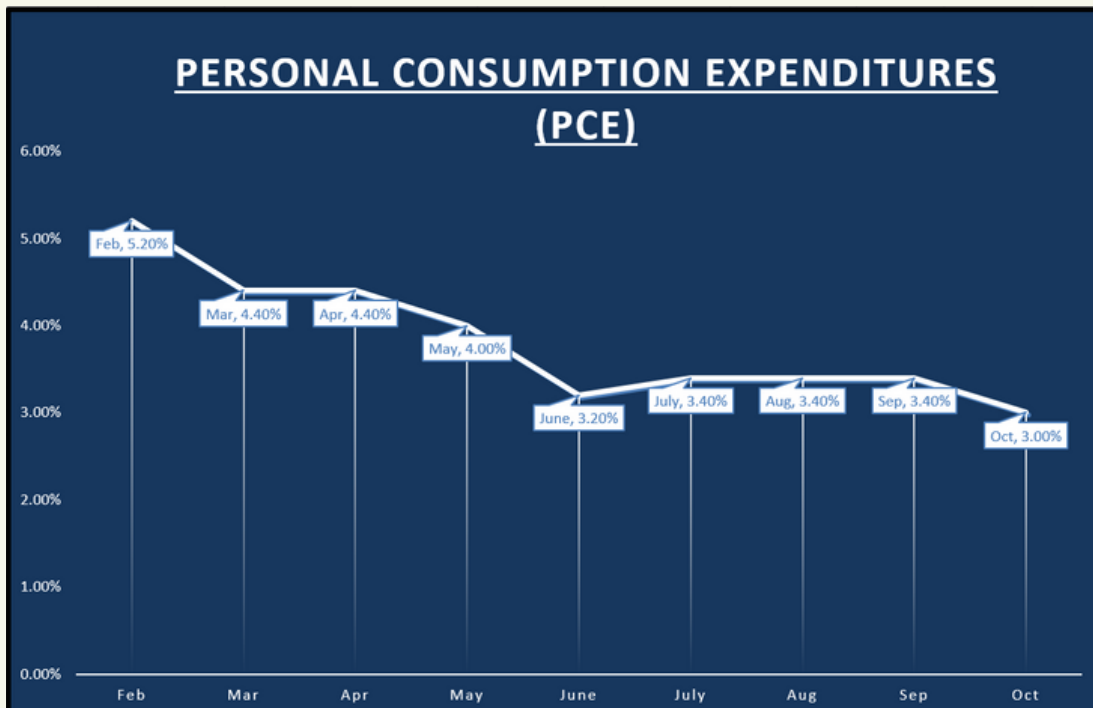


October Personal Consumption Expenditures (PCE)

In October, personal consumption expenditures, also known as personal spending, surged by approximately \$41.2 billion, with a significant portion of this upswing stemming from increased spending on services like healthcare, housing, utilities, and international travel. However, this uptick in overall spending for the month was somewhat counterbalanced by a reduction in spending on goods. Specifically, notable declines were observed in purchases related to motor vehicles and parts, as well as gasoline and other energy sources.

Reflecting on PCE inflation, which tracks price changes across consumer goods and services, there was a minimal uptick of less than 0.1% since September, marking a decline of approximately 0.4% compared to last October.

As an important note, if you do notice lower prices in stores and more shopping deals, it will become imperative that you pay close attention to your holiday spending habits. Particularly during the holiday season, lower prices and enticing offers often lure us into purchasing more, as we make purchases based on a belief that we're getting a "deal". While this could very well be true, overindulgence in purchases might inadvertently lead us to overshoot our intended budget. Be careful not to fall into the "deal" trap as you go about the holiday season. Moreover, remember that while some store products might be cheaper, other expenses in your life could be on the rise. Therefore, it can help to monitor your spending and ensure you have income left over for potential increases in other expenses.



FRIDAY

For the fifth week in a row, major stock market indices have posted gains, continuing their upward trajectory. This Friday wrapped up the fifth week of gains largely due to Federal Reserve Chair Jerome Powell's remarks about the U.S. economy and the Fed's monetary policy at Spelman College. In his speech, Powell emphasized that the Fed's monetary policy actions have consistently exerted downward pressure on both economic growth and inflation. Expressing overall optimism regarding the current status of monetary policies, he characterized the Fed's tightening measures as "substantial". Despite Powell's generally positive sentiments, he left the possibility open for potential future rate hikes. Although Powell has left the door open for further rate hikes, the prevailing sentiment among most analysts and investors is that the Fed has finished raising interest rates for this rate cycle.

Major Stock Indices Performance Today...

S&P 500: 0.59%

Dow Jones: 0.82%

NASDAQ: 0.55%



MAJOR STOCK INDEX PERFORMANCE

	S&P 500	Dow Jones Industrial Average	Nasdaq Composite
Percent Change (Monday)	-0.20%	-0.16%	-0.07%
Percent Change (Tuesday)	0.10%	0.24%	0.29%
Percent Change (Wednesday)	-0.09%	0.04%	-0.16%
Percent Change (Thursday)	0.38%	1.47%	-0.23%
Percent Change (Friday)	0.59%	0.82%	0.55%
Weekly Change	0.77%	2.42%	0.38%

U.S. TREASURY SECURITY YIELDS (IN PERCENT)

	1 Mo	2 Mo	3 Mo	4 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
Monday	5.54	5.54	5.49	5.47	5.45	5.24	4.84	4.6	4.38	4.43	4.39	4.72	4.53
Tuesday	5.53	5.53	5.47	5.45	5.42	5.21	4.73	4.49	4.29	4.36	4.34	4.7	4.52
Wednesday	5.53	5.52	5.45	5.48	5.38	5.12	4.64	4.4	4.22	4.28	4.27	4.62	4.44
Thursday	5.56	5.54	5.45	5.49	5.38	5.16	4.73	4.48	4.31	4.38	4.37	4.72	4.54
Friday	5.55	5.53	5.43	5.45	5.33	5.05	4.56	4.31	4.14	4.22	4.22	4.58	4.4

LINKS TO ECONOMIC/FINANCIAL DATA FROM THIS WEEK

Adobe Analytics Data on Black Friday and Cyber Monday

<https://news.adobe.com/news/news-details/2023/Media-Alert-Adobe-Cyber-Monday-Surges-to-12.4-Billion-in-Online-Spending-Breaking-E-Commerce-Record/default.aspx>

October Monthly New Residential Sales

<https://www.census.gov/construction/nrs/current/index.html>

Speech by Governor Waller on Economic Outlook

<https://www.federalreserve.gov/newsevents/speech/waller20231128a.htm>

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October Personal Consumption Expenditures (PCE)

[https://www.bea.gov/news/2023/personal-income-and-outlays-october-](https://www.bea.gov/news/2023/personal-income-and-outlays-october-2023)

[2023](#)

Initial Jobless Claims for Week ending November 25th

<https://www.dol.gov/ui/data.pdf>

Jerome Powell Remarks at Spelman College

<https://www.federalreserve.gov/newsevents/speech/powell20231201a.htm>

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