WEEKLY MARKET PULSE

MONDAY

Monday saw major market indices closing on a downward trajectory, notably due to gold experiencing its most significant single-day plunge since February. Monday marked a 2.26% decline in the value of gold, triggering substantial sell-offs within the gold market.

While gold struggled, there were bright spots elsewhere. Take Bitcoin, for instance. It has exhibited a consistent upward trend throughout 2023, boasting a remarkable surge of over 150% this year alone. Many investors see cryptocurrencies like Bitcoin as a safeguard against inflation, contributing to its impressive performance. However, it's crucial to note that much of the current crypto surge stems from speculative factors rather than solid fundamentals. As a result of the crypto market's highly speculative nature, it is incredibly volatile. In fact, it's not uncommon to see portfolios valued at $10,000 plummet to just a few thousand dollars in a matter of days. This unpredictability warrants caution among potential investors, especially for those seeking stability.

In other market developments, Alaska Airlines made headlines with its purchase of Hawaiian Airlines for a staggering $1.9 billion, propelling Hawaiian Airlines stock to a staggering one-day gain of almost 193%. While this delighted Hawaiian Airlines investors, it drew criticism from Alaska Airlines investors who questioned the deal's size, arguing that Hawaiian Airlines might have been overvalued.

Additionally, Spotify's recent announcement of impending layoffs, which will result in a 17% reduction in its workforce, has generated mixed reactions. From an investor's perspective, this move signals potential cost reduction, thereby enhancing profitability. However, for Spotify employees and others in similar positions, it's disheartening news. Approximately 1,500 individuals will lose their jobs at Spotify, leading to broader concerns about potential mass layoffs across various companies. It's crucial to recognize that these layoffs reflect a broader trend, wherein companies grapple with the fallout of heightened interest rates and stricter credit conditions. As a result, they seek ways to trim expenses and maintain investor confidence.

Major Stock Indices Performance Today...

S&P 500: -0.54% Dow Jones: -0.11% NASDAQ: -0.84%

SERENE FINANCIAL SOLUTIONS

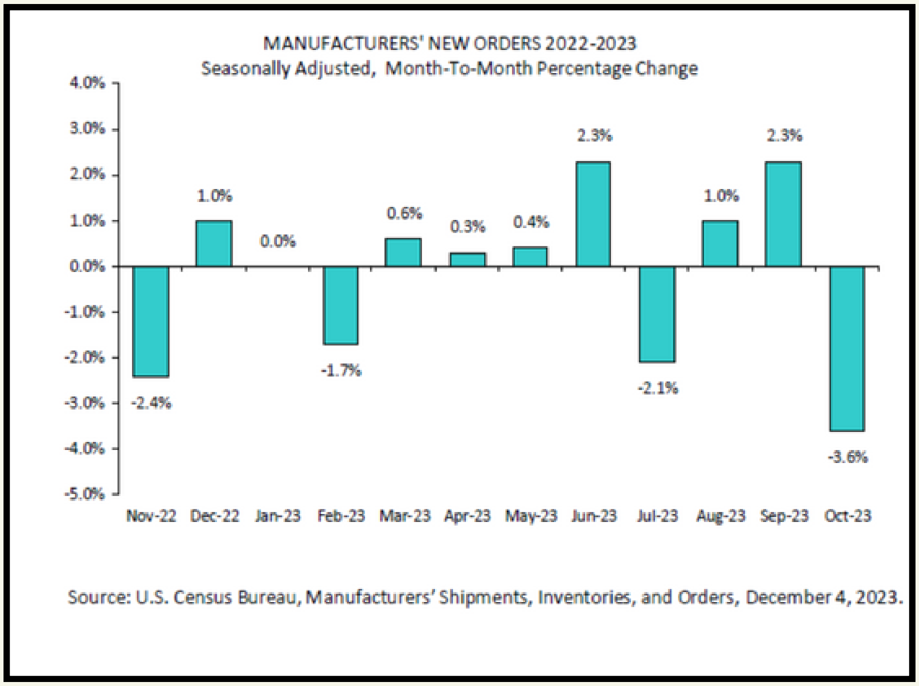
WEEKLY MARKET PULSE

October Manufacturers' Shipments, Inventories, & Orders

New orders have taken a notable hit, plunging by 3.65% since September, marking the steepest decline in new manufacturing orders in over three years. This sudden drop hints at potential challenges for companies, suggesting either decreased current demand or anticipation of reduced consumer interest, which isn't a favorable indicator for the US economy. When businesses face or foresee diminished consumer demand, it typically signals a couple of key assumptions: Firstly, consumers might lack the necessary funds to buy a particular volume of their products. Secondly, these companies might be bracing themselves for a potential drop in revenue in the upcoming quarters. It's imperative to keep an eye on forthcoming manufacturing data to observe whether a pattern of dwindling new orders persists, which could have far-reaching implications.

Moreover, **shipments** took a hit, plummeting by 1.4% after enjoying consecutive net increases over the past five months. This decline suggests a decrease in the total dollar value of manufacturing shipments, pointing toward various potential outcomes. The decrease might indicate a fall in prices, reduced demand, increased product supply, or a blend of these factors, among others. Based on this decline, manufacturing companies experienced lower total $ sales, which will likely lead the revenue of many companies, especially in manufacturing, to take a hit. Being that many companies rely on manufacturing companies to deliver their products, if sales at manufacturing companies fall, a similar effect will likely trickle throughout the economy.

On a different note, **unfilled orders** witnessed a slight uptick of 0.3%, showing an overall improvement compared to September's increase of 1.3%. This relatively small uptick signals positive strides within the US supply chain, suggesting that companies may be becoming more efficient in fulfilling the orders they receive and successfully transporting their products from one point to another.



WEEKLY MARKET PULSE

TUESDAY

Tuesday closed with markets showing a mixed performance, largely influenced by the release of jobs data that highlighted a narrowing scope of job opportunities nationwide. Alongside this, the dip in Treasury yields significantly impacted Tuesday's stock market, driven by a surge in demand for US Treasury bonds. Investors flocked to these bonds in anticipation of forthcoming lower interest rates, potentially as early as spring 2024.

Amidst the backdrop of slowing inflation and a recent rise in unemployment, there's a prevailing sentiment among many investors and analysts that the Federal Reserve might be done raising interest rates for a while. The prevailing consensus in the market suggests a possible rate reduction by next May. However, the actual occurrence of this anticipated shift hinges entirely on forthcoming data concerning inflation rates, employment figures, GDP growth, and an array of other influential factors.

Major Stock Indices Performance Today...

S&P 500: -0.06%   Dow Jones: -0.22%   NASDAQ: 0.31%

SERENE FINANCIAL SOLUTIONS

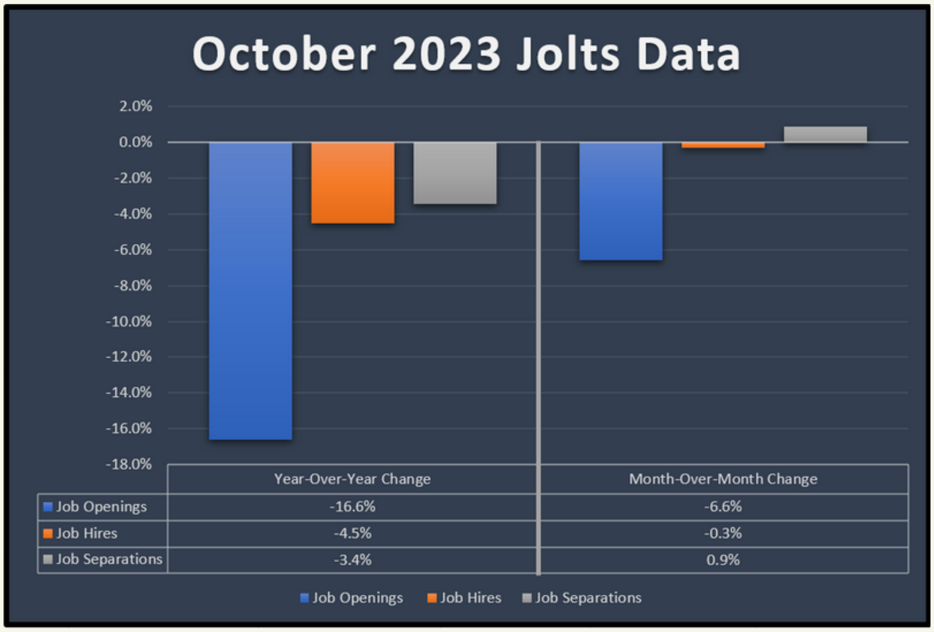
WEEKLY MARKET PULSE

October Jolts

The past year has seen a significant shift in the job market across various industries. Almost all sectors witnessed declines in **job openings**, except for construction, educational services, government, and federal industries. Sectors like mining and logging (-34.1%), financial activities (-33.8%), finance and insurance (-33.9%), and real estate (-33.7%) experienced the most substantial decreases in job openings. Overall, job openings in the private sector have plummeted by nearly 19% since last October. While the job market retains some strength compared to previous years, there's a clear trend indicating a decline in job opening growth.

Despite the decline in job openings, the hiring landscape has shown a degree of stability. **Job hires** have dropped since last year, but not as steeply as job openings, reflecting a relatively stable hiring environment. Hiring rates decreased by approximately 4.5% since last year, with notable declines in information (-42.4%) and nondurable goods (-20.1%) sectors. Conversely, industries such as arts and entertainment (18.5%), mining and logging (14.3%), and healthcare/social assistance (10.5%) exhibited relatively high hiring rates compared to October of the previous year.

Interestingly, alongside the decrease in job openings and hires, **job separations** have also seen a decline. This suggests that although fewer people are being hired, fewer individuals are leaving their jobs as well. This decline in job separations is primarily due to reduced rates of quitting, possibly indicating workers' reduced confidence in finding new job opportunities if they leave their current positions. Additionally, an increase in layoffs since last year further suggests that companies are becoming more comfortable reducing their employee headcount.

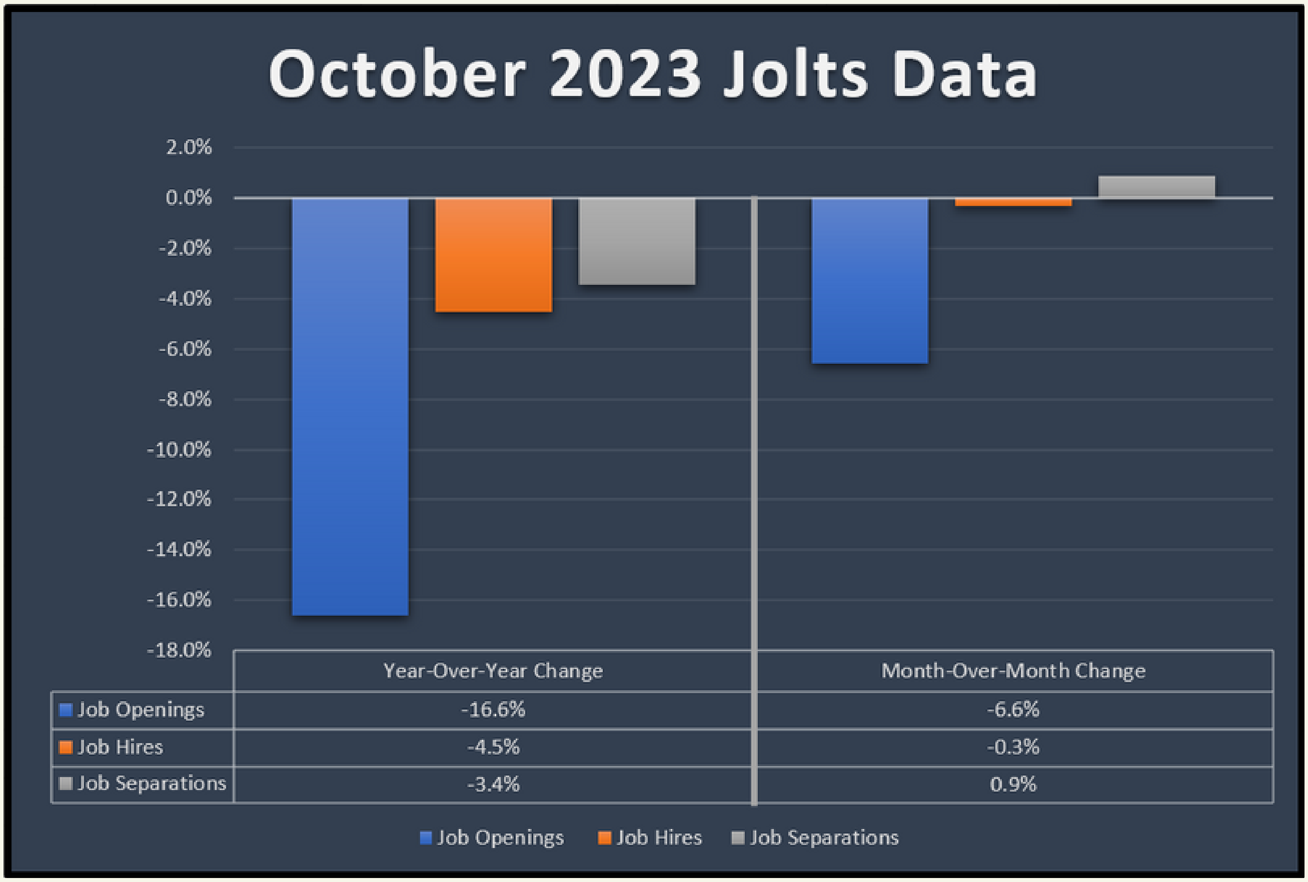


WEEKLY MARKET PULSE

October Jolts

Understanding these percentage shifts in the job market is crucial for individuals as it directly impacts job opportunities, stability, and career decisions. For those **seeking employment or considering career changes**, recognizing the sectors with declining job openings and increased competition can be essential in strategizing job searches. On top of this, to remain competitive in the current labor market, it’s essential to continue building upon your skillset, pursuing education opportunities that align with your line of work, building and maintaining your professional network, and improving your resume. As we enter a more digitalized and computer-heavy work environment, showcasing leadership, creativity, communication, and other irreplaceable skills will be essential in securing a job.

For **individuals already employed**, this data underscores the importance of job security and proactive career planning. As job openings/hires decline and as layoffs increase, it’s integral to your job security to demonstrate value. Ask yourself: “How do I bring value to my current job(s), and how can I bring more?” These are important questions to ask yourself and act on, especially since the first employees to go in layoffs are typically the ones who bring the least value to their company/clients.



WEEKLY MARKET PULSE

WEDNESDAY

Markets ended the day in the negative as Treasury yields continued their decline from Tuesday, oil prices fell, and the ADP reported lower-than-expected jobs growth. Specifically, crude oil faced a sharp decline of over 4% on Wednesday, a reaction linked to reduced demand. Adding to this, the ADP's report revealed a mere 5.6% increase in wage growth, marking the slowest rise since September 2021. Such a slowdown in wage growth could indicate further slowdowns in demand for oil as well as other products across the economy.

Major Stock Indices Performance Today...

S&P 500: -0.39%　　Dow Jones: -0.19%　　NASDAQ: -0.58%

WEEKLY MARKET PULSE

U.S. Trade Balance

According to the US Census Bureau's report, the US trade deficit has expanded by approximately 5%, indicating that the United States has been importing more goods and services than it exports. This paints a picture where international demand for US goods and services dipped by about 1% this October. Simultaneously, it suggests an uptick in America's appetite for international goods and services, potentially reflecting robust consumer spending within the country. Specifically, imports, representing the dollar value of goods and services purchased by Americans from other nations, saw a slight uptick of 0.2%.

So, what does this mean for the American economy? While it might seem straightforward to conclude, the actual implications aren't immediately evident without delving into the reasons behind these fluctuations in export and import values. One significant impact of an expanding trade deficit could be a potential dent in the GDP. As exports decline, less money flows into the US from other countries, and as imports rise, more money exits the US economy and flows toward other nations.

WEEKLY MARKET PULSE

THURSDAY

Thursday saw tech companies taking center stage, notably reflected in the tech-heavy Nasdaq's 1.4% gain. The limelight largely fell on Google, as its stock soared by over 5%, sparked by the buzz surrounding Google's upcoming AI model, Gemini, touted as the successor to ChatGPT 2.0.

Google's ambitious announcement regarding Gemini has generated substantial interest in the tech sphere. According to Google's insights into Gemini's capabilities, the AI model reportedly outperforms ChatGPT across various aspects: problem-solving, reading comprehension, code generation, image/video processing, etc. However, amidst the excitement, it's important to note that Gemini is yet to be released (until 2024), leaving the extent of its superiority over ChatGPT up to speculation.

Major Stock Indices Performance Today...

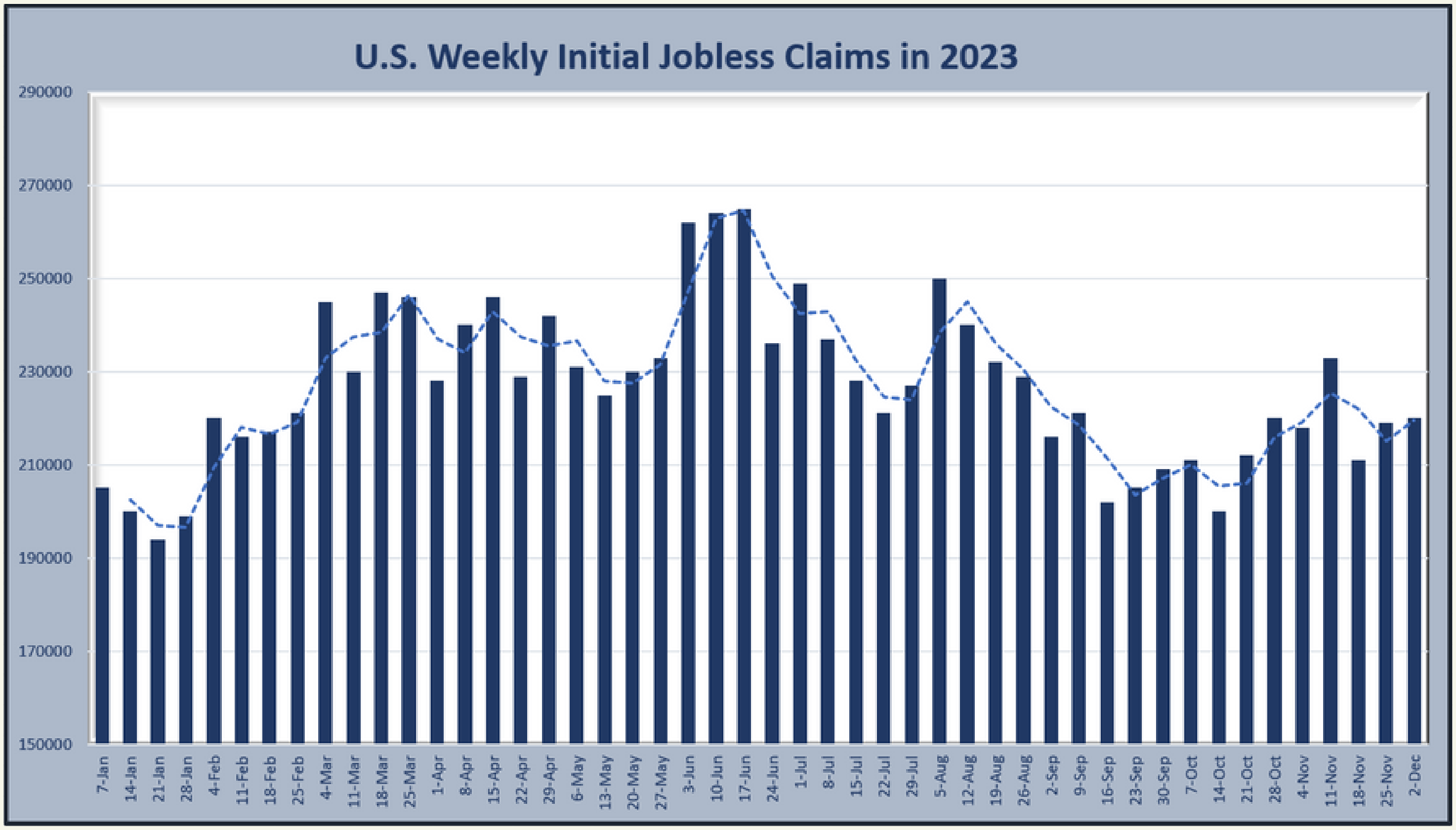
S&P 500: 0.80% Dow Jones: 0.18% NASDAQ: 1.37%

SERENE FINANCIAL
SOLUTIONS

WEEKLY MARKET PULSE

U.S. Initial Jobless Claims for Week ending December 2nd

Initial jobless claims, representing the number of people filing for unemployment benefits in a given period, increased slightly compared to the previous week. In the week ending December 2nd, there were a total of 220,000 initial jobless claims, a thousand more than the week previous. Despite a slight increase, this mostly comes as good news being that the week's initial jobless claims remain below the year's weekly average of around 227,000.



SERENE FINANCIAL
SOLUTIONS

WEEKLY MARKET PULSE

FRIDAY

After jobs data came in better than expected, major stock indices ended the day in the positive. While in previous months this year, strong jobs data would've sent stocks down due to fears of higher interest rates, most analysts are confident that the Federal Reserve is finished with interest rate hikes. At this point, most analysts expect that only a severe change in inflation, unemployment, or some other economic metric would convince the Federal Reserve to raise interest rates yet again. Therefore, many analysts took this positive jobs data as a potential signal for a soft landing, or minimal economic/financial hardship caused by restrictive monetary policy (ex. high interest rates).

Major Stock Indices Performance Today...

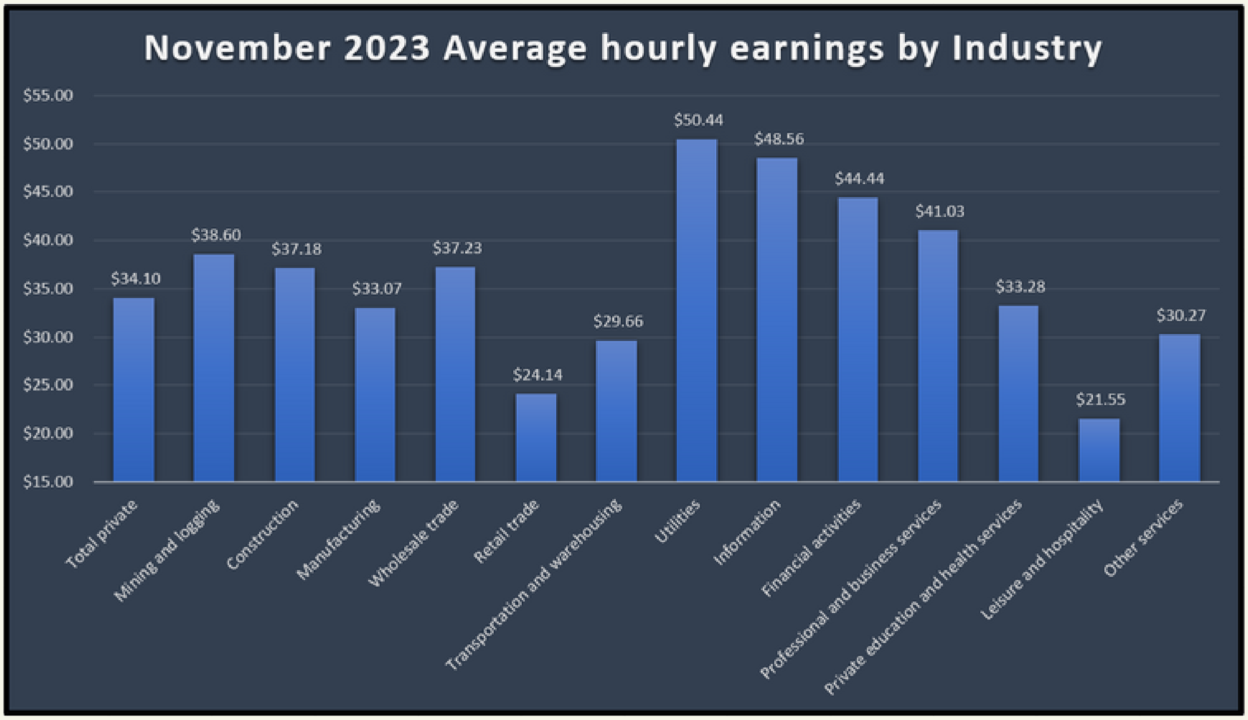
S&P 500: 0.41% Dow Jones: 0.36% NASDAQ: 0.45%

WEEKLY MARKET PULSE

November Employment Situation

Despite fewer hires and increased job separations in October, as reported by the JOLTS report, overall **employment** in the US showed improvement in November. This uptick in employment was primarily driven by increased hiring in healthcare and government sectors. Additionally, the manufacturing industry witnessed a surge in employment due to workers returning to their jobs following the resolution of the auto strike. Consequently, the **unemployment rate has dropped to 3.7%, an improvement from the previous month's 3.9%.**

In good news, every industry reported in this data report has experienced **hourly and weekly earnings growth** in the past year. This is great for many people as they have seen their incomes rise in comparison to last year. Now, we have more income at our disposal to spend on the things we want, or do we? While some of us undoubtedly have more spending power compared to last year, inflation has posed a major enemy in our purchasing power. **Consider this scenario:** your income surged by 5% this year, seemingly providing a welcome financial boost. However, if all your usual expenses also increased by 5% due to inflationary pressures, the actual impact on your purchasing power remains neutral. In essence, while your income rose, the heightened costs of daily necessities offset the perceived financial gain, leaving you without any genuine surplus for additional spending or saving. To truly gauge the actual growth in your financial capability, it's essential to examine the relationship between your income and expenses against the backdrop of inflation. Comparing the rise in your income to the concurrent increase in expenses offers a clearer understanding of whether you've genuinely gained more financial freedom or potentially have less discretionary income than anticipated. This insight into your financial status helps in making informed decisions about spending, savings, and budgeting in response to the evolving economic landscape shaped by inflation.



MAJOR STOCK INDEX PERFORMANCE

	S&P 500	Dow Jones Industrial Average	Nasdaq Composite
Percent Change (Monday)	-0.54%	-0.11%	-0.84%
Percent Change (Tuesday)	-0.06%	-0.22%	0.31%
Percent Change (Wednesday)	-0.39%	-0.19%	-0.58%
Percent Change (Thursday)	0.80%	0.18%	1.37%
Percent Change (Friday)	0.41%	0.36%	0.45%
Weekly Change	0.21%	0.01%	0.69%

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	5.55	5.53	5.46	5.47	5.41	5.1	4.64	4.4	4.23	4.3	4.28	4.61	4.43
Tuesday	5.54	5.51	5.45	5.46	5.37	5.06	4.57	4.33	4.14	4.2	4.18	4.48	4.3
Wednesday	5.54	5.5	5.45	5.47	5.38	5.07	4.6	4.33	4.12	4.16	4.12	4.4	4.22
Thursday	5.53	5.54	5.44	5.47	5.36	5.05	4.58	4.31	4.11	4.16	4.14	4.42	4.25
Friday	5.54	5.53	5.44	5.49	5.39	5.13	4.71	4.45	4.24	4.28	4.23	4.49	4.31

LINKS TO ECONOMIC/FINANCIAL DATA FROM THIS WEEK

October Manufacturers' Shipments, Inventories, & Orders Data

https://www.census.gov/manufacturing/m3/current/index.html

October Jolts

https://www.bls.gov/news.release/jolts.nr0.htm

US Trade Balance

https://www.census.gov/foreign-trade/current/index.html

U.S. Initial Jobless Claims (Week ending December 2):

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

November Employment Situation

https://www.bls.gov/news.release/empsit.nr0.htm

ADP Employment Report

https://adpemploymentreport.com/

Google Gemini

https://deepmind.google/technologies/gemini/#introduction

DISCLAIMER

Past performance shown is not indicative of future results, which could differ substantially.

The information provided is for educational and informational purposes only and does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status, or investment horizon.

The views expressed in this commentary are subject to change based on market and other conditions. These documents may contain certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected. Any projections, market outlooks, or estimates are based upon certain assumptions and should not be construed as indicative of actual events that will occur.

All information has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. There is no representation or warranty as to the current accuracy, reliability, or completeness of, nor liability for, decisions based on such information and it should not be relied on as such.

Serene Financial Solutions, LLC (“serene financial solutions”) is a registered investment advisor. Advisory services are only offered to clients or prospective clients where Serene Financial Solutions and its representatives are properly licensed or exempt from licensure.