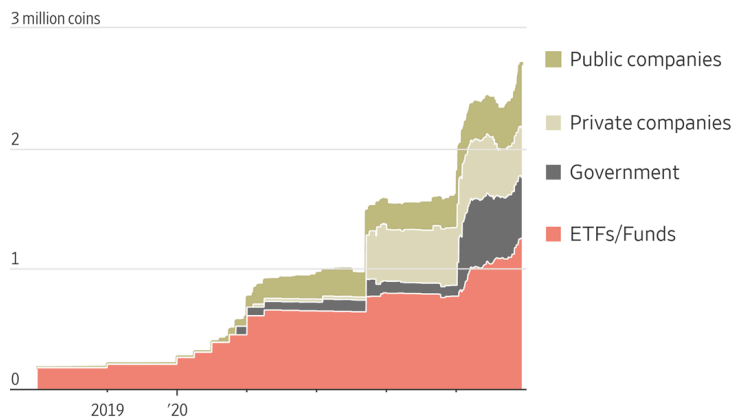


December 9 - 13, 2024

November's PPI rose 3.0%, exceeding expectations, while jobless claims averaged 223,000 over the past month

- The S&P 500 is down 0.50%, the Nasdaq is up 0.80%, and the Dow Industrials is down 2.03% WTD
- The 10-Yr U.S. Treasury yield has increased +0.239% to a current yield of 4.347%, whereas the 30-Yr U.S. Treasury yield increased +0.234% to a current yield of 4.566%
- Crude oil prices increased 4.24% to a current \$70.12/bbl while bitcoin decreased 0.76% to a current \$100,384.60/coin
- Bitcoin's price hit \$100,000, fueled by its hard cap of 21 million coins, scarcity-driven value, and inflation-resistant design, though critics cite volatility and lack of intrinsic value as risks [WSJ]

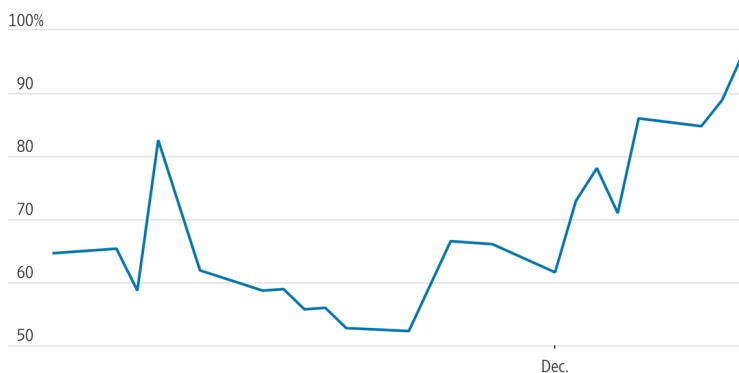
Number of bitcoins held, by select entities



Source: BitcoinTreasuries.net via Galaxy Digital

- Investors now see a 98% likelihood of a 0.25-point Federal Reserve rate cut in December, driven by steady inflation data, rising unemployment, and previous expectations of consecutive cuts totaling one percentage point this year [WSJ]

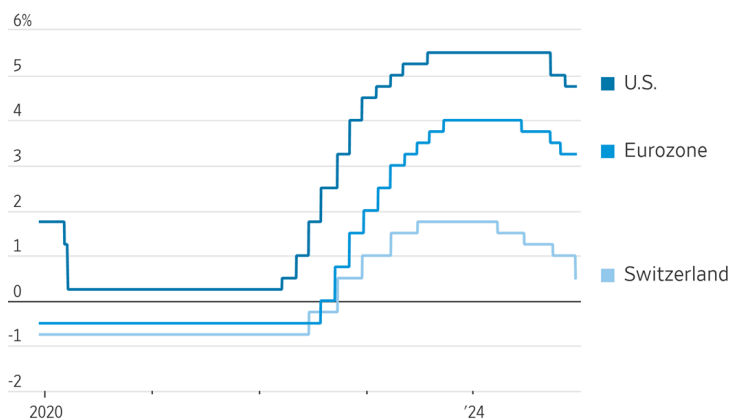
Chances that the Federal Reserve cuts rates by 0.25 percentage point this month



Note: Probability of the Fed's key rate falling to a range of 4.25 to 4.5%, derived from federal-funds futures contracts. Data for Dec. 11 isn't final.
Source: CME Group

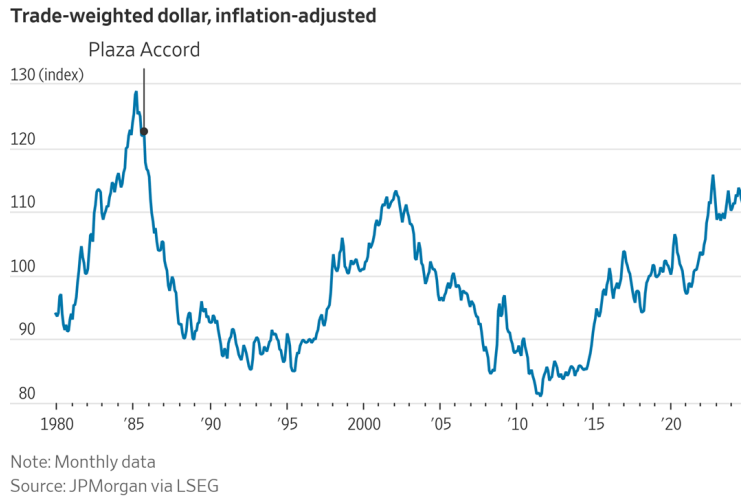
- Switzerland's central bank cut its key interest rate by 0.5 percentage points to 0.5% to curb the strong franc and support exporters, triggering a franc weakening and a rally in Swiss luxury goods, while inflation and growth forecasts for 2025 were lowered [WSJ]

Central bank policy rates



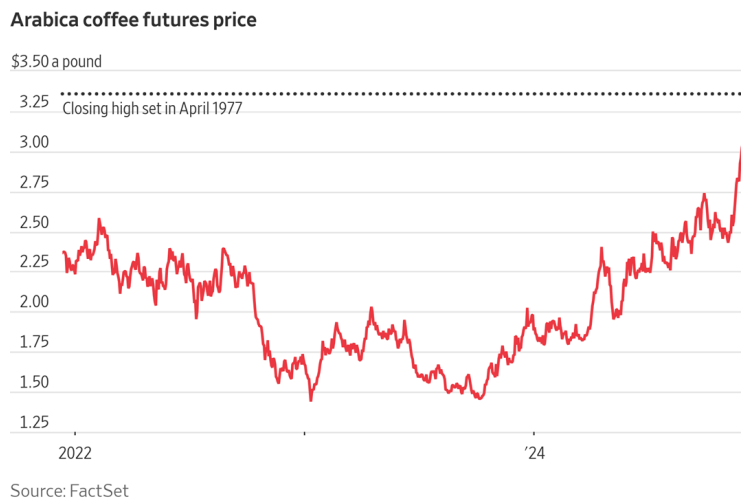
Source: FactSet

- The dollar's strength under Trump is debated, with market expectations of stronger growth and productivity favoring a strong currency, while Trump's preference for a weaker dollar to aid manufacturing and his transactional tariff approach suggest potential softness [WSJ]



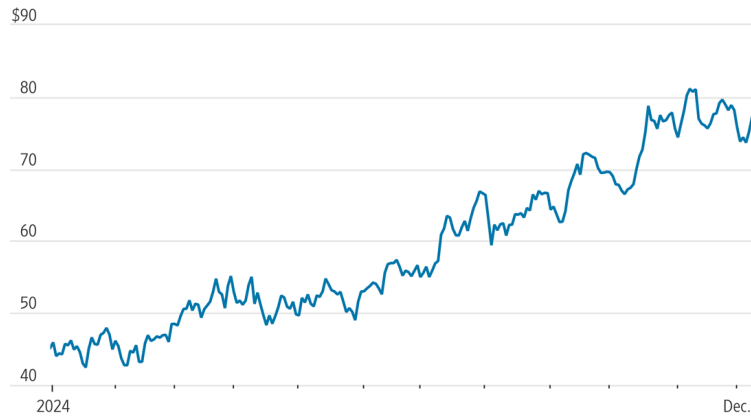
Record arabica coffee prices, T-Mobile's warning of slower Q4 subscriber growth, and SL Green Realty's strong performance highlight market dynamics

- Record arabica coffee prices from poor crops and global weather drive higher costs, speculation, and efforts to economize or innovate [WSJ]



- SL Green Realty has rebounded with strong leasing and high-end properties, outpacing a struggling U.S. office market [WSJ]

SL Green stock price



Source: FactSet

- T-Mobile shares fell 6% as CEO Mike Sievert cautioned that fourth-quarter subscriber growth might fall short of high investor expectations despite confidence in the company's guidance [WSJ]

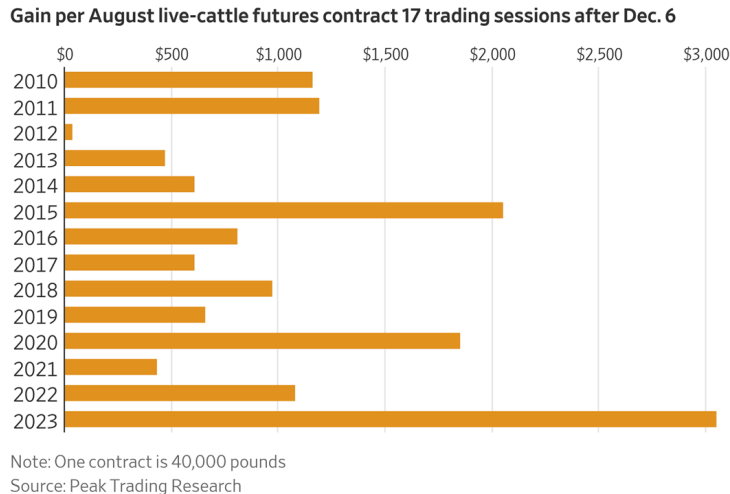
T-Mobile stock price



Source: FactSet

As of Dec. 9, 4 p.m. ET

- Live cattle futures, driven by holiday demand and economic confidence, have a consistent year-end winning streak, often outperforming stocks during the Santa Claus rally, with February and August contracts showing record reliability over the past 16-19 years [WSJ]



M&A activity continues to remain mixed

- \$36B-listed chocolate maker Hershey rejected a preliminary takeover offer from snacks maker Mondelez
- A judge blocked Kroger's \$24.6B acquisition of Albertsons
- US plans to formally block Japan's Nippon Steel's \$14.1B acquisition of US Steel on national security grounds
- Amkor chairman Susan Kim and Ed Peskowitz's children Zack Peskowitz and Olivia Suter will acquire an 8% stake in NFL's Philadelphia Eagles at an \$8.3B valuation
- Bausch + Lomb, the \$6.6B-listed eye care subsidiary of Bausch Health, is exploring a sale
- Blackstone will acquire the mixed-use Garden Terrace Kioicho complex in Tokyo from Seibu Holdings for \$2.6B in Japan's largest-ever real estate investment by a foreign fund
- Bain Capital offered to buy Australian financial services firm Insignia Financial in a \$1.7B deal
- PE firm Warburg Pincus agreed to acquire a 20% stake in UK specialty lender United Trust Bank at a \$663M valuation
- Ares will acquire a 10% stake in the NFL's Miami Dolphins

- Arctos Partners will acquire a 10% stake in the NFL's Buffalo Bills
- Malaysian wireless carrier Axiata and Indonesian conglomerate Sinar Mas agreed to merge their Indonesian telecom operations in a \$6.5B cash and stock deal

Recent developments across four key industries highlight Natural-gas futures hitting a year-high, bills in Congress aiming to break up pharmacy-benefit managers, and AI companies are racing to develop safety tests

Energy & Natural Resources

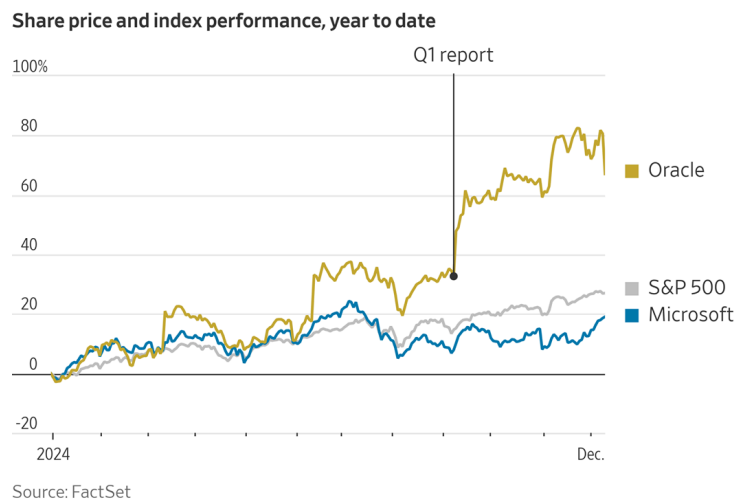
- Natural-gas futures hit a year-high of \$3.455 per million BTUs, driven by colder weather and higher-than-expected stockpile drawdowns, marking a 44% annual increase after a year of low prices and curtailed production [WSJ]



- Exxon Mobil plans to grow earnings at a 10% annual rate, boost capital spending to \$28–\$33 billion annually through 2030, achieve \$7 billion in cost savings, and repurchase \$40 billion in shares by 2026 [WSJ]
- OPEC cut its oil-demand growth forecast for the fifth month amid weaker global consumption and extended production cuts, prioritizing price stability over market share, while geopolitical factors and mixed economic signals continue to influence oil markets [WSJ]

Technology, Media, & Telecommunications

- AI companies like Anthropic are racing to develop safety tests to address catastrophic risks as models grow more powerful, amid regulatory uncertainty, industry competition, and debates over how to balance innovation and accountability [WSJ]
- Oracle's stock dropped 6.7% after missing revenue expectations and projecting slower growth, as rising capital expenditures for AI development strain free cash flow and test investor confidence [WSJ]



Healthcare & Life Sciences

- Bipartisan bills in Congress aim to break up pharmacy-benefit managers (PBMs) by forcing divestment of pharmacy businesses, addressing concerns over rising drug costs and conflicts of interest, though passage is unlikely this session [WSJ]
- Health insurers face heightened security concerns and criticism after the killing of UnitedHealthcare's CEO, reflecting public frustration with the industry despite reforms under the Affordable Care Act [WSJ]
- A new U.S. dietary report recommends reducing red and processed meat, increasing beans and plant-based proteins, and scrutinizing ultraprocessed foods, sparking debate over health, tradition, and industry influence ahead of new 2025 guidelines [WSJ]

Financial Services

- Albertsons ended its \$20 billion merger with Kroger after regulatory hurdles, accusing Kroger of noncompliance, while both companies shift focus amid financial and competitive challenges [WSJ]
- Leveraged ETFs, despite their growing popularity and promise of magnified returns, often disappoint due to volatility drag and rebalancing costs, with new products like Battleshares potentially compounding long-term performance challenges [WSJ]

Performance of Nasdaq 100 ETF and 3x leveraged version through November



Source: FactSet