



Coffee & Commentary

November 11, 2024

Good Morning!

Welcome to Coffee & Commentary, presented by Alpha Zero's Managing Partner and CIO, Eric Mechler CFP®, ChFC®, AIF®, BFA™, RICP®.

Let's get started.

1. What is currently impacting financial markets?

- U.S. stocks surged and experienced their strongest week in 12 months, with gains in the 5-6% range across the major indices. The Nasdaq, S&P 500, and Dow all reached record highs during the week, with the S&P 500 and Dow even temporarily surpassing the 6,000- and 44,000-point marks, respectively. Final results on the week were; **S&P 500 +4.7%**, **Nasdaq +5.7%**, and the **Dow +4.6%**.
- The major rally on the week was seen on Wednesday as markets reacted to the results of Tuesday's election. The Dow jumped 3.6%, the Nasdaq climbed 3.0%, and the S&P 500 rose 2.5%.
- The U.S. Federal Reserve lowered its benchmark rate by a quarter-percentage point, following the half-point cut made in September. This move was widely anticipated, and both stocks and Treasury yields remained stable after the announcement on Thursday.

2. How are we to prepare and act?

- It wasn't discussed much during primetime coverage, but a big win for the United States was that the outcome of the presidential election was

decisive, as it eliminated a major source of uncertainty within markets and lead to a record-setting post-election rally. Stocks rose significantly as investors began to factor in potential policy changes under the new administration, though it clearly remains to be seen what words spoken on the campaign trail turn into words signed into law in the Oval Office. Although campaign promises do not always translate directly into policy, the prospect of tax cuts and deregulation could stimulate economic growth and corporate profits, offering further support to stock markets. Sectors such as financial services saw notable gains due to expectations of regulatory relief and more favorable business conditions, however, these potential policy shifts come with considerations, such as the risk of increasing deficits and the national debt. Despite these complexities, the market's path forward will depend on how policy proposals translate into action and the extent to which economic fundamentals, such as corporate earnings growth and consumer spending, remain robust.

- On the monetary policy front, the Federal Reserve's recent rate cuts indicate a cautious approach to balancing economic growth and inflation control. The week saw the Fed cut interest rates for the second time this cycle, maintaining a policy stance it still considers restrictive. This suggests that while further rate cuts are likely, they may proceed at a slower pace, especially if looser fiscal policies boost growth. Although the Fed's actions are influenced by current economic conditions, the fundamentals remain solid, including consistent growth in corporate profits and strong consumer spending, which have helped the economy outperform recession predictions over the past two years. Interest rates appear to have peaked and are expected to move lower gradually, creating opportunities for both equity and bond investors. As the post-election environment unfolds, it is important for investors to focus on long-term fundamentals and not overreact to political developments. Maintaining a diversified investment portfolio can help mitigate potential volatility and position investors to capitalize on steady economic growth, ensuring progress toward long-term financial goals.

3. Taking a look at the week ahead.

- Monday — Veterans Day
- Wednesday — Consumer Price Index (CPI)

--

As always, here at Alpha Zero we believe knowledge is power and look forward

to helping you Think Beyond What's Next.

Please feel free to share this newsletter with friends and family, and we thank you in advance for any introductions you send our way.

Have a great week and please reach out to us with any questions.

Sincerely,

Eric Mechler, CFP®, ChFC®, AIF®, BFA™, RICP®

Founder, Managing Partner

Chief Investment Officer

Alpha Zero

2500 N Military Trail, Suite 316

Boca Raton, FL 33431

Phone: (561) 576-2599 Ext. 124

eric@alphazerowealth.com

Alpha Zero LLC ("Advisor") is a registered investment advisor. Information contained in this report is for informational purposes only and should not be considered investment advice or recommendations. Advice may only be provided after entering into an advisory agreement with Advisor.

This document is for informational purposes only. The information and data presented herein has been prepared on the basis of the publicly available information, internally developed data or other third-party sources. No guarantee is given as to the accuracy, completeness, or reasonableness of the contents contained herein.

Visit our website

Alpha Zero

2500 N Military Trail, Suite 316, Boca Raton, FL 33431

Phone: (561) 576-2599 Ext. 124

eric@alphazerowealth.com



Think Beyond What's Next.

Alpha Zero | 2500 N Military Trail Suite 316 | Boca Raton, FL 33431 US

[Unsubscribe](#) | [Update Profile](#) | [Constant Contact Data Notice](#)



Try email marketing for free today!