

MONTHLY SUMMARY | OCTOBER 2024



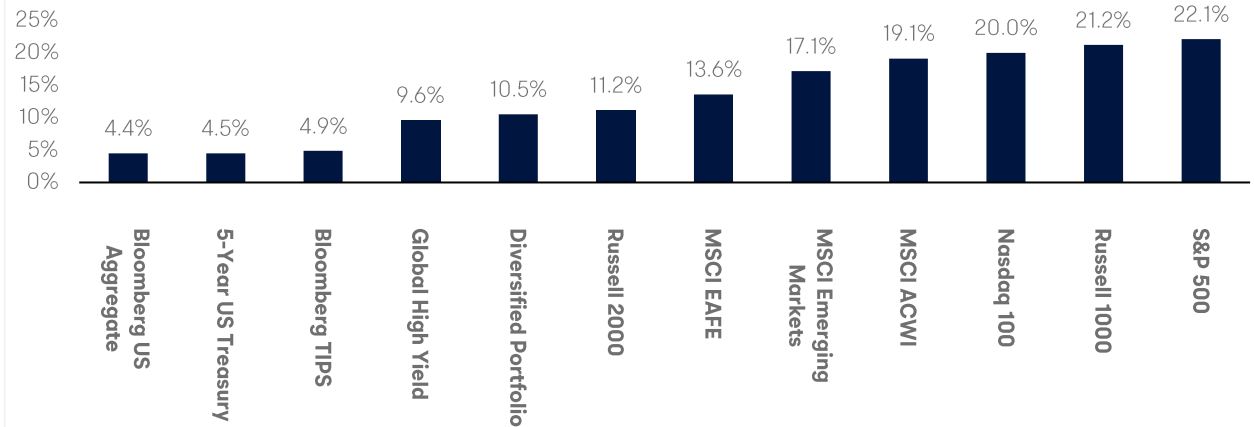
Market Expectations & Sentiment

- Annualized growth in Gross Domestic Product after inflation is currently expected to be 3%, nowhere near recessionary levels.
- Market consensus is for earnings per share in the S&P 500 Index to sum to \$243 for 2024. While this may be doable, the 2025 estimate of \$280 appears challenging.
- Market expectations for both Presidential candidates are for high deficits to continue, which may place upward pressure on interest rates.

Economic & Financial

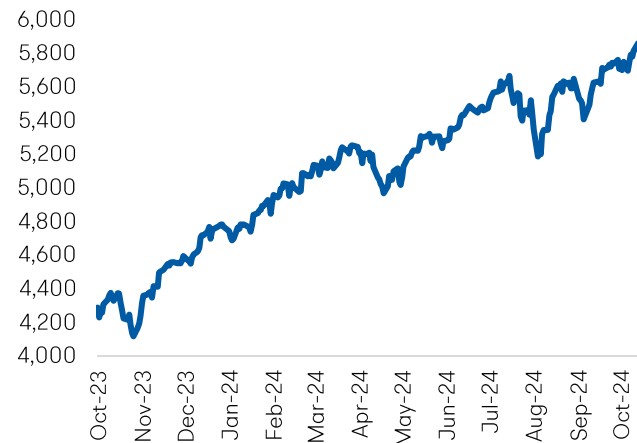
- After trending downward in summer, disinflation progress appears to be stalling with the September reading of the Consumer Price Index surprising to the upside.
- The labor market continues to show modest though not troublesome signs of cooling. Continued unemployment claims have been ticking upward but have been offset in part by stabilized numbers of job openings. Annualized wage growth in turn remains above 4%.
- The combination of a rise in stock market prices and Treasury yields on the back of the Federal Open Market Committee's 0.50% rate cut in September may reflect rising confidence that economic growth will not cool substantially.
- Even with the recent decrease in Treasury yields, the equity risk premium on the S&P 500 Index is well below 0.50%. By historical standards, this suggests low compensation for taking on equity risk in lieu of conservative bonds.

Total Returns for Select Indexes: YTD Through September 2024

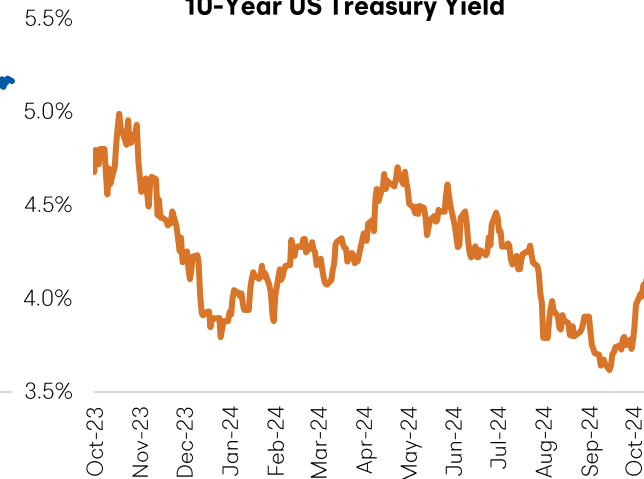


Diversified Portfolio is comprised of 40% MSCI ACWI, 40% Bloomberg US Aggregate, 5% FTSE US 3 Mo. T-Bills, 9%, HFRX Global Hedge Funds, 3% Bloomberg Commodity Index, and 3% FTSE NAREIT All Equity REITS Total Return Index

S&P 500 Index



10-Year US Treasury Yield



Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material. Source: Morgan Stanley Wealth Management GIC as of October 16, 2024. Equity risk premium is the excess return that an individual stock or the overall stock market provides over a risk-free rate. The risk-free rate represents the interest an investor would expect from an absolutely risk-free investment over a specified period of time. Chart Sources: (Top) FactSet, Morgan Stanley Wealth Management Global Investment Office.; (Left) Morgan Stanley Wealth Management GIC and Bloomberg as of October 15, 2024; (Right) Morgan Stanley Wealth Management GIC and Bloomberg as of October 15, 2024; Hyas Group is a separate business unit within Morgan Stanley Institutional Investment Advisors LLC © 2024 Morgan Stanley. CRC 7243940-10/24. The attached contains an update from Morgan Stanley. While it is intended for the Morgan Stanley Smith Barney client base, we thought it might be of interest to you for educational purposes. Should you have any questions, please contact your Hyas Group Consultant.