

The background features a dark teal color with a grid pattern. Overlaid on this are various financial data visualizations: a series of white candlesticks with black outlines, some with white triangles indicating price movement; a series of blue 3D-style bars; and several percentage values in a light blue font, such as +2,53%, -0,35%, +0,66%, -0,44%, and -0,61%. Faint numerical strings like 432434, 433411, 343343, 234223, 343223, and 23332 are also visible in the background.

WJ Charts of the Month

November 2024

WJ Charts of the Month Intro

"WJ Charts of the Month" is a comprehensive monthly slide deck designed to showcase recent significant financial events and data. The presentation is organized into four sections, beginning with a "Highlights" slide that sets the stage for the subsequent content.

1. What Happened Last Month: This section features a curated collection of charts and images from various publications, offering a visual summary of the previous month's key events.

2. WJ State of the Economy: Our team at WJ has created an array of charts to emphasize crucial economic factors and trends.

3. WJ State of the Markets: Similarly, this section comprises a series of charts crafted by WJ to provide an overview of the core markets we monitor.

We strive to maintain consistency across the charts to facilitate easy comparison month-over-month. However, we may adjust or emphasize specific charts if their relevance shifts over time.

Our objective with this publication is to establish a "One-Stop Shop" for the most vital financial information, presented in a concise and easily digestible format. **We value your feedback to help us achieve this goal.** If you have suggestions regarding the format, or if there's particular information you'd like to see in future editions, please don't hesitate to let us know.

Highlights

[Historic Month For US Stocks](#)

[Booming US Productivity Growth](#)

[Massive Tariffs on the Horizon](#)

[Historic Travel Day](#)

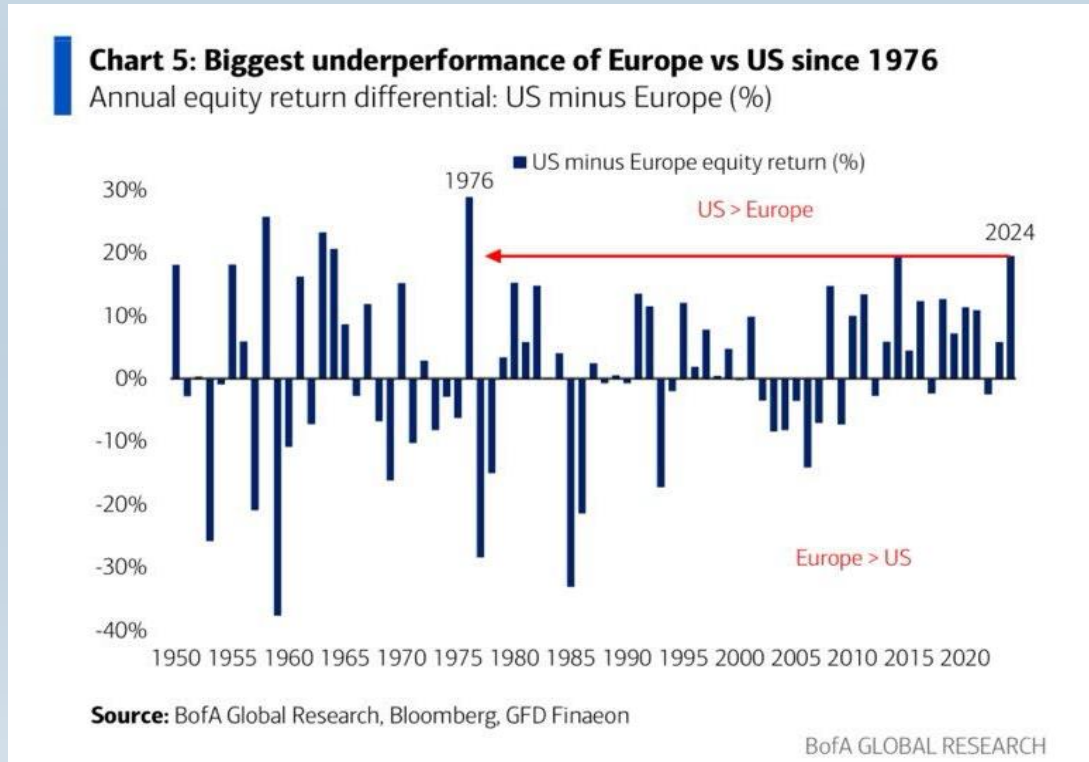
[New Retirement Planning Series](#)

What Happened

Historic Month For US Stocks

November marked one of the greatest months of outperformance of US stocks over foreign stocks in many years. That continues an already historically great year. The chart below shows that this is the most lopsided outperformance of US over Europe since 1976.

Of course, valuations reflect that. The “meme” on the right does a good job describing the appetite for US stocks despite the lofty price tag.



Bitcoin Soars on Trump Election

Bitcoin is up around 140% ytd, and all of that performance came at two points: when the Bitcoin ETFs launched, and when Trump was elected President. Trump has come out as supportive of crypto as a whole and has even suggested creating a “Strategic Bitcoin Reserve” for the United States.

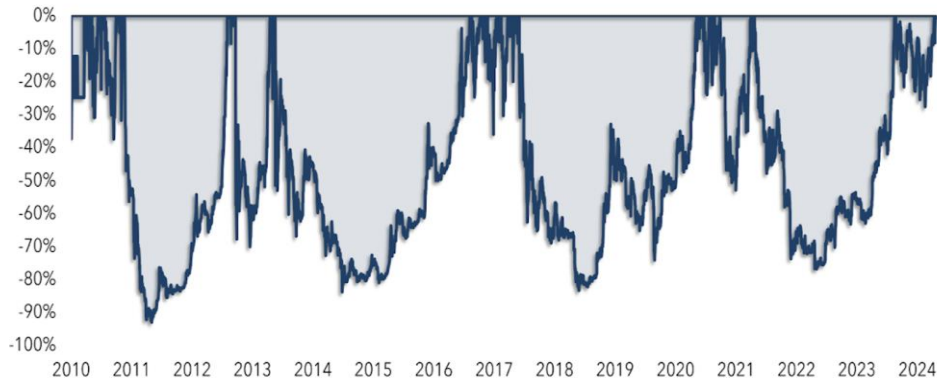
Keep in mind that Bitcoin is extremely volatile, and much of the good news may be priced in. The chart on the left does a good job showing the magnitude of bear markets in Bitcoin over its short history. Things can always change but always exercise caution with speculative assets.

Large drawdowns are frequent for Bitcoin

Bitcoin Drawdown From All-time-high

Since 2010

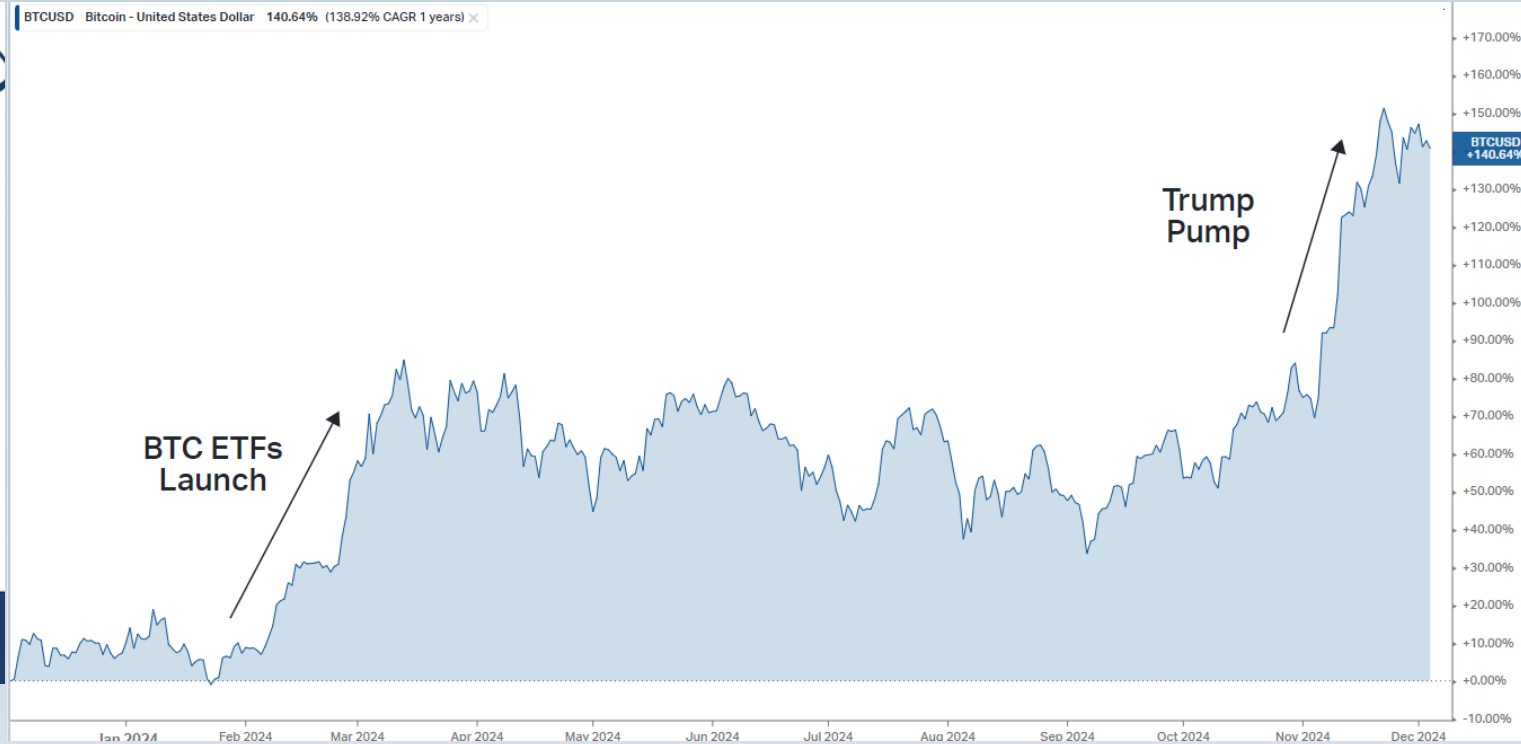
Bitcoin Drawdown From All-time-high



Source: Ritholtz Wealth Management, data via Bloomberg Finance L.P.

Ritholtz Wealth Management is a Registered Investment Adviser. This presentation is solely for informational purposes. Advisory services are only offered to clients or prospective clients where Ritholtz Wealth Management and its representatives are properly licensed or exempt from licensure. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Ritholtz Wealth Management unless a client service agreement is in place.

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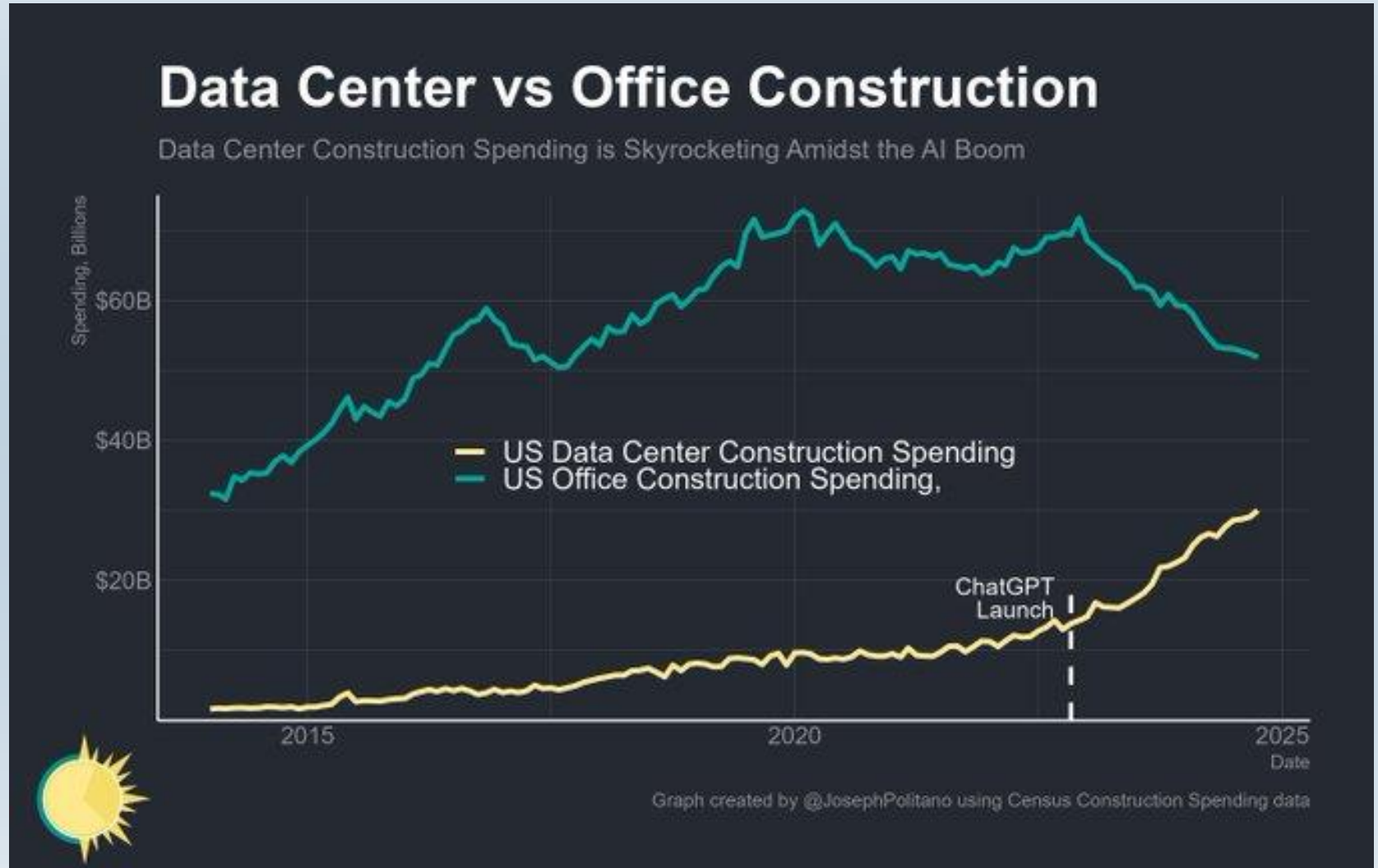


Data Centers are the New Office Buildings

With the rise of AI and cloud computing and storage, there has been an enormous amount of investment towards building out the infrastructure for all that computing demand.

On the flipside, its no secret that office buildings around the US are struggling to increase occupancy as many continue to work from home.

It will be interesting to see how far each of these trends will continue, and if at some point the two lines intersect.



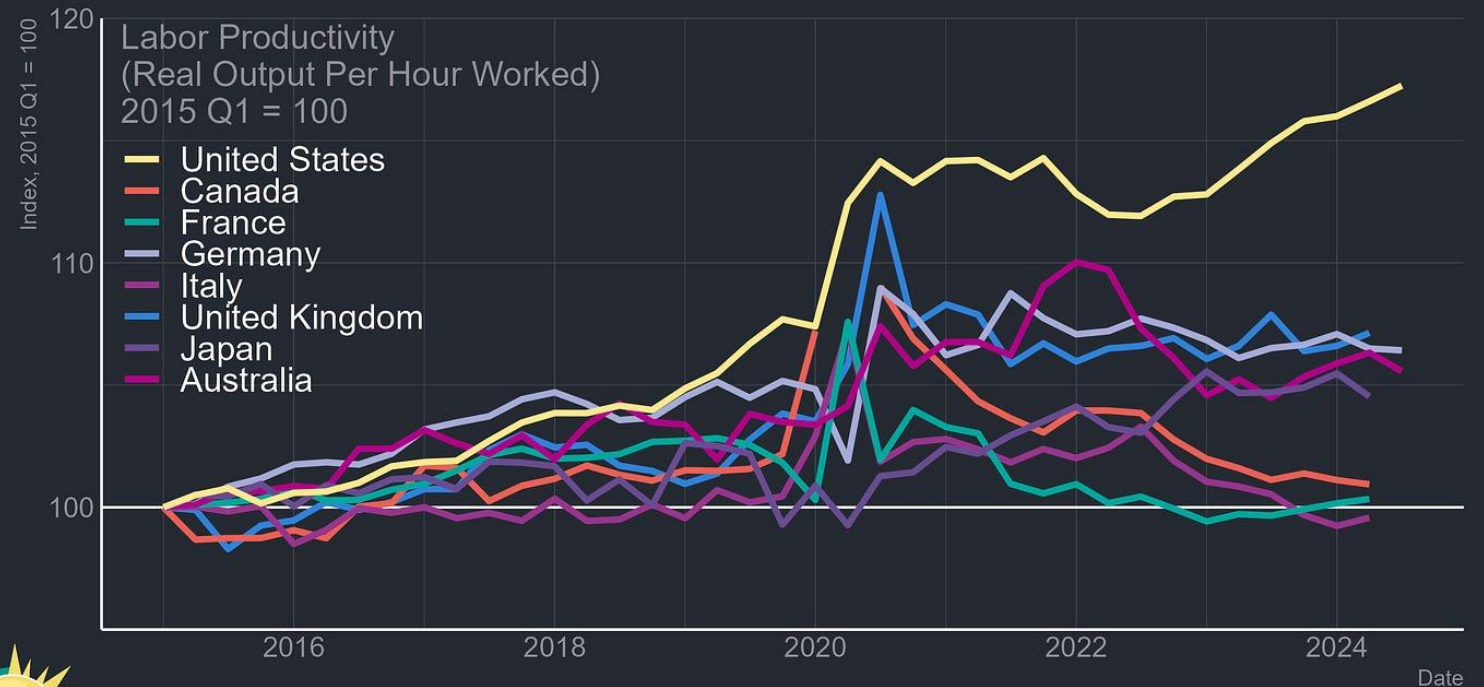
Perhaps Increasing Productivity?

I'll let the author who made the chart speak for himself:

“Productivity growth is nothing short of the bedrock of progress—in the long run, creating more with the same amount of labor is the only way to durably increase wages, consumption, and society’s overall prosperity. That makes it such a historic achievement that American economic output per hour worked has risen 8.9% over the last five years—faster than the five years prior or any point in the 2010s—in spite of the COVID-19 pandemic.”

Comparing Labor Productivity Growth

America Has Radically Outshined Its Peers In Terms of Productivity Growth



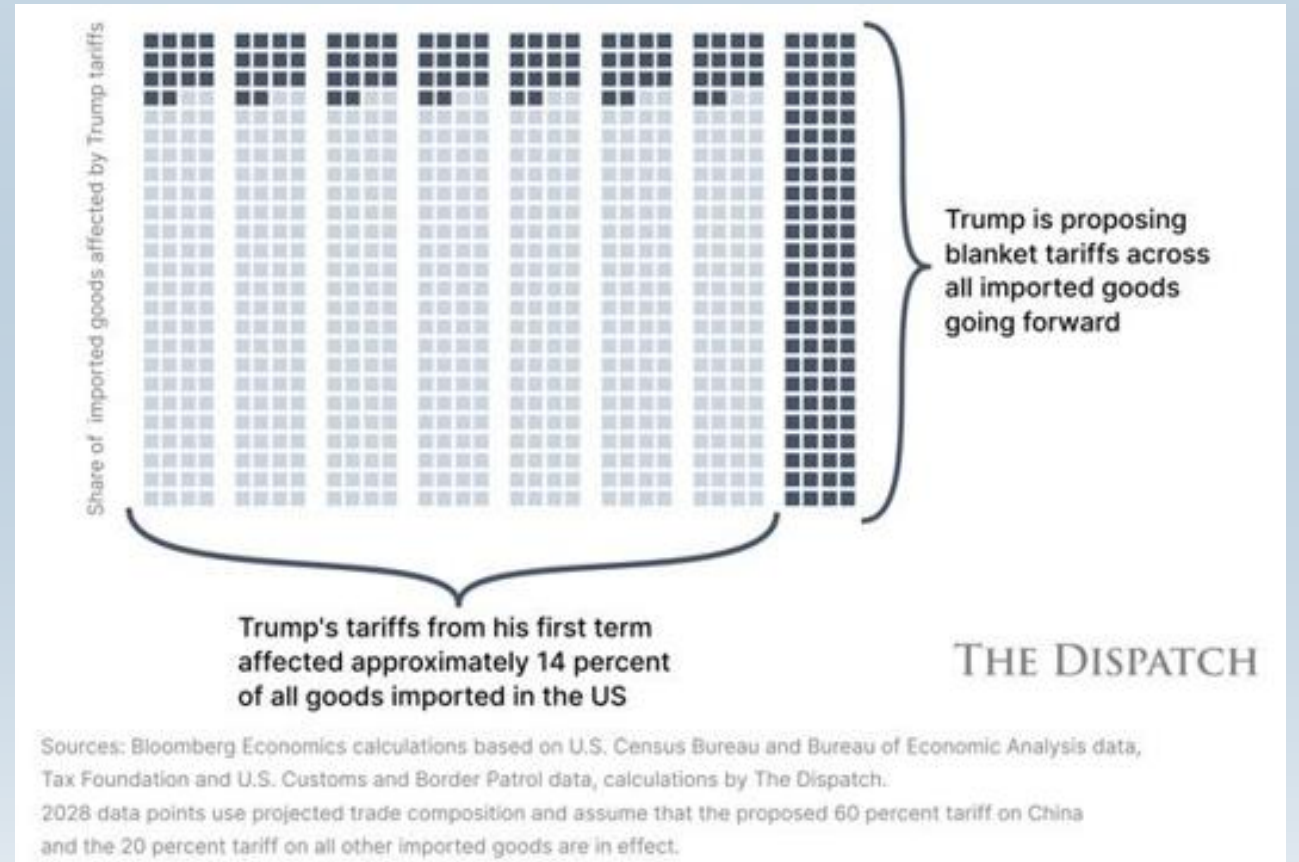
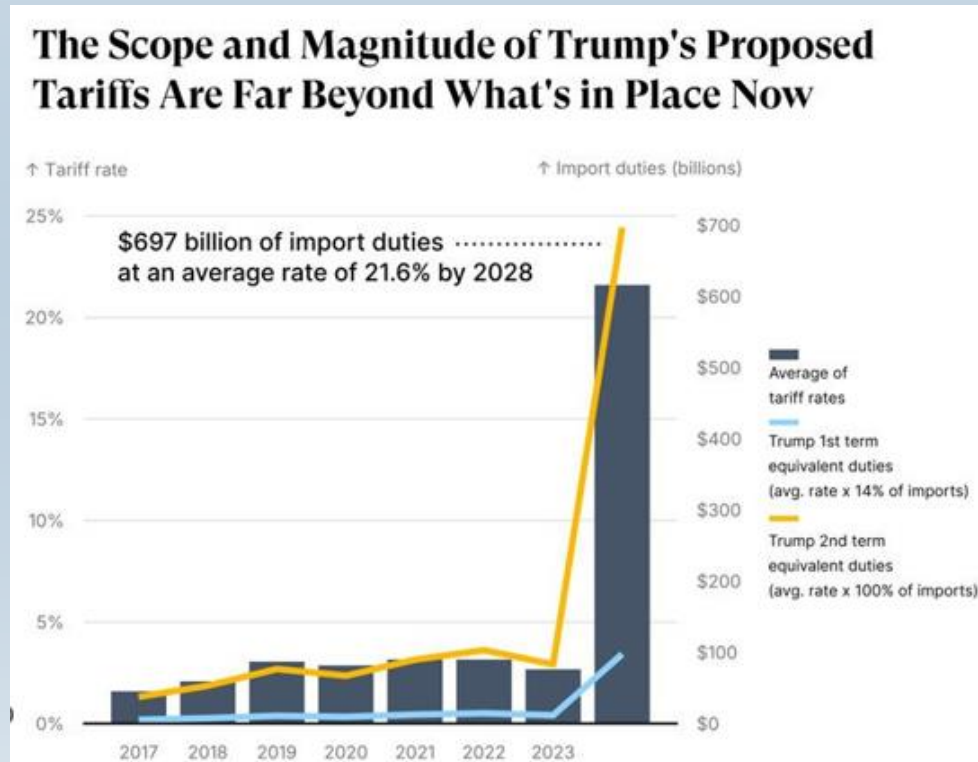
Graph created by @JosephPolitano using National Accounts data from FRED & National Databases



25% Tariffs Announced for Canada and Mexico

The biggest question mark when it comes to Trump's economic plan is the effect of his proposed tariffs. On one hand, tariffs protect domestic industries and provide additional tax revenue. On the other hand, tariffs are directly inflationary by definition and will likely lead to retaliatory tariffs on our exports.

No one can know for certain what the net effect will be, but what is certain is the scale of the proposed tariffs are unprecedented. The chart on the right shows that the avg tariff rate is proposed to go up almost 10x from what it's been. In addition, tariffs are typically used strategically for certain industries. This time its expected to be a blanket tariff on all goods. Last month Trump announced 25% tariffs for both Canada and Mexico. Whether this happens or is being used as a bargaining chip remains to be seen.



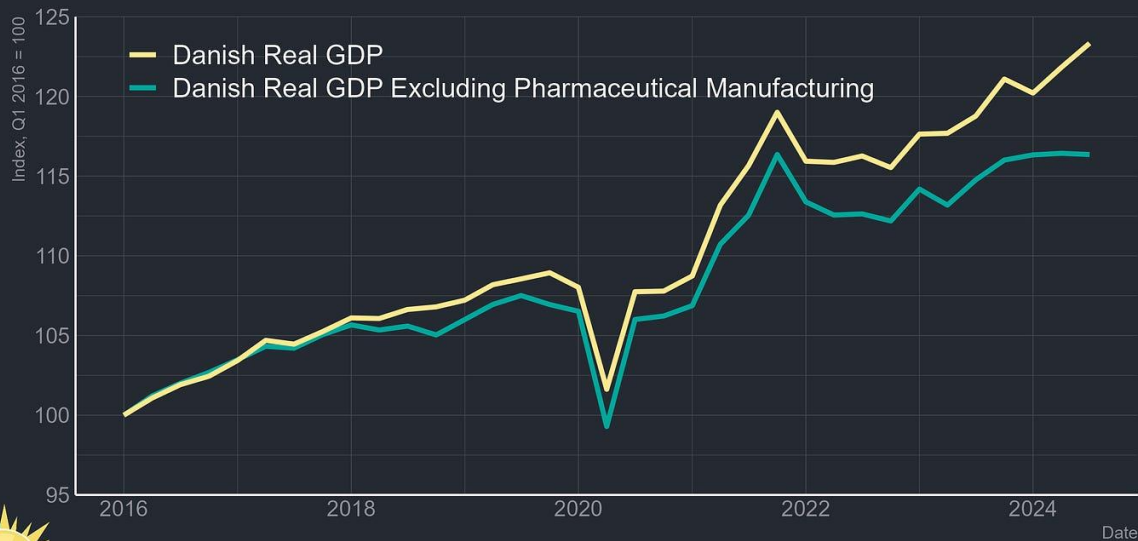
Ozempic Drives Danish Economy

Since late 2021, Danish GDP has increased by 3.6% but would have been 0% without pharmaceutical manufacturing output. The boom has almost singlehandedly made Denmark one of the fastest-growing economies in the European Union. GLP-1's, weight loss drugs like Ozempic and Wegovy, have propelled Denmark to a budget surplus worth 3.3% of GDP last year, the highest in the EU, while driving national debt-to-GDP to the lowest level since the late 70s.

The vast majority of this growth has been the result of one super-customer, the United States.

Weight Loss Drugs Power Danish GDP

The Vast Majority of Danish GDP Growth is Coming From Pharmaceutical Output of GLP-1 Drugs



Graph created by @JosephPolitano using Statistics Denmark Data

Denmark's Weight Loss Pharma Boom

America Has Become the Largest Destination for Danish Exports Amidst a Pharma Boom

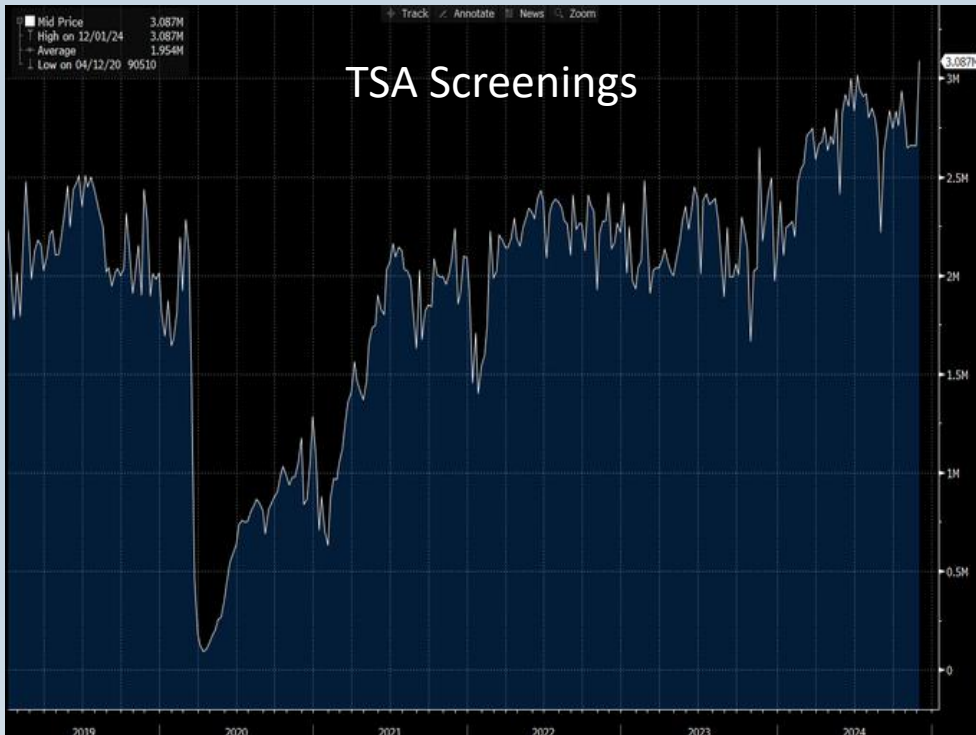


Graph created by @JosephPolitano using Statistics Denmark Data

Record Travel Day

Hopefully everyone enjoyed their Thanksgiving. If you had to travel for it, I hope it went smooth.

2024 in general has been a booming travel year, as indicated by TSA Screenings (left chart). This past weekend, December 1st, marked the highest total passenger volume ever, at over 3 million screenings. Interestingly, all 10 of the highest travel days have been since May.



TOP 10 BUSIEST TRAVEL DAYS

Date	Total Passenger Volume	Date	Total Passenger Volume
1. 12/01/2024	3,087,392	6. 06/24/2024	2,944,001
2. 07/07/2024	3,013,622	7. 06/28/2024	2,938,292
3. 06/23/2024	2,996,495	8. 07/14/2024	2,937,845
4. 07/18/2024	2,957,170	9. 10/20/2024	2,933,132
5. 05/24/2024	2,951,859	10. 06/14/2024	2,929,467

TSA.gov

People are Going to Theaters Again

Consumers have also rediscovered the movie theaters...

Disney's "Moana 2" sailed to a blockbuster holiday opening in theaters, leading the box office to its strongest-ever Thanksgiving stretch.

"Moana 2" earned \$221 million in domestic ticket sales between Wednesday and Sunday, the strongest five-day domestic Thanksgiving opening of all time. The solid debut for the animated feature is nearly double the \$125 million previous record set by "Frozen II" over the same period in 2019, according to box-office tracker Comscore.

Strong sales for "Moana 2" as well as the continued success of Universal's hit movie musical "Wicked" and Paramount's action film "Gladiator II," collectively led to a record-setting Thanksgiving weekend. Overall, theaters in the U.S. and Canada sold \$420 million in movie tickets over the five-day period, the best-ever Thanksgiving haul, topping \$315 million in ticket sales during the same period in 2018, Comscore said.



New Retirement Planning Series

Last month, we finally finished our blog series on [“What Makes a Financial Plan...Better”](#).

The series describes the flaws with today’s financial planning tools and assumptions, and outlines some dynamic strategies and more realistic planning assumptions to greatly improve your retirement.

Improving retirement means maximizing how you utilize your assets in a way that’s important to you, be it increasing spending to enhance your lifestyle, or planning for how your assets can be used for others, be it family or charity.

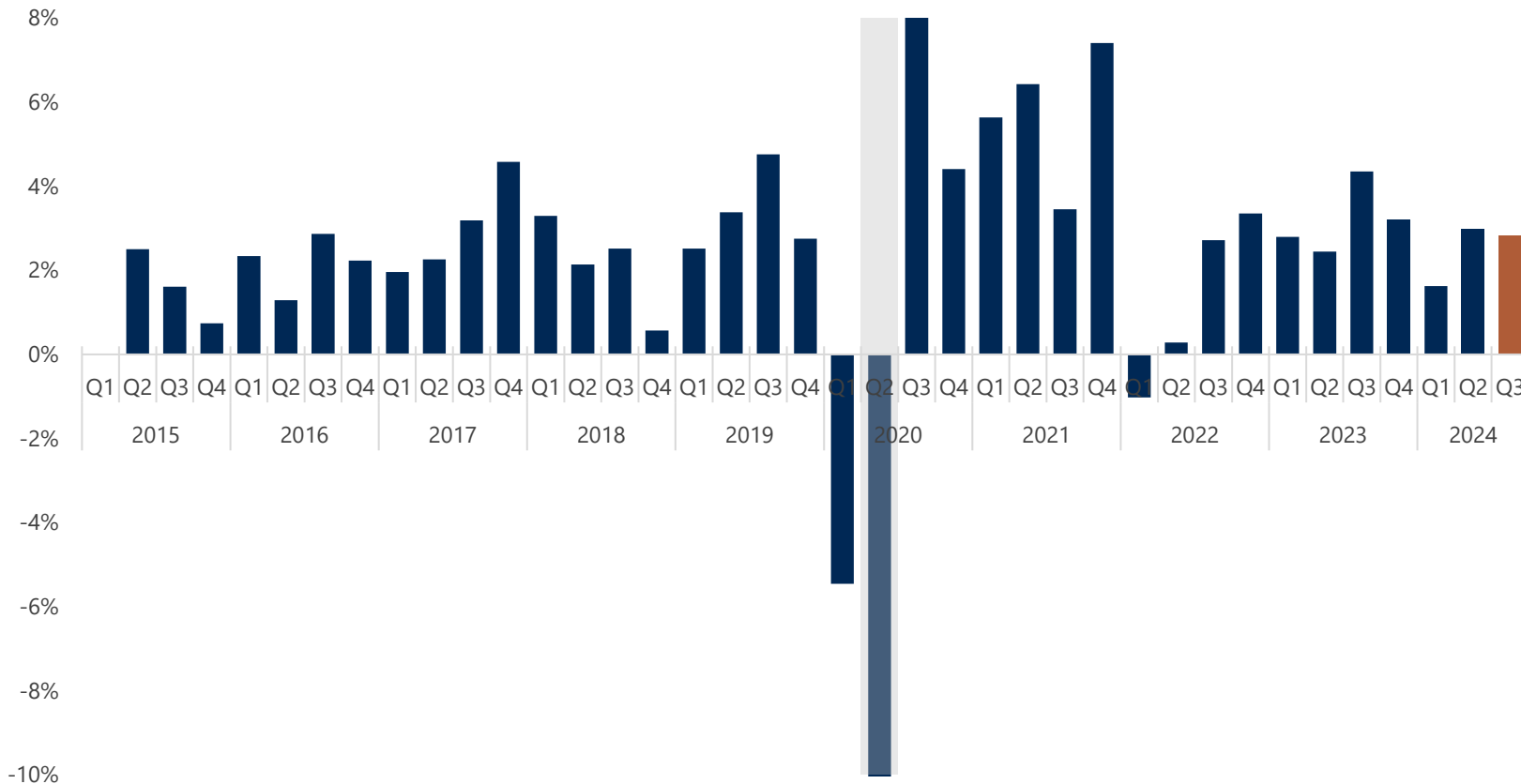
I encourage you to read it, especially if you’re in or nearing retirement. We will also be discussing many of the key components in all future meetings with clients.



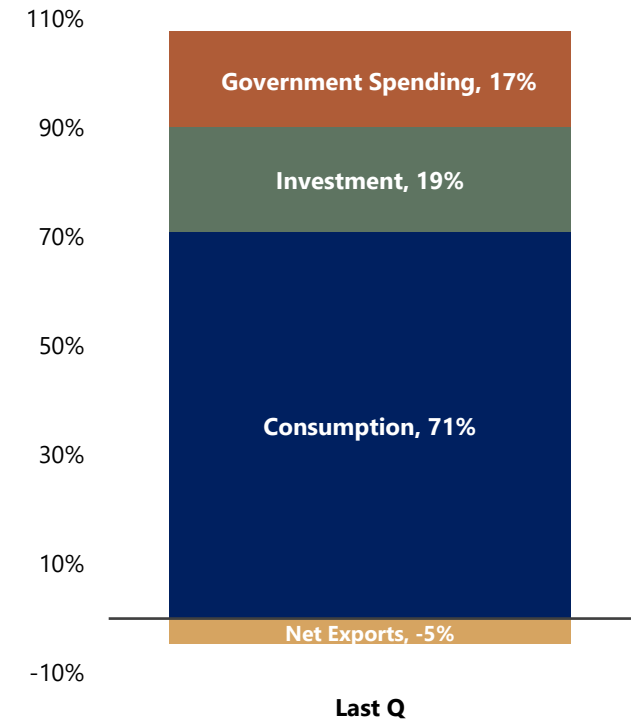
WJ State of the Economy

Q3 GDP Comes in at Solid 2.8%

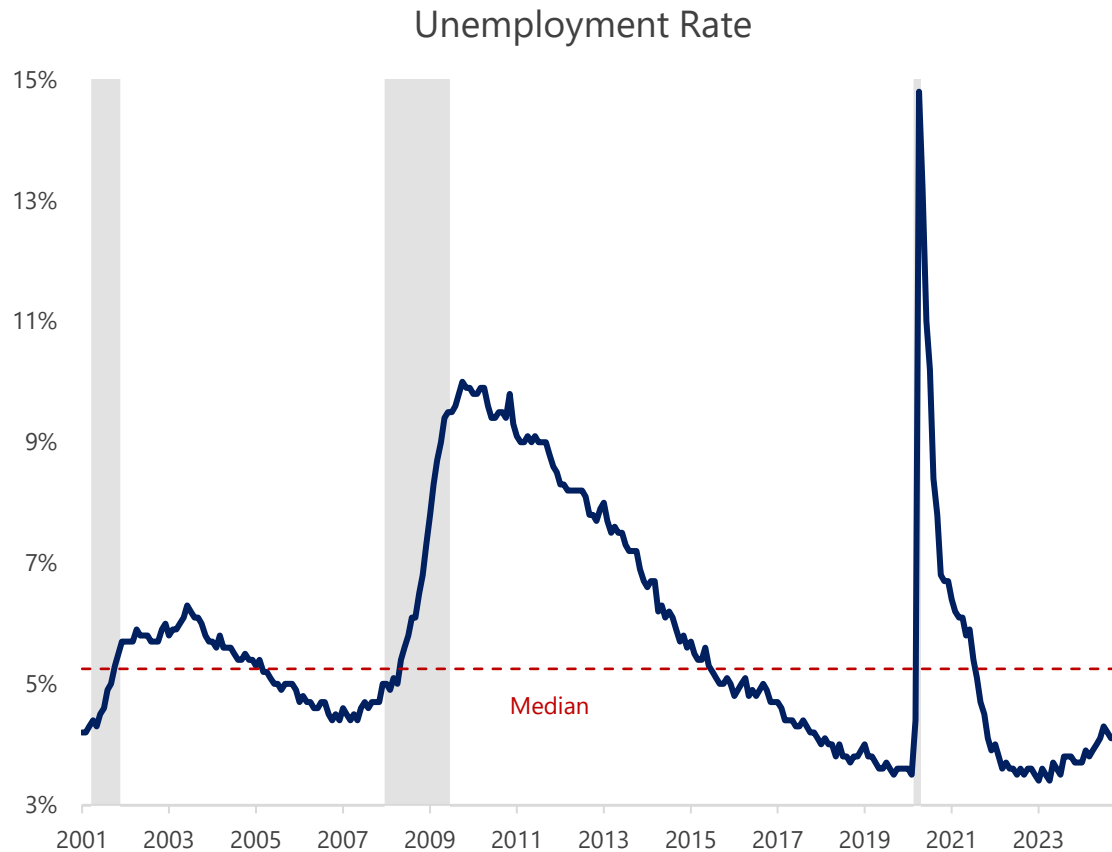
Annualized Real Gross Domestic Product (GDP) % Chg



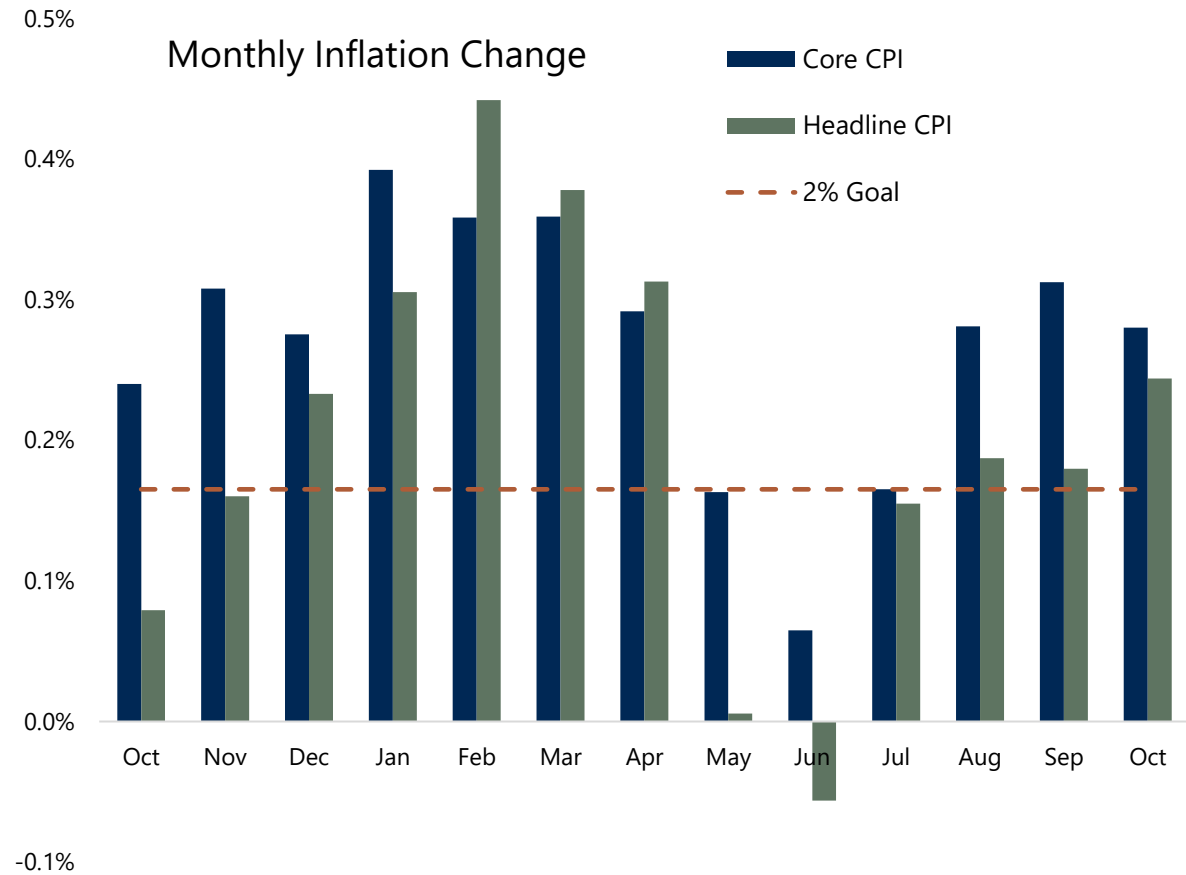
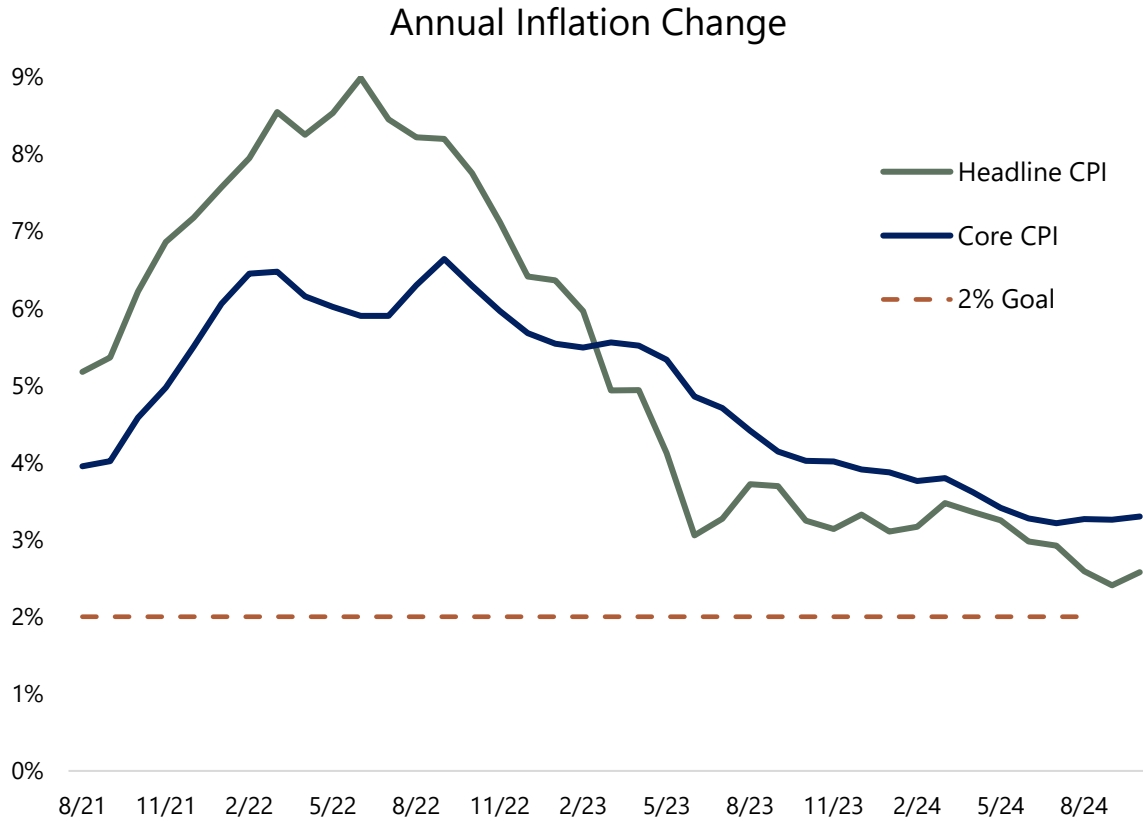
Components of GDP



Job Openings/Quits Up, Unemployment Down



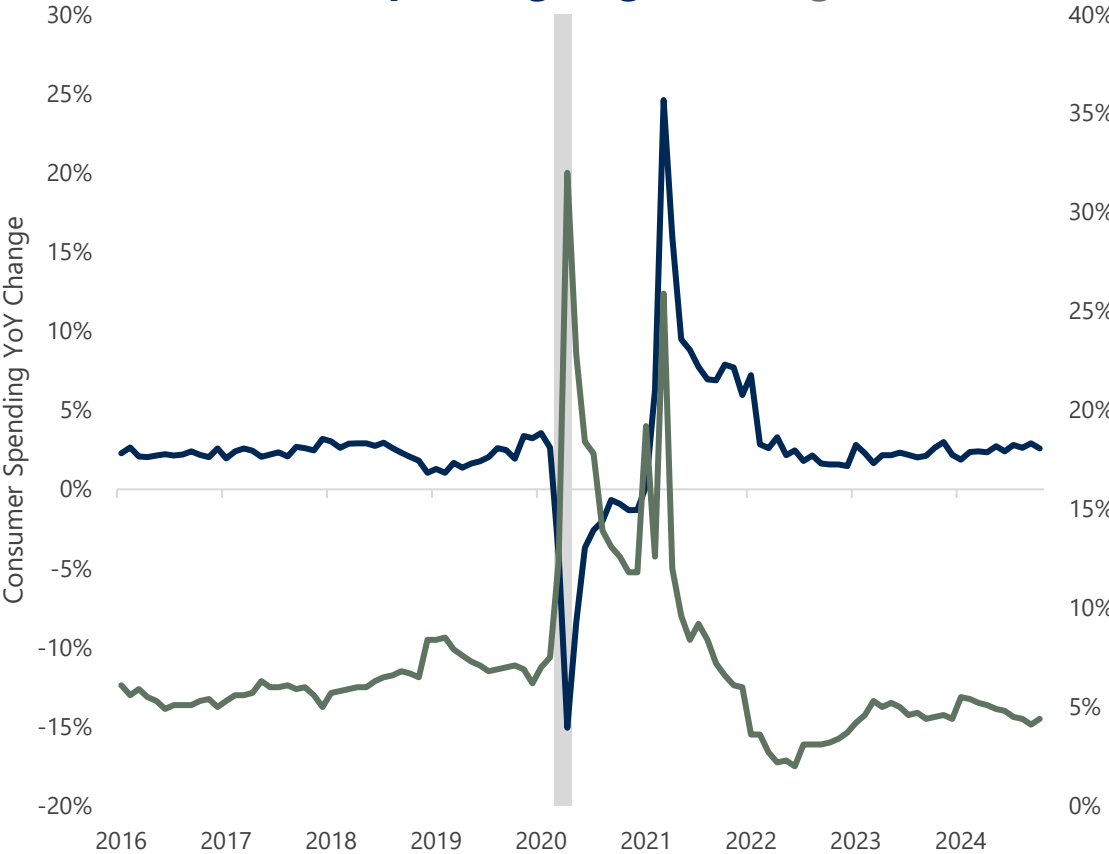
Inflation Staying Stubborn



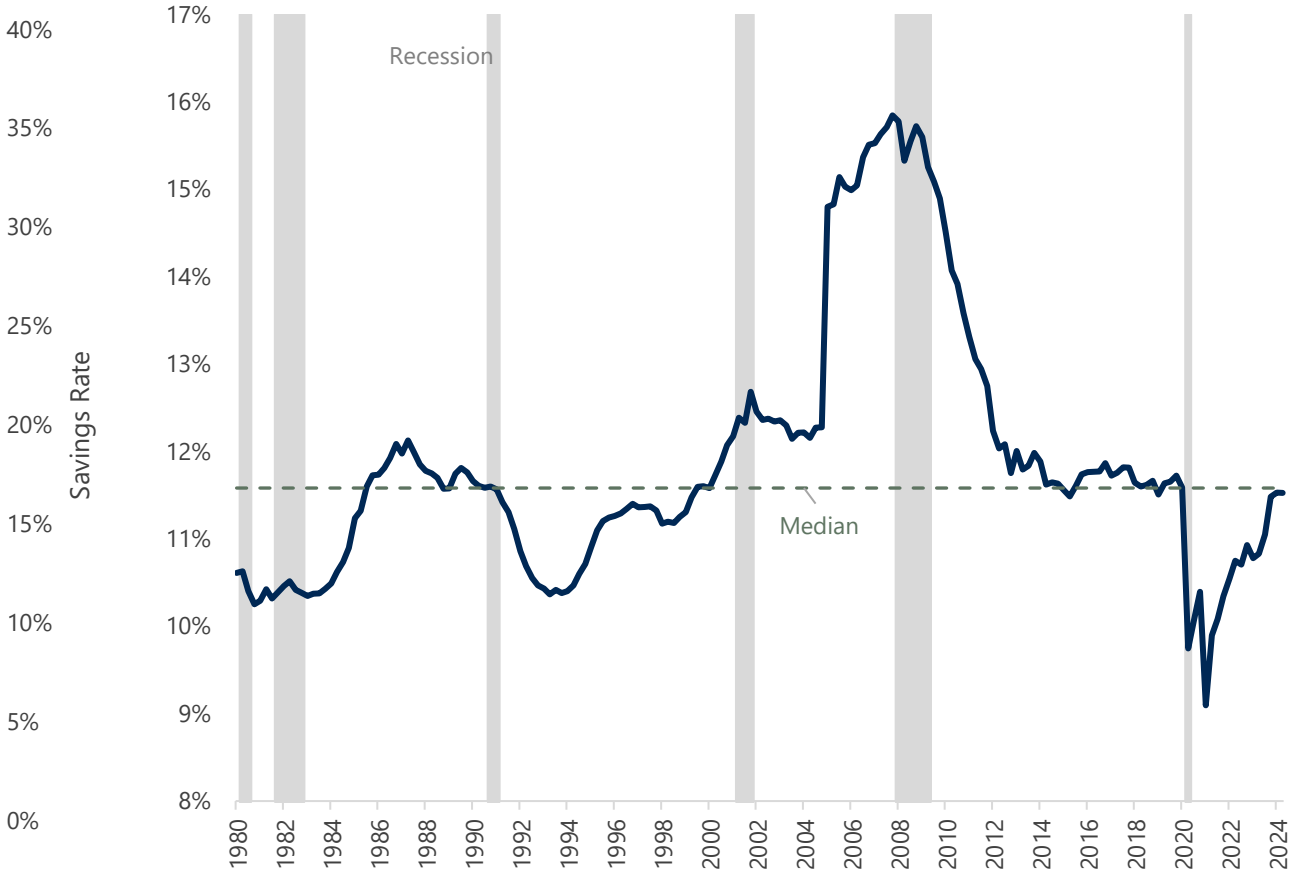
Source: Federal Reserve Economic Database (FRED). Consumer Price Index. Annual CPI Forecasts are made by WJ using past month over month CPI data and extrapolating forward with different growth rates.

Consumer is Still Strong

Consumer Spending Chg vs Savings Rate



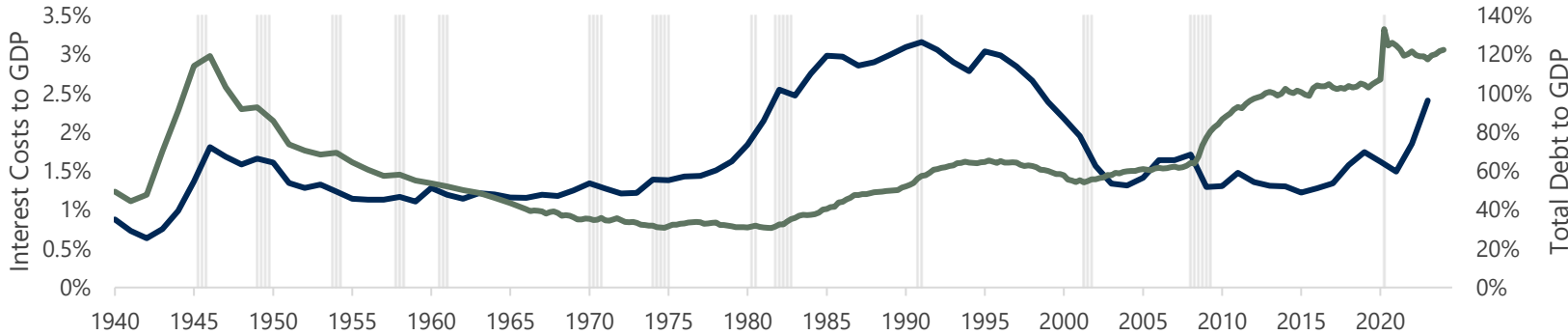
Household Debt Service Payments as % of Income



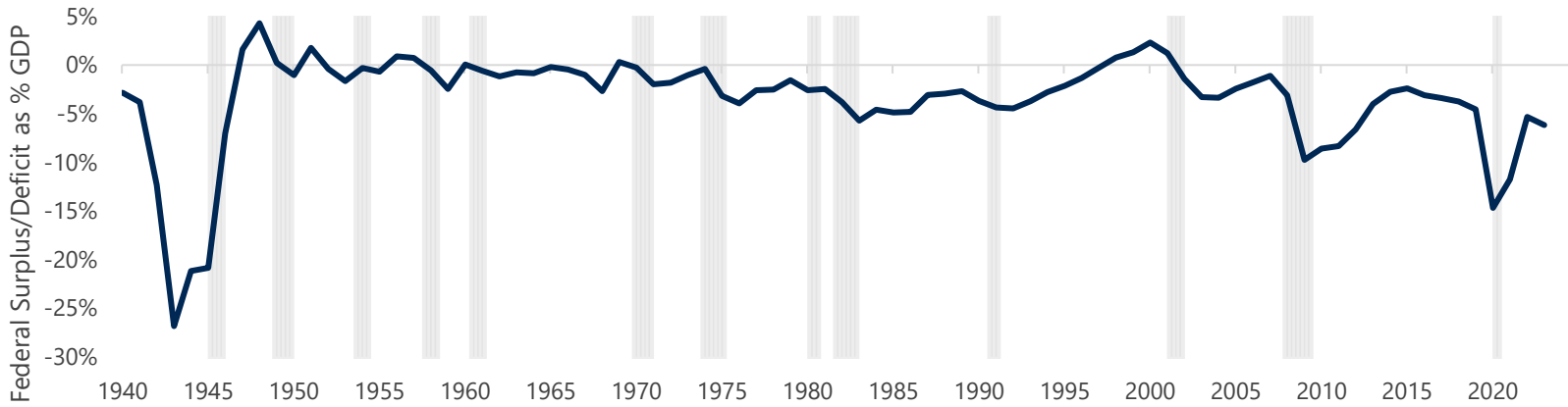
Source: Federal Reserve Economic Database (FRED). Personal Saving Rate plus Real Personal Consumption Expenditures (left) and Household Debt Service Payments as a Percent of Disposable Personal Income (right). Recessions from NBER based Recession Indicators for the United States from the Period following the Peak through the Trough

Government Budget Deficit Increased

Gov't Interest/GDP and Gov't Total Debt



Federal Budget Surplus/Deficit



Source: Federal Reserve Economic Database (FRED) Federal Surplus or Deficit [-] as Percent of Gross Domestic Product (top) and Federal Debt: Total Public Debt as Percent of Gross Domestic Product plus Federal Outlays: Interest as Percent of Gross Domestic Product (bottom).
Recessions from NBER based Recession Indicators for the United States from the Period following the Peak through the Trough

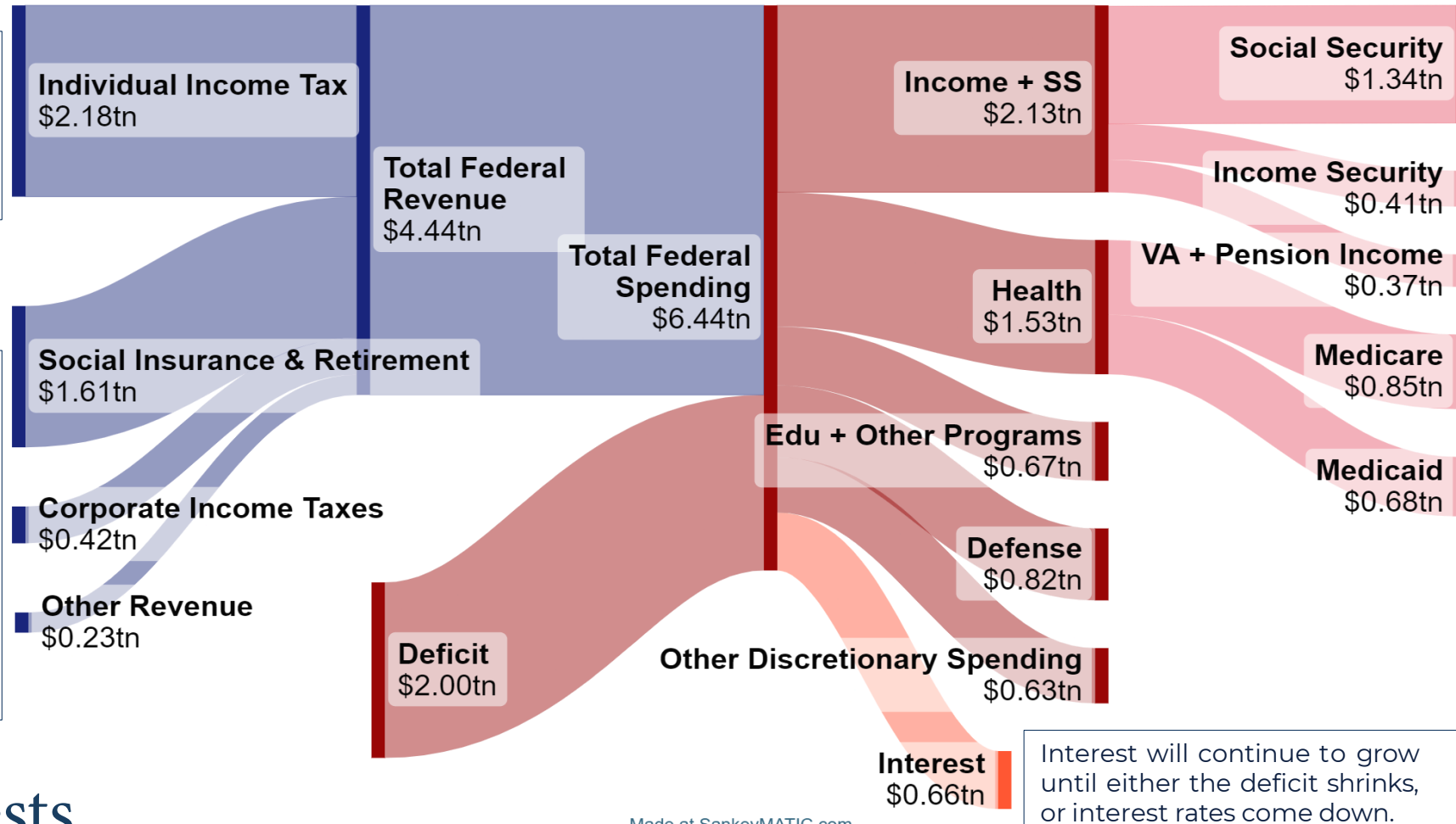
Government Expenditures 2023

This is an in depth look at how the US makes and spends money. On the spending side, the top 3 categories are known as “mandatory spending” and are unable to change without major reform. That leaves “Defense” and “Other Discretionary Spending” as the two categories congress can change on any year.

Income taxes receipts were lower than budgeted, partly due to a bad 2022 that produced low capital gains taxes.

A major part of “other revenue” the last decade has been Federal Reserve Remittances, Where the Fed pays the Treasury any interest it makes over what it pays. With the Fed Funds Rate high, this income has gone away, but could return if rates went down.

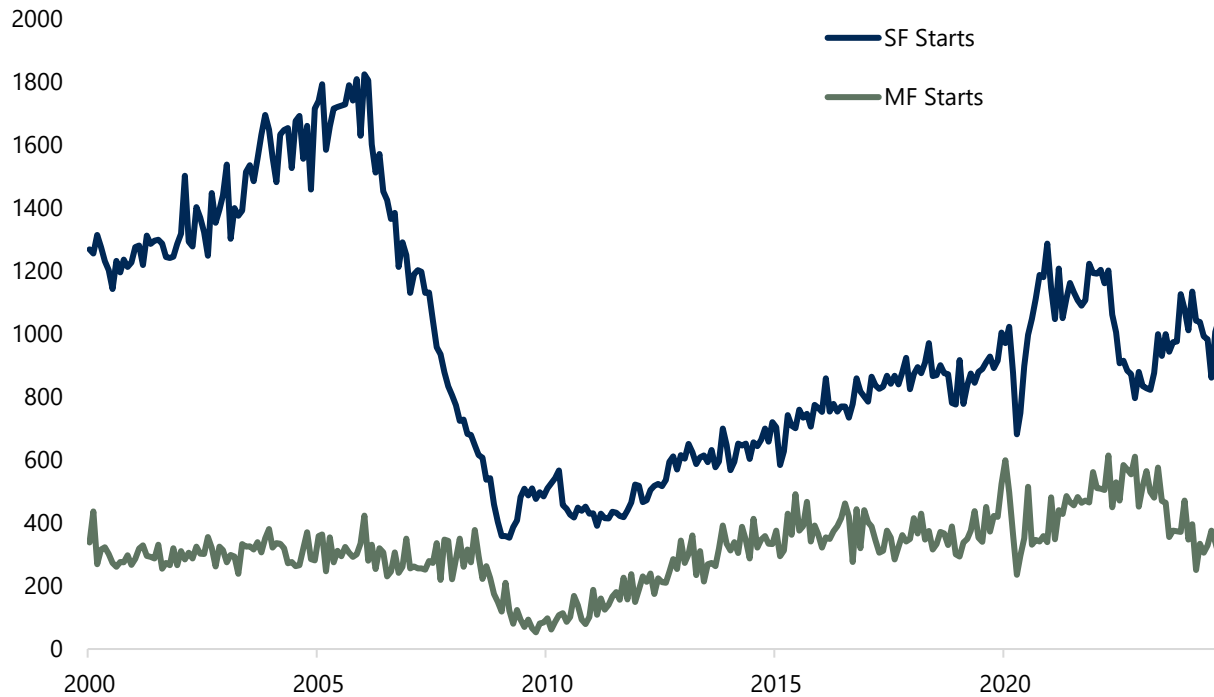
Social Security and Medicare are forecasted to grow rapidly as baby boomers enter retirement. Other programs will fall as a percent of spending.



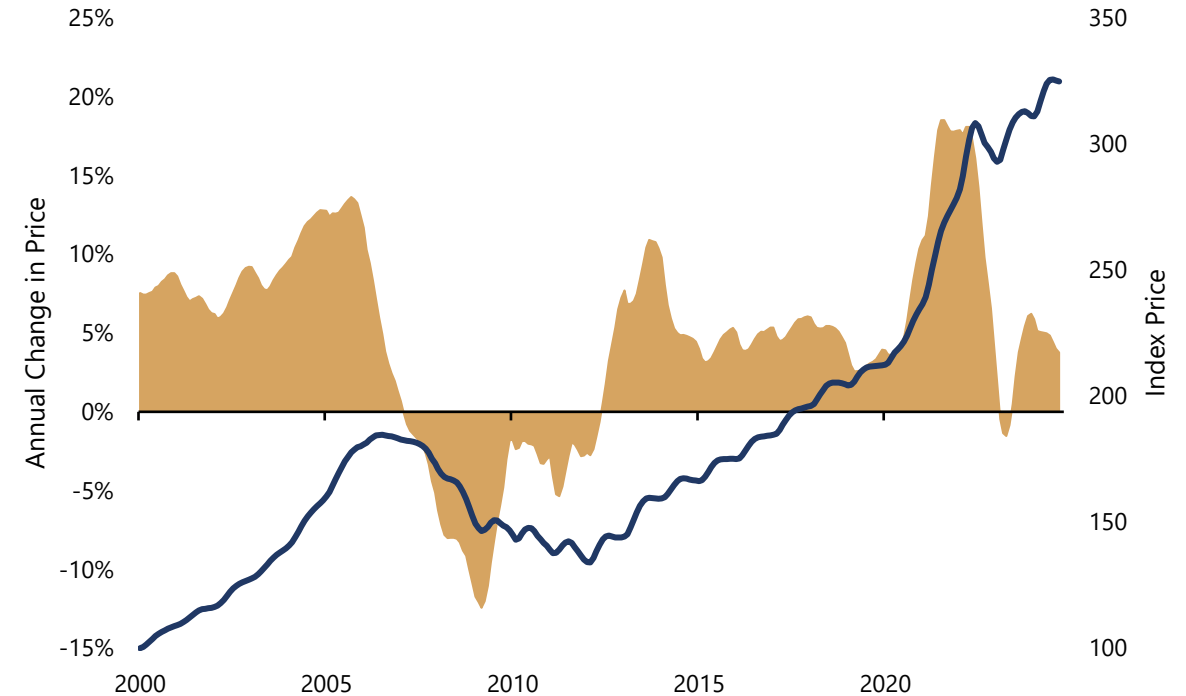
Interest will continue to grow until either the deficit shrinks, or interest rates come down.

Housing Prices High While Starts Low

Housing Starts and Completes



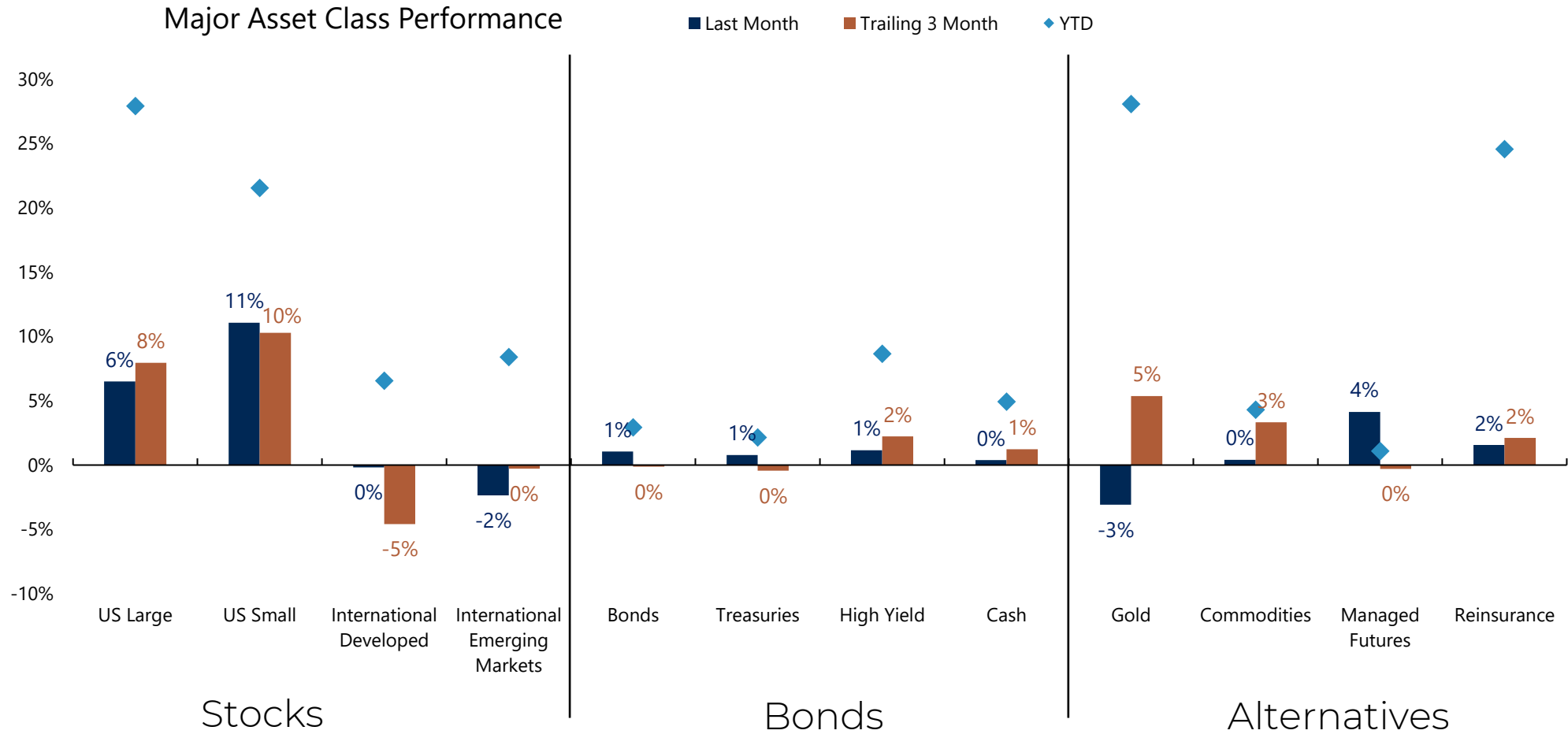
Home Prices



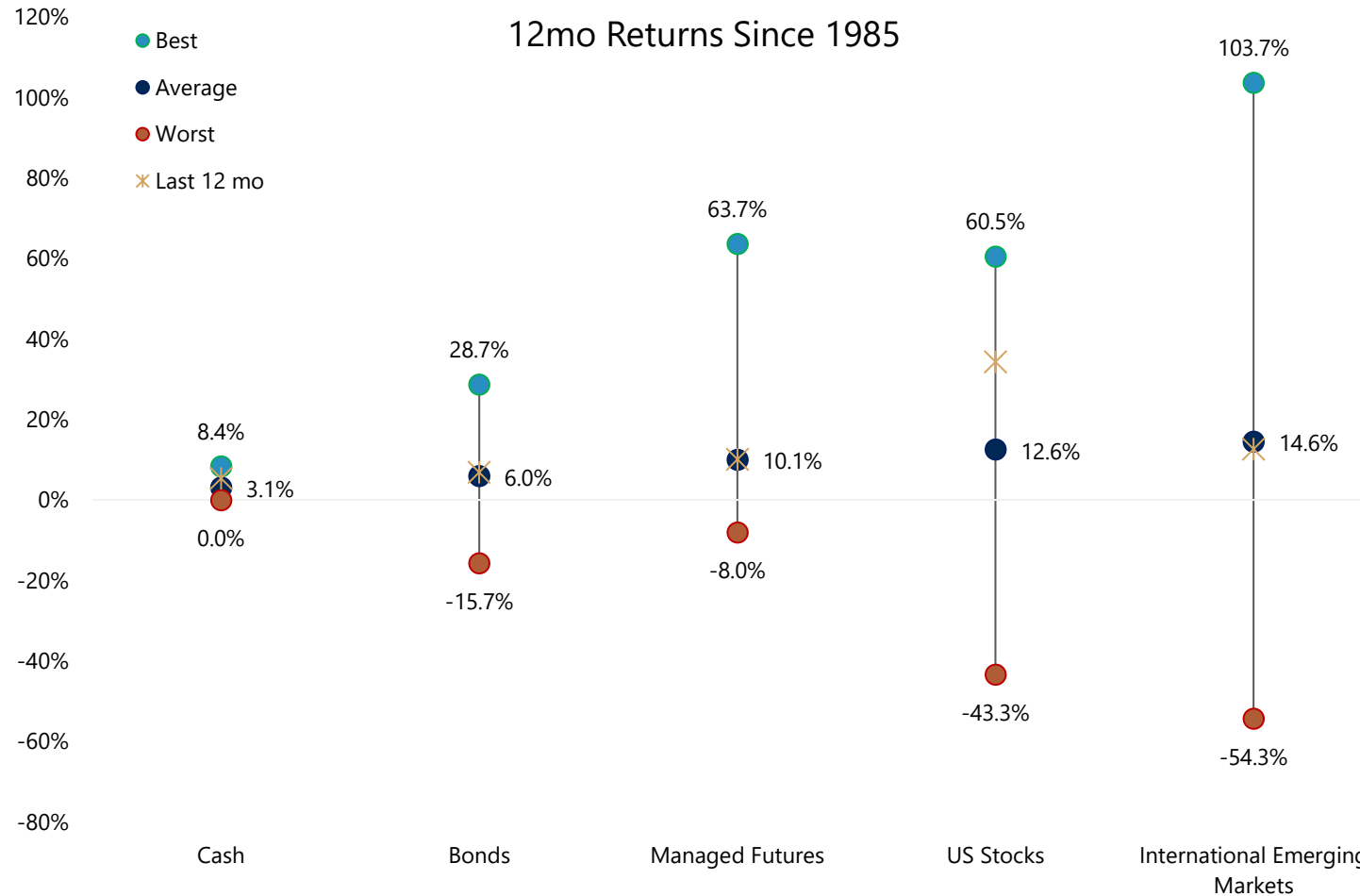
A housing start is the beginning of construction on a new residential housing unit and indicates how much new housing supply is on the horizon. On the right we show home prices over time, as well as the annual rate of change. Prices surged in 2021-2022 but have stopped growing altogether. What they do next will depend on how much pent-up demand there is, and how much housing we build going forward. Note of how significantly starts dropped after the 2008 crisis, and led to the undersupply we have today.

WJ State of the Markets

Historic Month For US Stocks






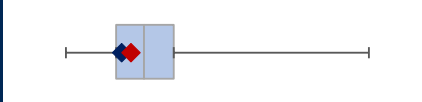


Historical Asset Class Return Range



This chart shows the range of 12 month returns historically, by asset class. As you'd expect, the riskier investment leads to a greater potential gain, as well as loss.

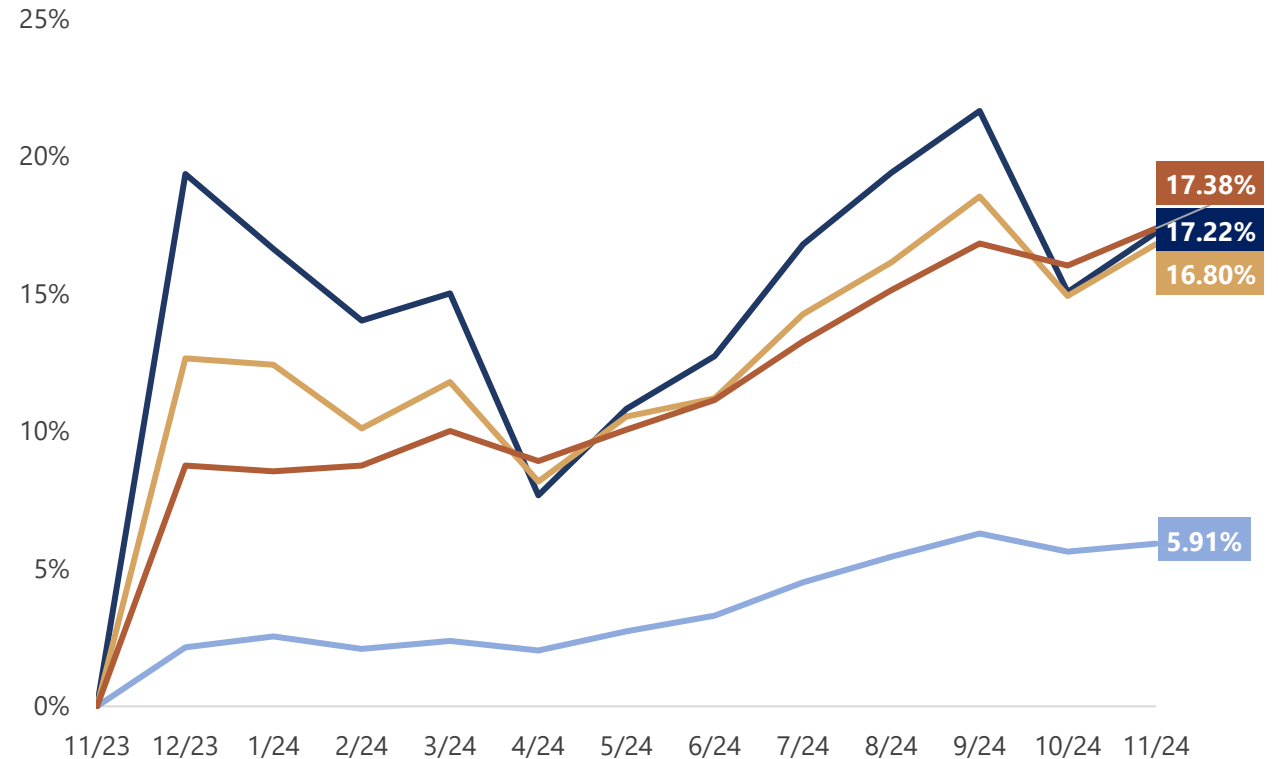
The X on the line represents the last 12 months.

Bonds Up over 15% in last 12 months

Bond Type	Yield (%)			Yield History
	Last Month	Last Year	Change	
ST Treasury	4.21	4.31	-0.1	
LT Treasury	4.47	4.13	0.34	
Investment Grade	5.05	5.06	-0.01	
High-Yield	7.14	7.59	-0.45	
Mortgage-Backed	4.95	4.68	0.27	
Municipal Bonds	3.45	3.22	0.23	

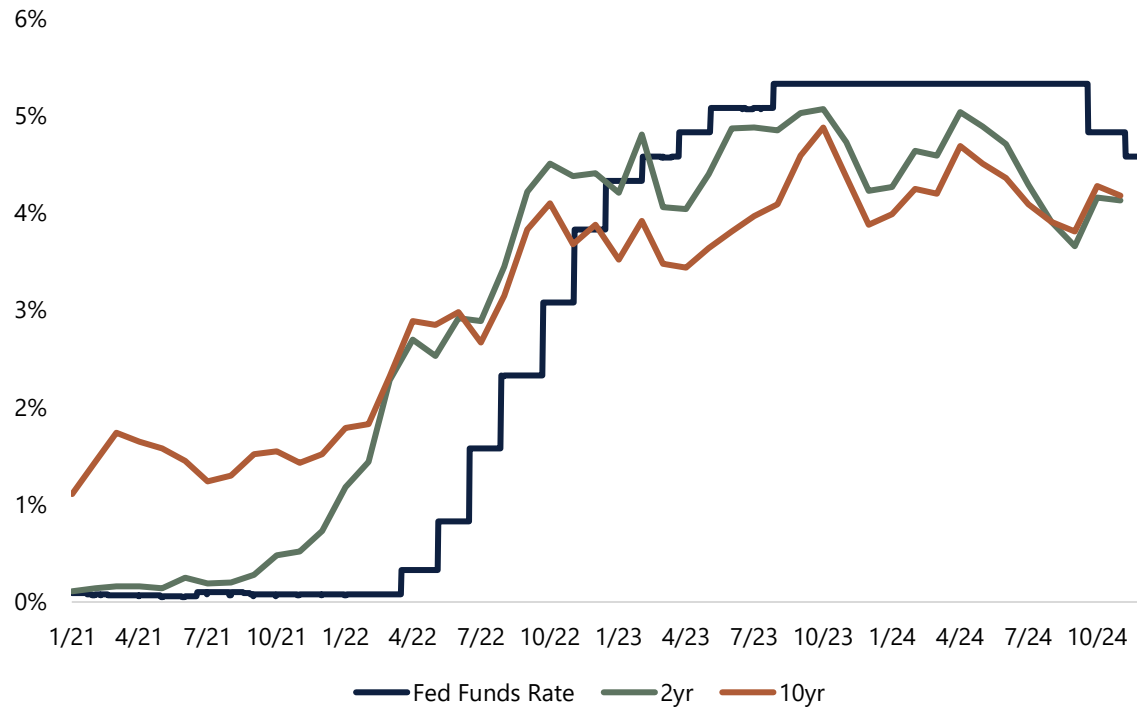
0% 5% 10% 15% 20% 25%

Short vs Long-Term Treasuries and Investment Grade vs Junk Credit

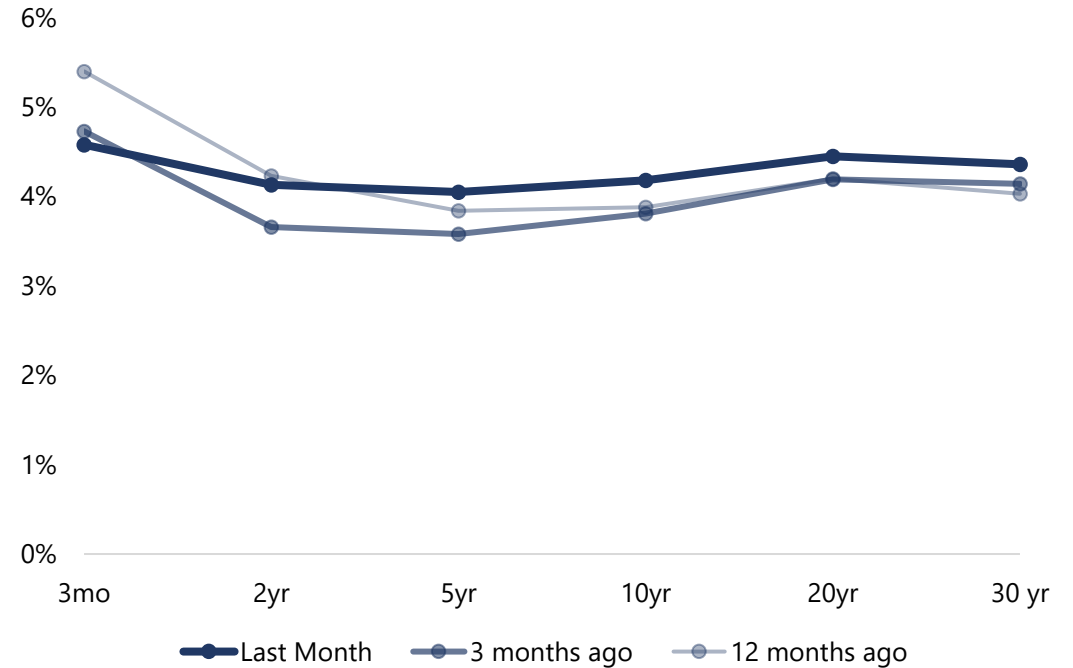


The Fed Cut Another 25 Bps

Key Treasury Yields



Treasury Yield Curve

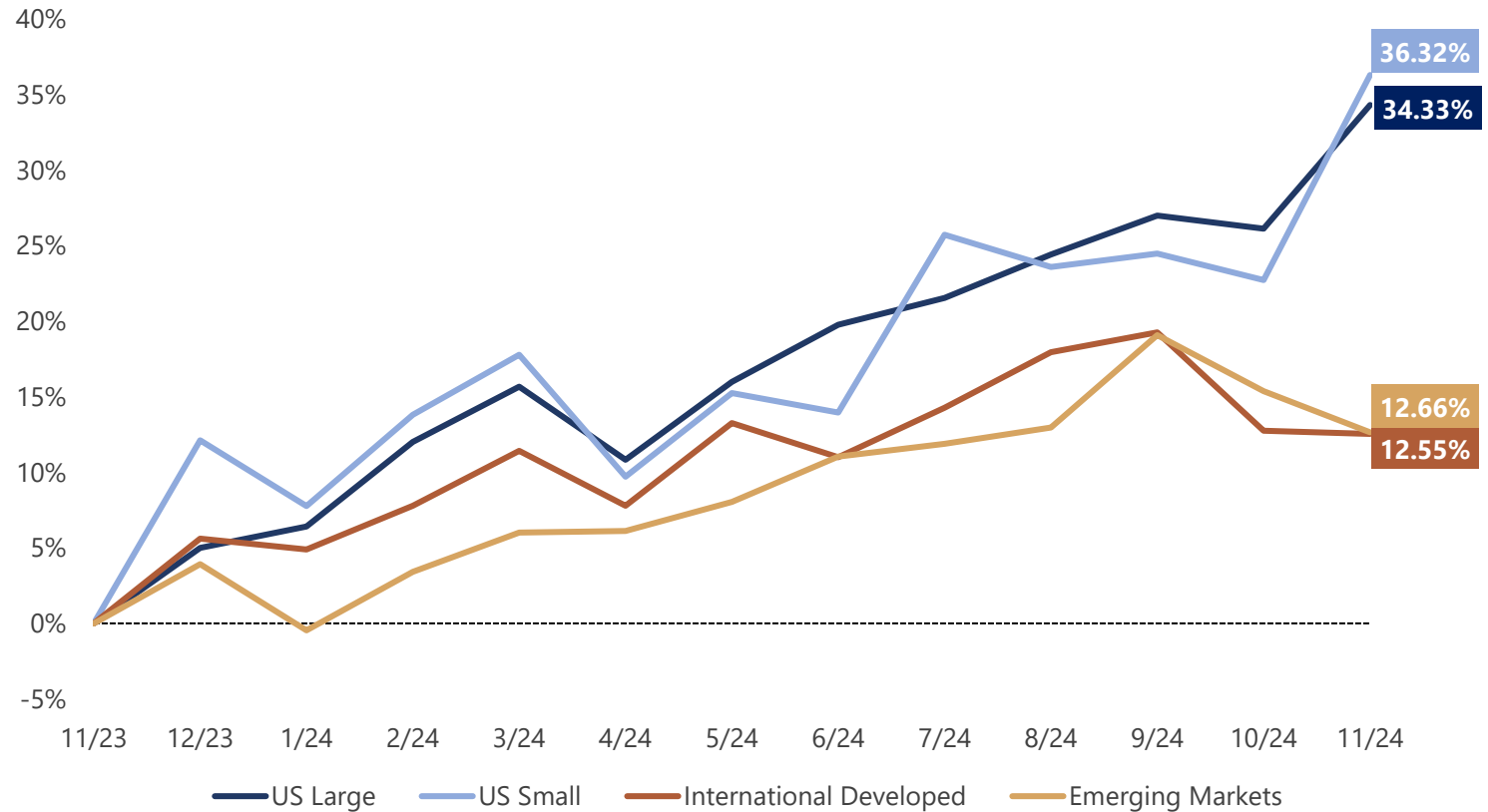


	3mo	2yr	5yr	10yr	20yr	30 yr
Last Month	4.6%	4.1%	4.1%	4.2%	4.5%	4.4%
3 months ago	4.7%	3.7%	3.6%	3.8%	4.2%	4.1%
12 months ago	5.4%	4.2%	3.8%	3.9%	4.2%	4.0%

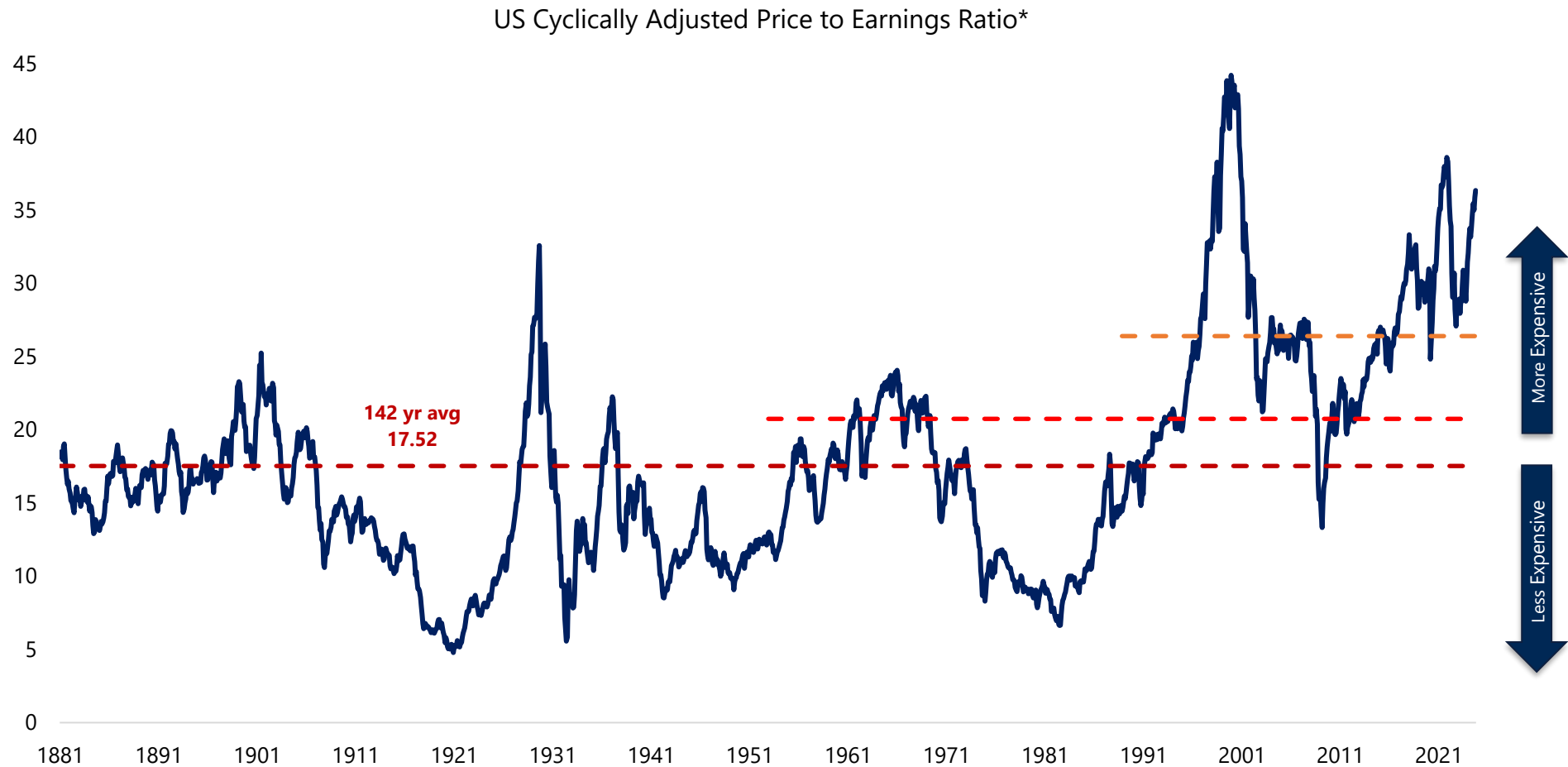
US and Foreign Stocks Decoupling

	Stock Type	Last Month	Last 3 Months	Last 12 Months
Core	US Large	6.5%	8.0%	34.3%
	US Small	11.1%	10.3%	36.3%
	International Developed	-0.2%	-4.6%	12.5%
	International Emerging	-2.4%	-0.3%	12.7%
Other	US Value	6.4%	6.6%	29.3%
	US Growth	6.5%	9.1%	37.8%
	Nasdaq	5.3%	7.1%	32.0%

US vs International Stock Performance



US Stocks Valuation High Historically

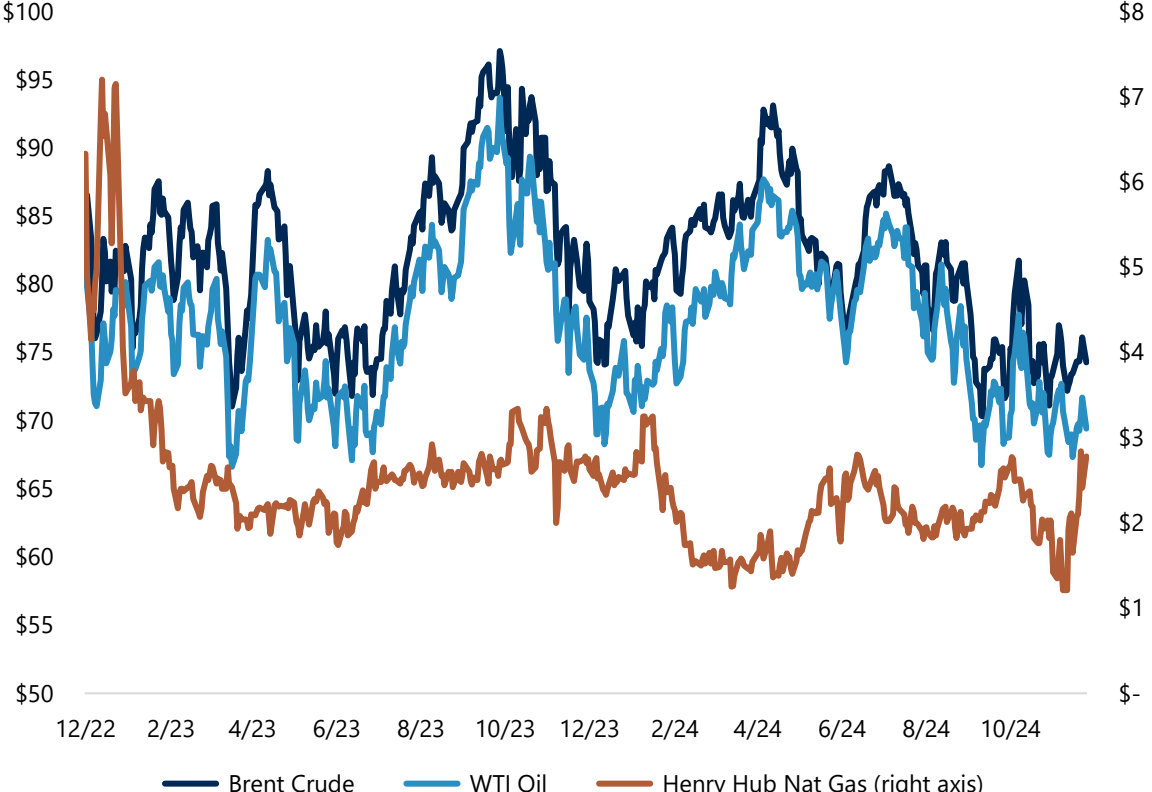


Commodities Staying Calm

Bloomberg Commodity Index



Energy Prices



Periodic Table of Asset Class Returns



											Through Last Month End 11/30/2024	
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD	5 Yr	10 Yr
Trend Following 20%	Reinsurance 8%	US Small Stock 22%	Intl Emerging Stk 37%	Cash 2%	US Large Stock 31%	US Large Stock 21%	US Large Stock 26%	Trend Following 22%	Reinsurance 44%	US Large Stock 28%	US Large Stock 15%	US Large Stock 13%
US Large Stock 13%	Bonds 2%	US Large Stock 12%	Intl Developed Stk 27%	Bonds 0%	US Small Stock 25%	US Small Stock 20%	US Small Stock 15%	Reinsurance 3%	US Large Stock 26%	Reinsurance 25%	Reinsurance 13%	US Small Stock 9%
Reinsurance 11%	US Large Stock 1%	Intl Emerging Stk 10%	US Large Stock 22%	US Large Stock -5%	Intl Developed Stk 23%	Intl Emerging Stk 18%	Intl Developed Stk 12%	Cash 2%	Intl Developed Stk 18%	US Small Stock 22%	US Small Stock 10%	Moderate Blended Port 7%
Bonds 8%	Cash 0%	Moderate Blended Port 6%	TAA 19%	Moderate Blended Port -8%	TAA 20%	Moderate Blended Port 13%	Moderate Blended Port 11%	Bonds -12%	Moderate Blended Port 17%	Moderate Blended Port 14%	Moderate Blended Port 8%	Reinsurance 6%
Moderate Blended Port 8%	Intl Developed Stk 0%	Reinsurance 6%	Moderate Blended Port 17%	Reinsurance -6%	Moderate Blended Port 20%	Intl Developed Stk 8%	TAA 10%	TAA -12%	US Small Stock 17%	TAA 13%	Intl Developed Stk 6%	Intl Developed Stk 5%
US Small Stock 5%	Trend Following 0%	TAA 5%	US Small Stock 15%	TAA -8%	Intl Emerging Stk 18%	Reinsurance 7%	Trend Following 5%	Moderate Blended Port -15%	Intl Emerging Stk 12%	Intl Emerging Stk 8%	Trend Following 5%	TAA 5%
TAA 5%	Moderate Blended Port 0%	Intl Developed Stk 2%	Bonds 5%	US Small Stock -11%	Bonds 8%	Bonds 7%	Cash 0%	Intl Developed Stk -15%	TAA 12%	Intl Developed Stk 7%	TAA 5%	Intl Emerging Stk 4%
Cash 0%	TAA -4%	Bonds 1%	Trend Following 2%	Trend Following -13%	Trend Following 4%	Trend Following 3%	Bonds -1%	US Large Stock -19%	Bonds 6%	Cash 5%	Intl Emerging Stk 4%	Bonds 2%
Intl Emerging Stk -3%	US Small Stock -4%	Cash 0%	Cash 1%	Intl Developed Stk -14%	Cash 2%	Cash 0%	Intl Emerging Stk -1%	Intl Emerging Stk -20%	Cash 5%	Bonds 3%	Cash 2%	Cash 2%
Intl Developed Stk -5%	Intl Emerging Stk -14%	Trend Following -6%	Reinsurance -11%	Intl Emerging Stk -15%	Reinsurance -4%	TAA -2%	Reinsurance -5%	US Small Stock -20%	Trend Following -3%	Trend Following 2%	Bonds 0%	Trend Following 1%

Disclaimer

PAST PERFORMANCE IS NOT A GUARANTEE OF CURRENT OR FUTURE RESULTS. Examples of historical information included in this presentation do not, nor are they intended to, constitute a promise of similar future results. Specific client portfolio allocations, risks and returns can and may deviate from these examples depending on accounts and types of investments available through each account. Future market views by WJ Interests, LLC may vary significantly from the historical examples presented herein and no one receiving this summary should assume that WJ Interests, LLC will be able to replicate successful views in the future.

Moderate Blended Portfolio is for illustrative purposes only. It is calculated by taking a weighted average of the following asset classes and represents a moderate risk portfolio incorporating leverage and the asset classes in the table:

28% US Large Stock	iShares Russell 1000 (IWB)
6% US Small Stock	iShares Russell 2000 (IWM)
21% Intl Developed Stock	iShares Core MSCI EAFE (IEFA)
6% Intl Emerging Stock	iShares Core MSCI Emerging Markets (IEMG)
41% Bonds	Vanguard Total Bond Market (BND)
-18% Cash	Morningstar USD 1M Cash TR USD
4% Reinsurance	Stone Ridge Reinsurance Fund (SRRIX)
6% Managed Futures	SG Trend Index, PIMCO Trends (PQTIX), Virtus Alphasimplex (ASFYX), Standpoint (BLNDX)
6% TAA	GMO Benchmark Free (GBMIX) and Strategy Shares Nwfd/Rslv Rbt ETF (ROMO)

Assumes annual rebalancing. All data represents total return for stated period.