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# Market Perspectives Video

## Not so Spooky

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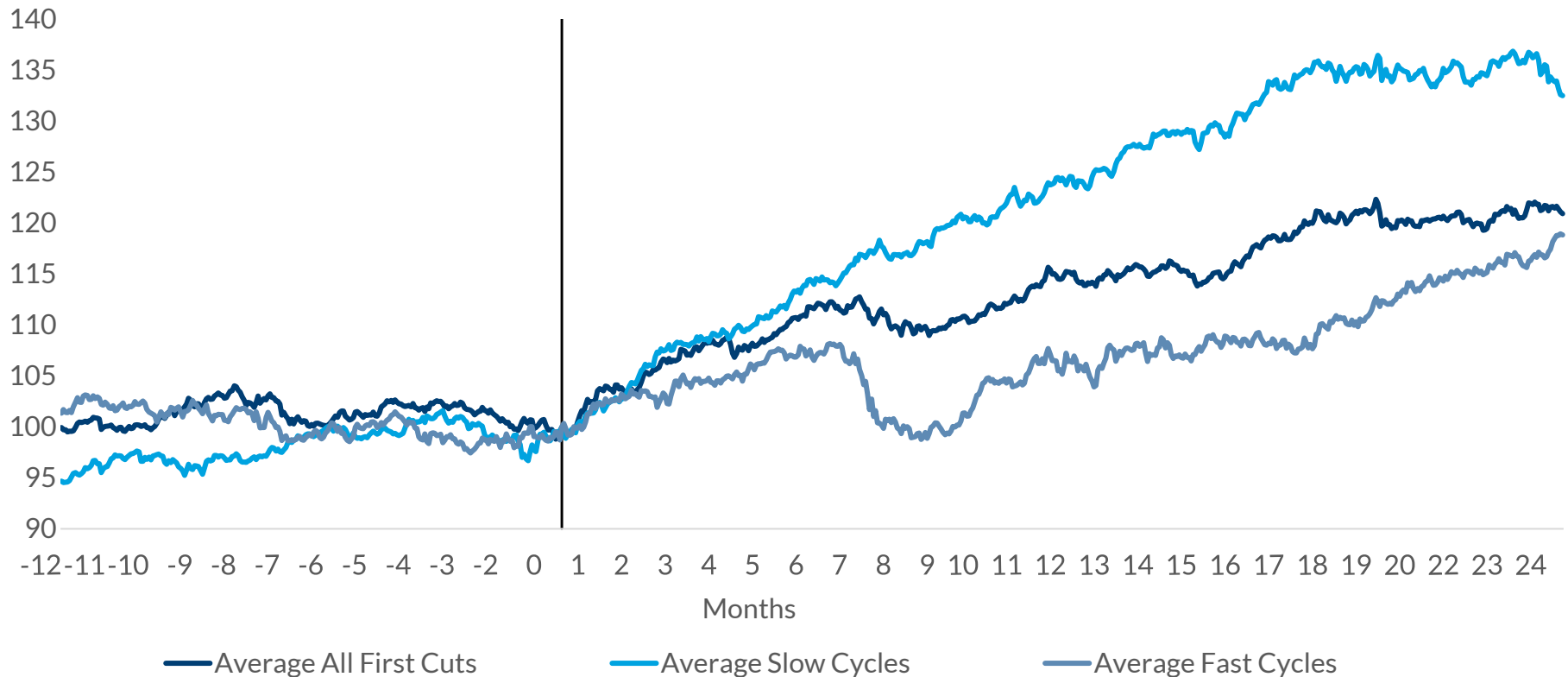
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# Fast vs. Slow Fed Easing Cycles

- Rate cuts are supportive over the long term, but historically stocks tend to do better when cuts are slow and steady.
- If the Fed is cutting aggressively, it's likely because of economic concerns or a reaction to a financial market shock.

S&P 500 Performance Around Initial Fed Rate Cuts



Source: Bloomberg, NDR Research, as of September 2024. Information is subject to change and is not a guarantee of future results.

Slow Cycles: 02/05/1954, 11/15/1957, 06/10/1960, 11/19/1971, 05/30/1980, 11/21/1984, 07/06/1995, 09/29/1998

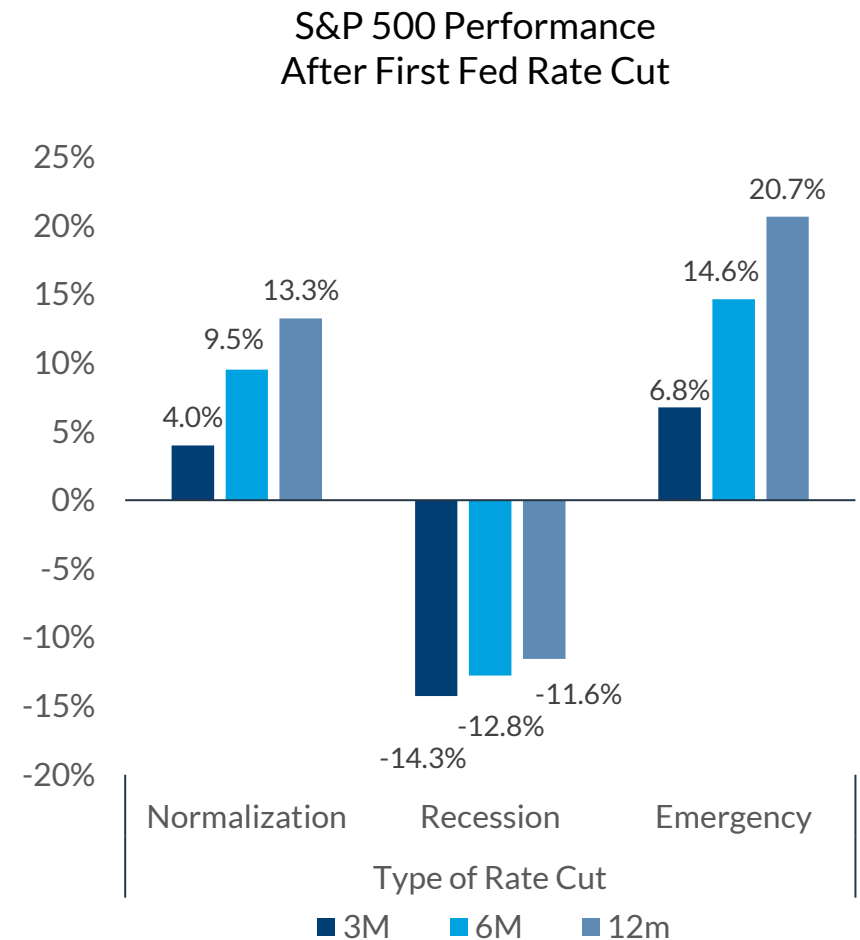
Fast Cycles: 11/13/1970, 12/09/1974, 11/02/1981, 06/06/1989, 01/03/2001, 09/18/2007, 07/31/2019



# The Stock Market and Fed Rate Cuts

- Stock market performance has historically been influenced by the purpose of Fed rate cuts.
- When the Fed is cutting to normalize rates rather than for recessionary concerns, stocks tend to do well.

Date of First Cut	Type of Fed Rate Cut	S&P 500 Return		
		3M	6M	12M
9/27/1984	Normalization	-0.7%	7.5%	8.6%
10/22/1987	Emergency	-0.7%	4.8%	13.9%
6/5/1989	Normalization	9.8%	8.9%	14.1%
7/13/1990	Recession	-19.8%	-14.2%	3.5%
7/6/1995	Normalization	5.0%	11.5%	21.4%
9/29/1998	Emergency	18.4%	22.6%	20.9%
1/3/2001	Recession	-18.1%	-9.5%	-14.3%
9/18/2007	Recession	-4.9%	-14.6%	-23.9%
7/31/2019	Normalization	1.9%	10.2%	8.9%
3/3/2020	Emergency	2.6%	16.5%	27.2%
<b>Average</b>		<b>-0.7%</b>	<b>4.4%</b>	<b>8.0%</b>



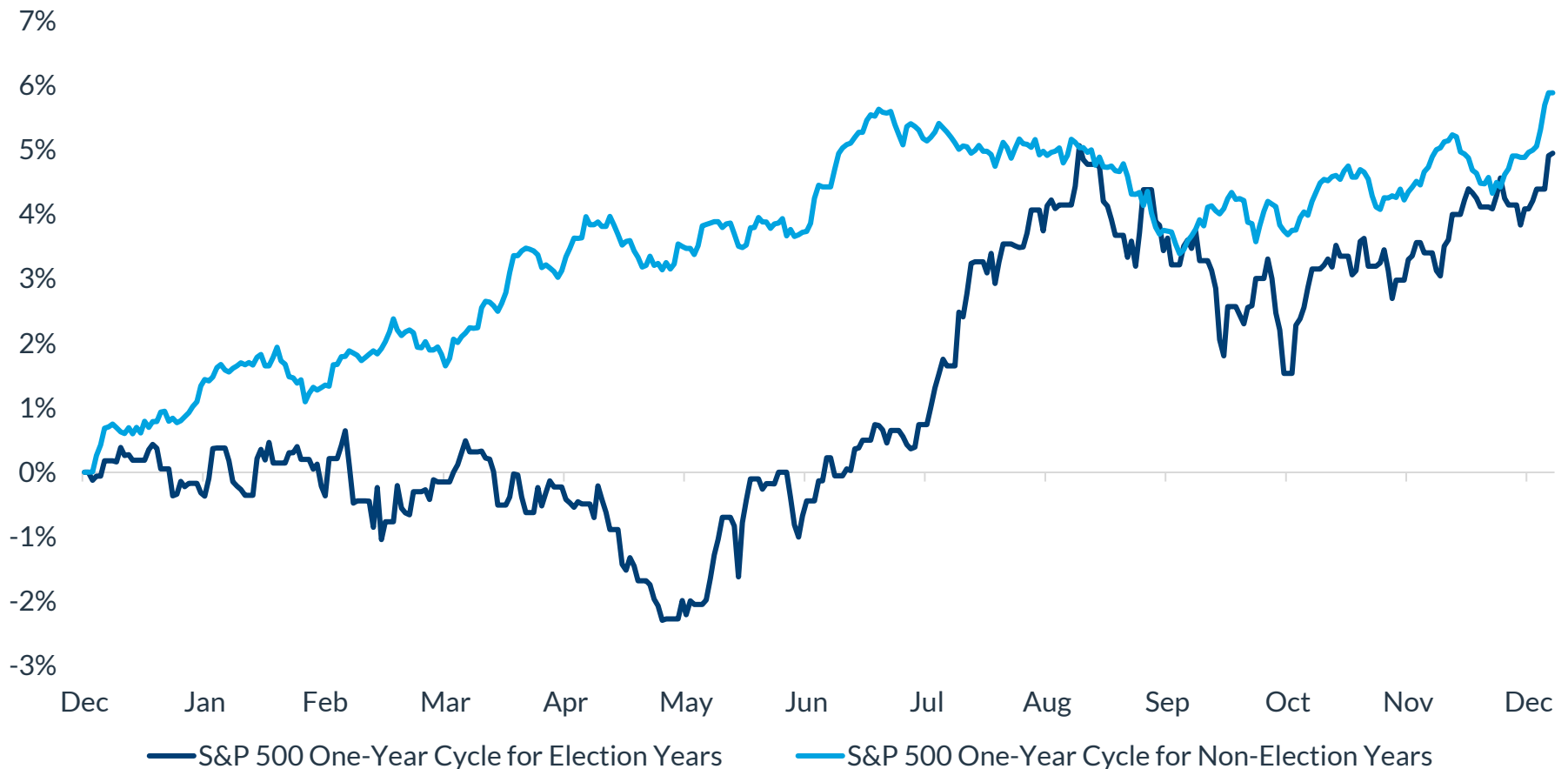
Emergency Cuts = Black Monday (1987), Russian Ruble/LTCM Crisis (1998), COVID (2020)  
 Sources: FactSet, St. Louis Fed. Information is subject to change and is not a guarantee of future results.



# Election Years Add to Near Term Market Uncertainty

- Uncertainty introduced in Presidential elections years can weigh on market performance.
- Once election results become clearer, markets tend to trade back inline with non-election years.

S&P 500 Performance Since 1928  
 Presidential Election Years vs. Non-election Years

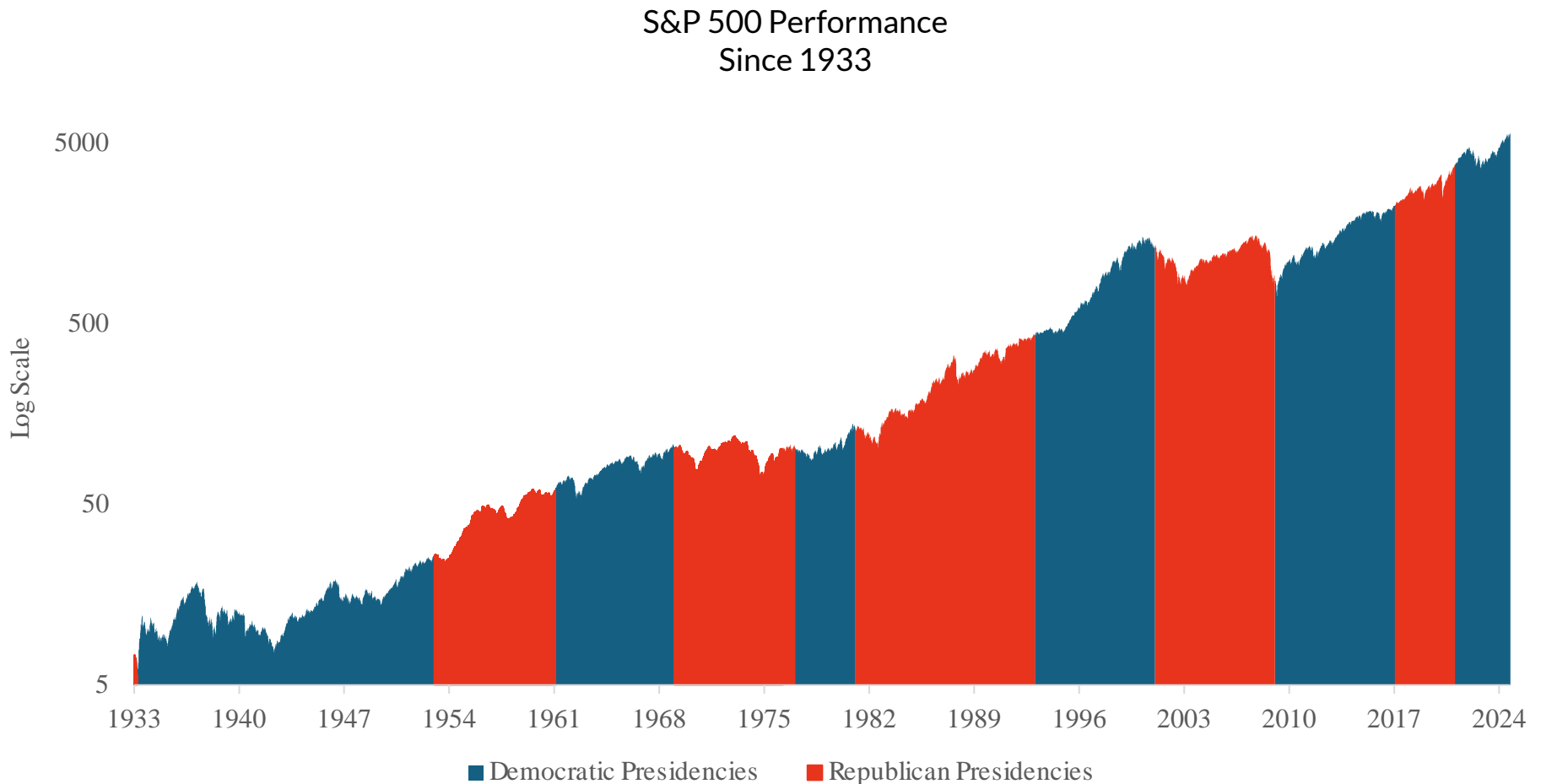


Source: NDR Research, as of September 2024. Information is subject to change and is not a guarantee of future results.



# The Stock Market is Not Partisan

- The stock market has trended higher regardless of presidential party control.
- Corporate profits, interest rates and the direction of monetary policy are typically much more important.



Source: Bloomberg, as of September 2024. Information is subject to change and is not a guarantee of future results.



# Important Information

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Equity investing strategies & products. There are inherent risks with equity investing. These risks include, but are not limited to stock market, manager or investment style. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

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# Index Definitions

The Standard & Poor's 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent US equity performance.

The Dow Jones U.S. Select Dividend Index aims to represent the U.S.'s leading stocks by dividend yield.

Morgan Stanley All Country World Index (MSCI ACWI): A stock index designed to track broad global equity-market performance. Maintained by Morgan Stanley Capital International (MSCI), the index comprises the stocks of nearly 3,000 companies from 23 developed countries and 24 emerging markets as of Dec. 29, 2023.

Polymarket is a financial exchange that allows users to place bets on future events, such as political outcomes, weather patterns, and economic indicators. It is the world's largest prediction market and was launched in 2020.

The Bloomberg Barclays U.S. Corporate High Yield Index is an unmanaged, U.S.-dollar-denominated, nonconvertible, non-investment-grade debt index. The index consists of domestic and corporate bonds rated Ba and below with a minimum outstanding amount of \$150 million.





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