



The Roundup

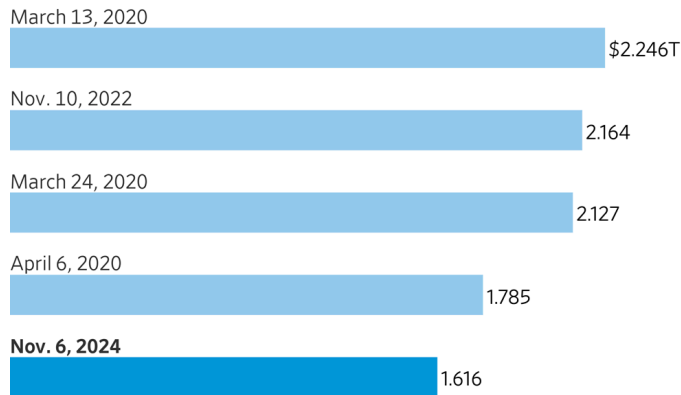
Weekly Economic Research

November 4 - 8, 2024

U.S. equity markets rose as Trump reclaimed the presidency, with investors anticipating short-term economic growth from tax cuts and deregulation, alongside potential increases in inflation, debt, and interest rates

- The S&P 500 is up 4.37%, the Nasdaq is up 5.94%, and the Dow Industrials is up 4.44% WTD
- The 10-Yr U.S. Treasury yield has increased +0.111% to a current yield of 4.337%, whereas the 30-Yr U.S. Treasury yield increased +0.025% to a current yield of 4.525%
- Crude oil prices increased 0.68% to a current \$71.13/bbl while bitcoin decreased 10.64% to a current \$76,132.83/coin, reaching record highs
- Following Trump's election victory, Wall Street saw a \$1.62 trillion stock surge driven by investor optimism over potential tax cuts, deregulation, and domestic growth, especially benefiting banks, smaller companies, and traditional energy sectors [[WSJ](#)]

U.S. stocks' largest one-day gains in market cap



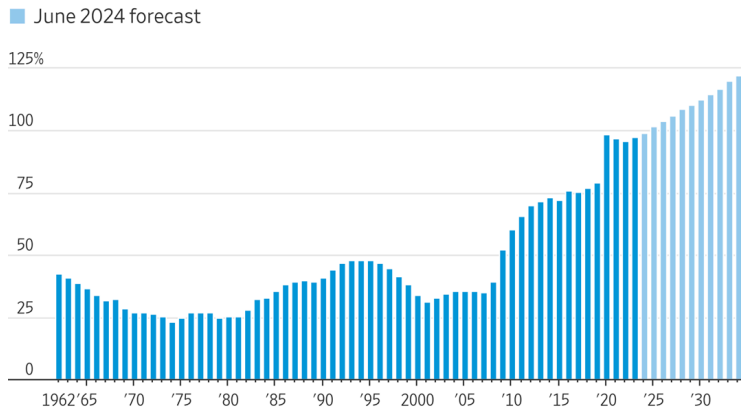
- Bitcoin hit a record high of \$76,232 after Trump's election win, fueling optimism in the crypto industry and boosting shares of crypto-linked stocks like Coinbase and MicroStrategy [WSJ]

Bitcoin price



- Following Trump's election, U.S. Treasury yields rose sharply, reflecting concerns over increased debt from expected tax cuts and deficits, yet the dollar strengthened, signaling confidence in U.S. economic stability despite potential fiscal challenges [WSJ]

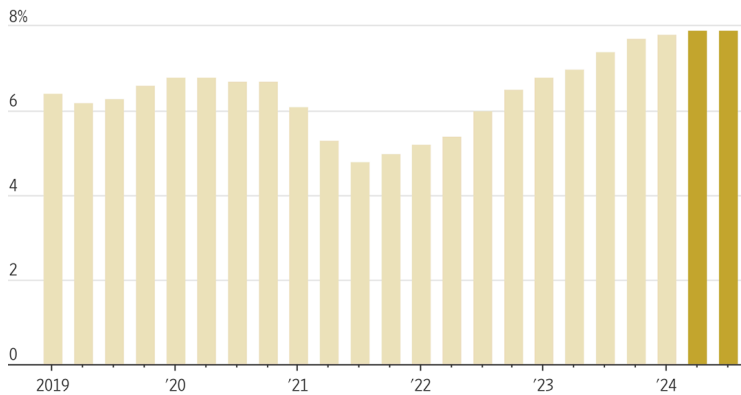
U.S. national debt held by the public as a percentage of GDP



Source: Congressional Budget Office

- Apartment demand has surged, stabilizing vacancy rates and potentially boosting rents next year as new construction slows [WSJ]

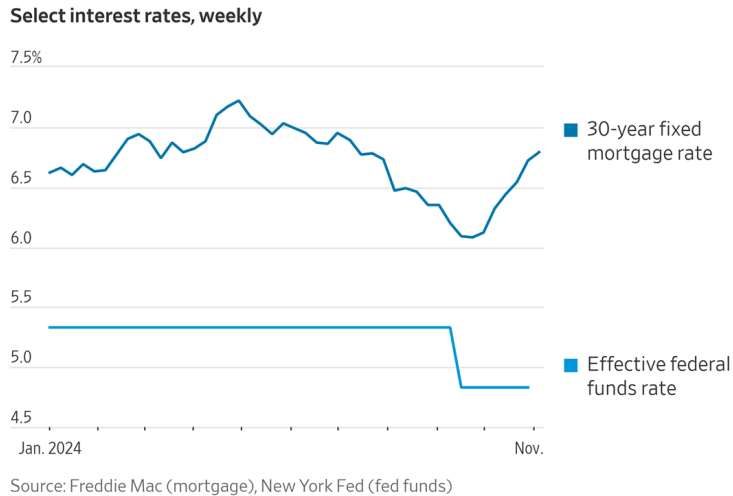
U.S. apartment vacancy rate



Note: Includes new construction buildings in lease-up phase.

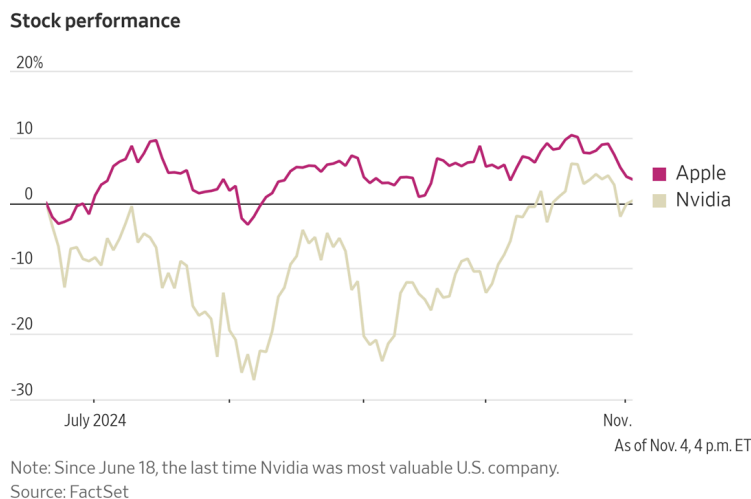
Source: CoStar

- Despite Fed rate cuts, mortgage rates remain high due to rising Treasury yields and economic growth expectations, keeping borrowing costs elevated and dampening home buying and refinancing demand [WSJ]

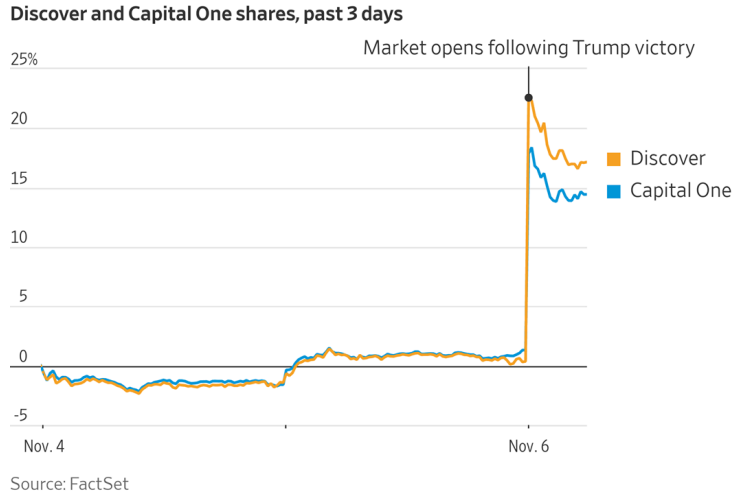


The election has driven gains for Nvidia, Discover, Capital One, and Trump Media, while future Fed rate cuts remain uncertain amid economic strength and potential policy changes

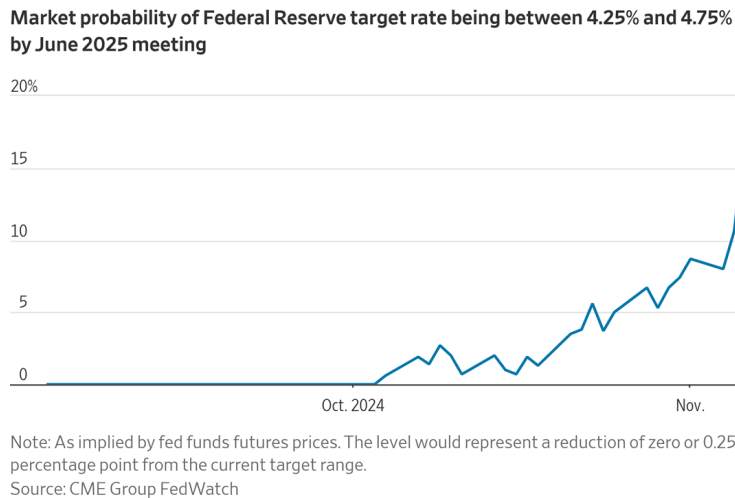
- Nvidia's stock rally brought its market value close to Apple's, potentially positioning it to become the most valuable U.S. company after joining the Dow Jones Industrial Average [[WSJ](#)]



- Trump's victory boosted Discover and Capital One shares as investors anticipate smoother approval for their merger and reduced regulatory scrutiny for big banks [[WSJ](#)]

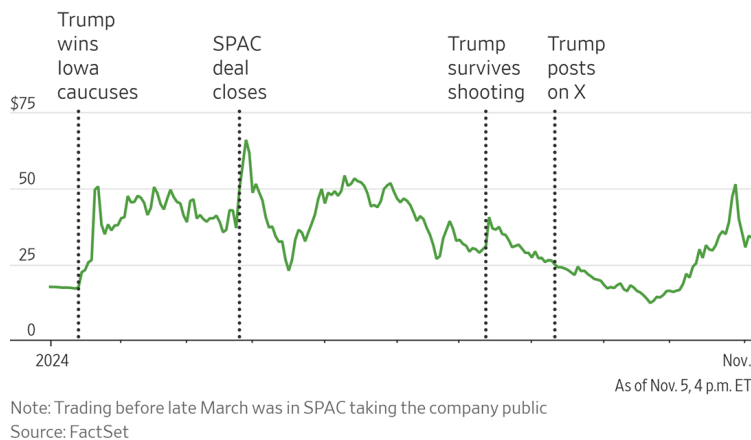


- The Fed's future rate cuts are now uncertain due to stronger economic data, Trump's policy shifts, and rising financial conditions, making the path for U.S. monetary policy unpredictable [WSJ]



- Shares of Trump Media & Technology surged 5.9% post-election, driven by investor bets on Trump's victory, despite the company's recent quarterly loss and slow user growth on Truth Social [WSJ]

Trump Media stock price this year



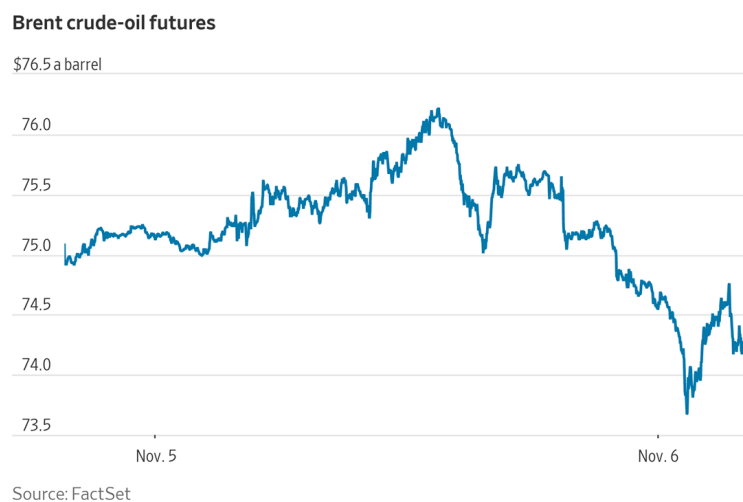
M&A activity continues to remain depressed

- Shore Capital Partners will partner with Silver Lake to merge veterinary PortCos Southern Veterinary Partners and Mission Veterinary Partners in an \$8.6B deal
- Advent is considering the sale of generic drugmaker Zentiva at a \$5.4B valuation
- Blackstone will take shopping-center REIT Retail Opportunity Investments private in a \$4B cash deal
- AT&T will acquire some spectrum assets from tower operator US Cellular for \$1.1B
- Italian lender Banco BPM will launch a buyout offer to gain full control of asset manager Anima in a \$1.7B deal
- Scion Group acquired a ~\$900M portfolio of student housing properties from real estate investor Harrison Street
- Japan's Itochu agreed to acquire an 10.7% stake in Brazilian steel company CSN's iron ore unit CSN Mineracao for \$769M

Recent developments across four key industries highlight U.S. oil production increasing, potential government decisions impacting Tesla and SpaceX, and Medicaid-focused firms face challenges

Energy & Natural Resources

- Oil prices dropped as Trump's election win raised expectations of increased U.S. oil production, potential climate policy rollbacks, and a strengthened dollar, though future global supply impacts remain uncertain [WSJ]



- Trump's return to the White House could lead to renewed efforts to curb Iran's oil exports, potentially reducing flows by up to 1 million barrels a day as he reintroduces strict sanctions and pressures key buyers like China [RZ]
- U.S. crude oil inventories rose as imports increased and refineries boosted capacity, with gasoline and distillate stocks also climbing, despite analyst expectations for steady crude stockpiles [WSJ]

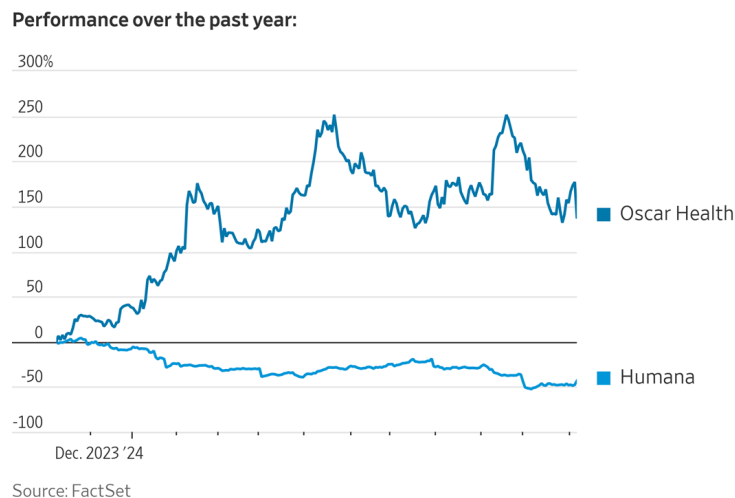
Technology, Media, & Telecommunications

- QXO, led by Brad Jacobs, is bringing AI-driven modernization to building products distribution, appointing Ashwin Rao as chief AI officer to enhance inventory and e-commerce, targeting \$50 billion revenue in a decade [WSJ]
- Elon Musk, who heavily backed Trump's election, stands to gain from government decisions impacting Tesla and SpaceX, raising conflict-of-interest

concerns as he's promised a role in Trump's administration overseeing federal efficiency and regulations [WSJ]

Healthcare & Life Sciences

- The election brings regulatory benefits for Medicare Advantage companies, while Obamacare and Medicaid-focused firms face challenges, with future ACA subsidies hinging on congressional control [WSJ]



- New CVS CEO David Joyner is restructuring Aetna with industry veteran Steve Nelson at the helm, aiming to address high medical costs and improve Medicare margins, while CVS reported lower-than-expected earnings but highlighted strong retail pharmacy performance [WSJ]

Financial Services

- While Trump's proposed tax cuts boosted short-term investor optimism, long-term stock market growth faces uncertainty as corporate profit guidance weakens and high expectations strain companies to meet projected earnings [WSJ]
- Goldman Sachs is expanding its private-wealth services with a new family office offering for clients worth \$100 million or more, providing personal CFOs and day-to-day management to diversify revenue with more stable, recurring fees [WSJ]