

MARKET INSIGHTS

NOVEMBER 2024



PARK EDGE

As November begins Market Regime leadership has shifted from Goldilocks to Reflation. Last month we called this out as a potential risk to consensus positioning. Essentially, markets (especially fixed income) were expecting more rate cuts than we saw as probable. While our cross-asset class signals remain unchanged from October, markets have realized consensus inflation (as well as growth) expectations were too low and have begun to re-price accordingly. To conclude, equities are in a bullish stance, however, we see the potential for increased volatility due to the election. In our view this may present an opportunity to add to the strongest signal equity factor/sector exposures into year end.

ASSET CLASS SIGNAL STRENGTH:

ASSET CLASS	NOVEMBER 2024	OCTOBER 2024	3 - 12 MONTH OUTLOOK *
EQUITIES	OFFENSIVE LONG	OFFENSIVE LONG	UNFAVORABLE
FIXED INCOME	DEFENSIVE LONG	DEFENSIVE LONG	FAVORABLE
COMMODITIES	DEFENSIVE LONG	DEFENSIVE LONG	NEUTRAL
US DOLLAR	DEFENSIVE SHORT	DEFENSIVE SHORT	UNFAVORABLE
RFR (3M TBILL)	DEFENSIVE LONG	DEFENSIVE LONG	NEUTRAL
BITCOIN	DEFENSIVE LONG	DEFENSIVE LONG	UNFAVORABLE

MODEL SNAPSHOT:

MODEL	EQUITIES		FIXED INCOME	
	NOVEMBER 2024	OCTOBER 2024	NOVEMBER 2024	OCTOBER 2024
BOND	NO POSITION	NO POSITION	DEFENSIVE LONG	DEFENSIVE LONG
PEA CORE STOCK	OFFENSIVE LONG	OFFENSIVE LONG	NO POSITION	NO POSITION
MODERATE ARM	OFFENSIVE LONG	OFFENSIVE LONG	DEFENSIVE LONG	DEFENSIVE LONG
DIVIDEND INCOME	OFFENSIVE LONG	OFFENSIVE LONG	DEFENSIVE LONG	DEFENSIVE LONG
MACRO PERSIST	OFFENSIVE LONG	OFFENSIVE LONG	DEFENSIVE LONG	DEFENSIVE LONG
SYSTEMATIC MACRO	OFFENSIVE LONG	OFFENSIVE LONG	DEFENSIVE LONG	DEFENSIVE LONG
RME	OFFENSIVE LONG	OFFENSIVE LONG	DEFENSIVE LONG	DEFENSIVE LONG
RME FOCUS	OFFENSIVE LONG	OFFENSIVE LONG	DEFENSIVE LONG	DEFENSIVE LONG
Special Situation Equity	OFFENSIVE LONG	OFFENSIVE LONG	NO POSITION	NO POSITION

CURRENT MARKET REGIME:

Quadrant	MARKET REGIME	<i>* As mentioned last month, the Economic Regime outlook 3- & 6-month probability has been replaced with a 3-12 month outlook for each asset class above. The outlook is derived quantitatively based on the expected rate of change in both real economy (growth, inflation, employment, corporate profits and fiscal policy) and financial economy (liquidity, credit, monetary policy, positioning and sentiment) variables. We hope this change is more informative to readers.</i>
	Current % Share	
GOLDILOCKS / Quad 1	27%	
REFLATION / Quad 2	32%	
INFLATION / Quad 3	25%	
DEFLATION / Quad 4	15%	

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