

## The Balog Group at Morgan Stanley

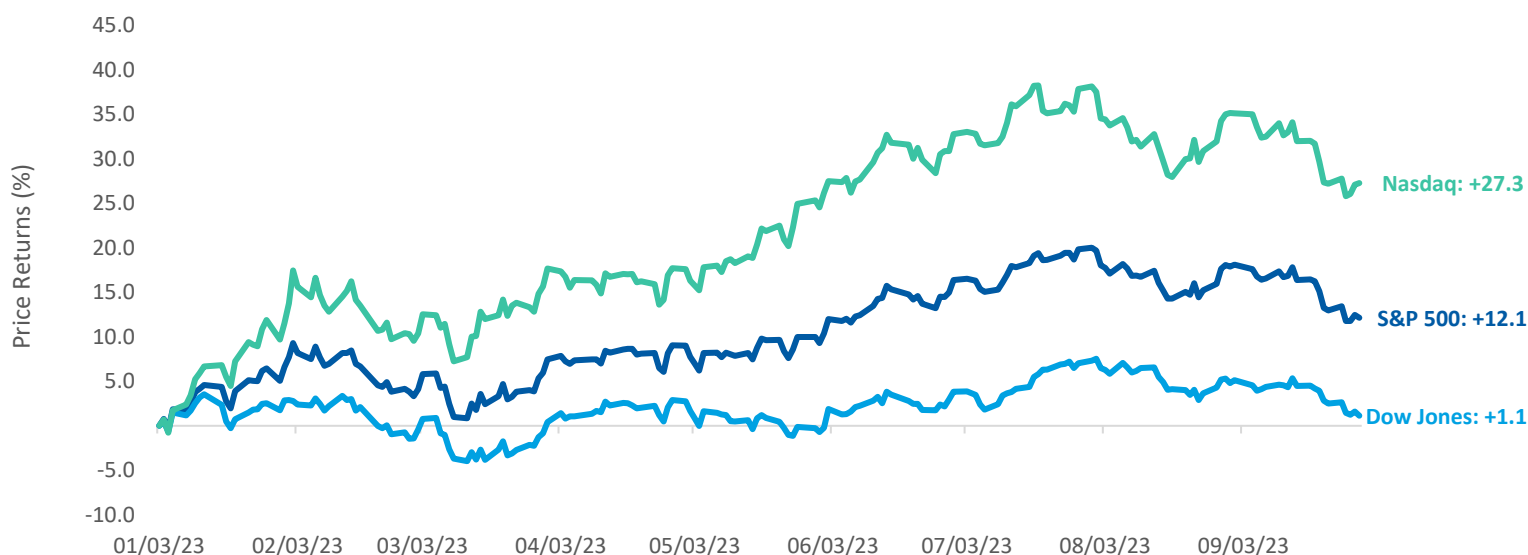
### Breaking Down The Numbers: 3Q2023

Another quarter is in the books, but before we move on to Q4 we wanted to revisit Q3 and the year thus far. We're strong believers in the saying "A picture is worth a 1,000 words" – so, on the following pages please find 10,000 words condensed into 10 images.

As always, should you have any questions about any of these topics, or investing in general do not hesitate to give our office a call. We hope you all have a great end to 2023!

#### Different Measuring Sticks, Vastly Different Results

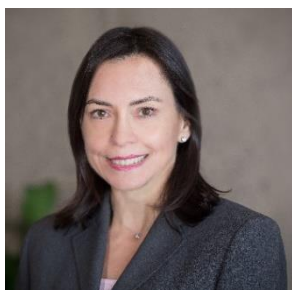
Depending on which stock market index your news uses, you may be hearing vastly different outcomes for the year so far. Below shows the YTD price performance of the three major indices most often quoted as representations of the "Stock Market"



Source: ThomsonOne



Anouchka Balog, CFP®  
Financial Advisor



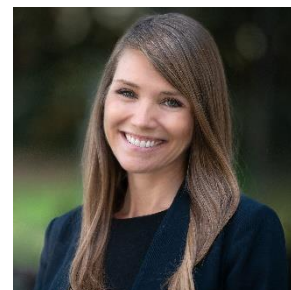
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Senior Registered Assoc.

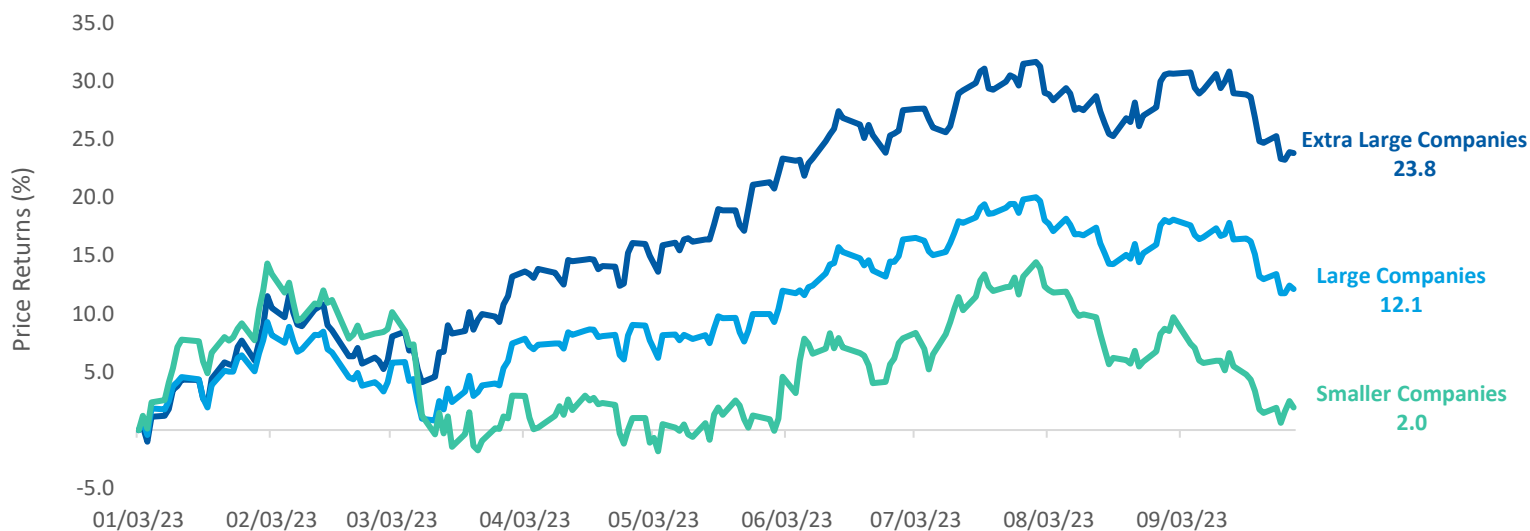
Visit our website at: <https://advisor.morganstanley.com/the-balog-group>  
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Breaking Down The Numbers: 3Q2023 [continued]

### Size Continued to Matter For 2023

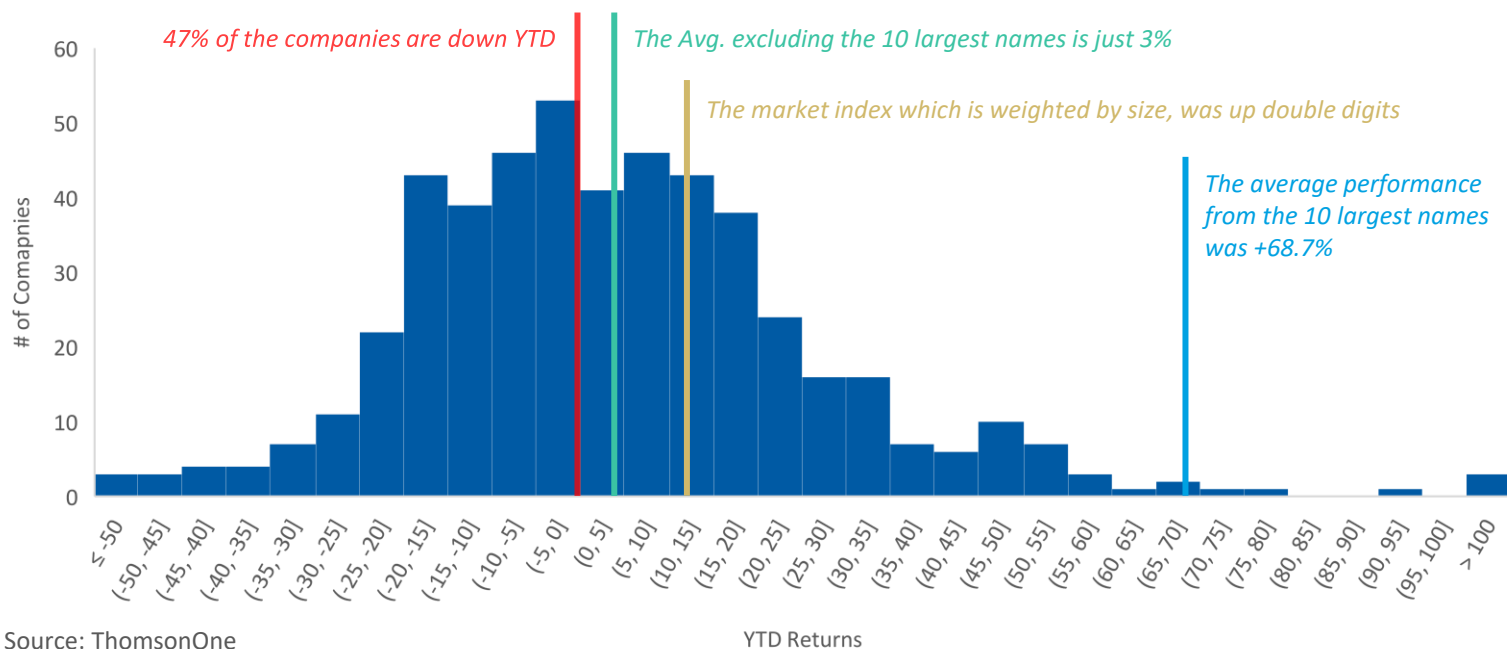
The largest companies have performed vastly different from the rest of the market. The stock market excluding 10 largest companies in the United States was only slightly up YTD.



\*Indexes Used to Measure Size: S&P 50, S&P 500, Russell 2000  
Source: ThomsonOne

### A Few Outliers Among The Largest Firms Are Carrying The Average

Below shows the YTD Performance Distribution of the 500 companies within the S&P 500



Source: ThomsonOne

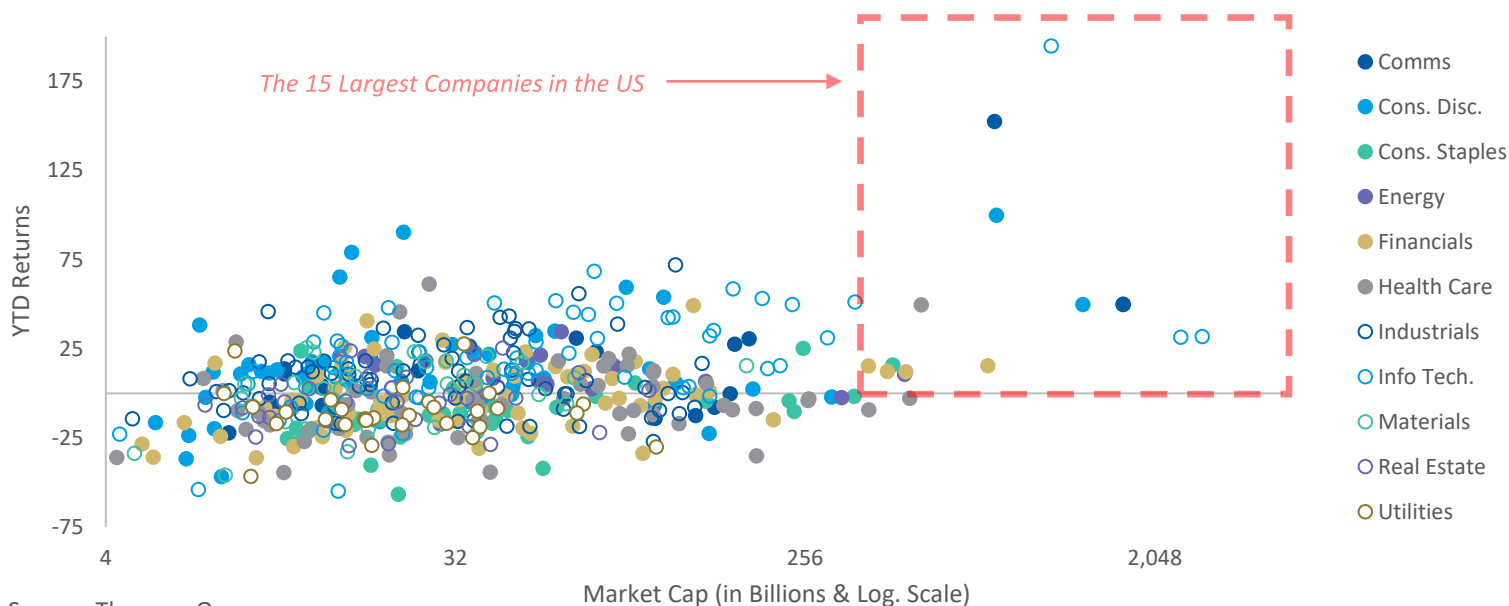
YTD Returns

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## Breaking Down The Numbers: 3Q2023 [continued]

### Outliers Existed In Size and Performance Among Companies Within the S&P 500 YTD.

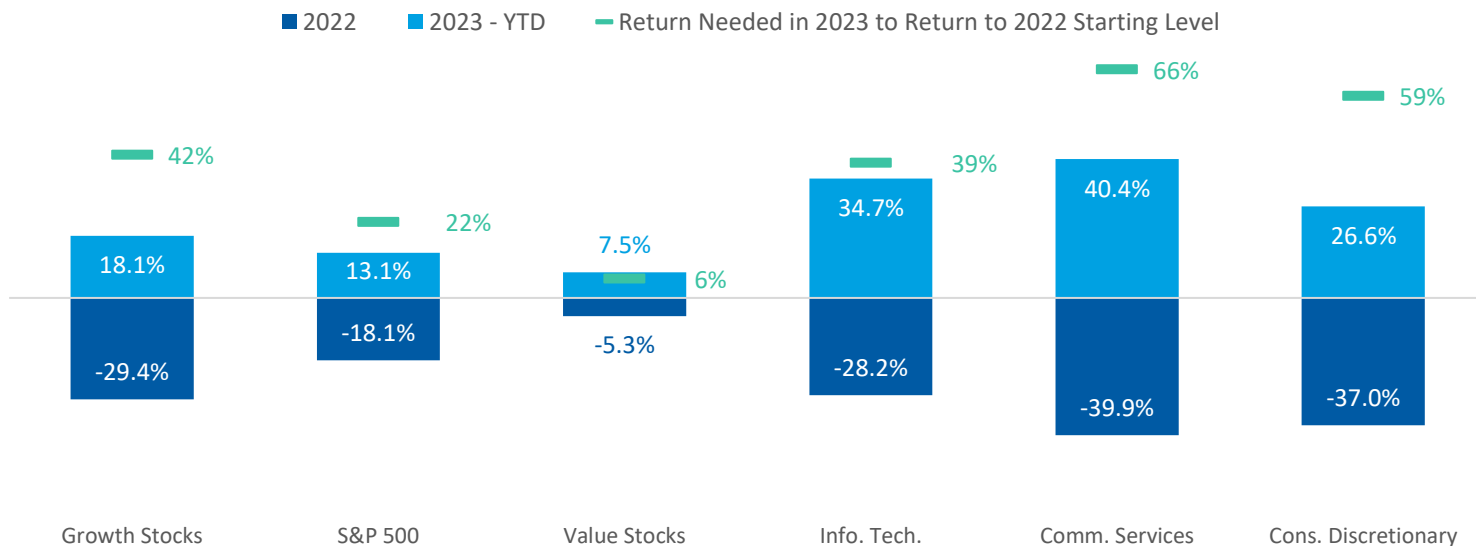
Here is an interesting view that just shows just how large the biggest companies are relative to the rest of the field and how they've done YTD. Sector exposure didn't have as much of an impact as size did as you can see between the colors no discernible pattern emerged.



Source: ThomsonOne

### Different Time Periods Show Different Stories

Despite value oriented stocks vastly underperforming growth and tech names in 2023, if you look back to include one more calendar year, value has outperformed. Because of the large losses faced in 2022 by the tech industry, many growth-oriented stocks have yet to return to their previous highs even with this year's run up.



Source: Morgan Stanley

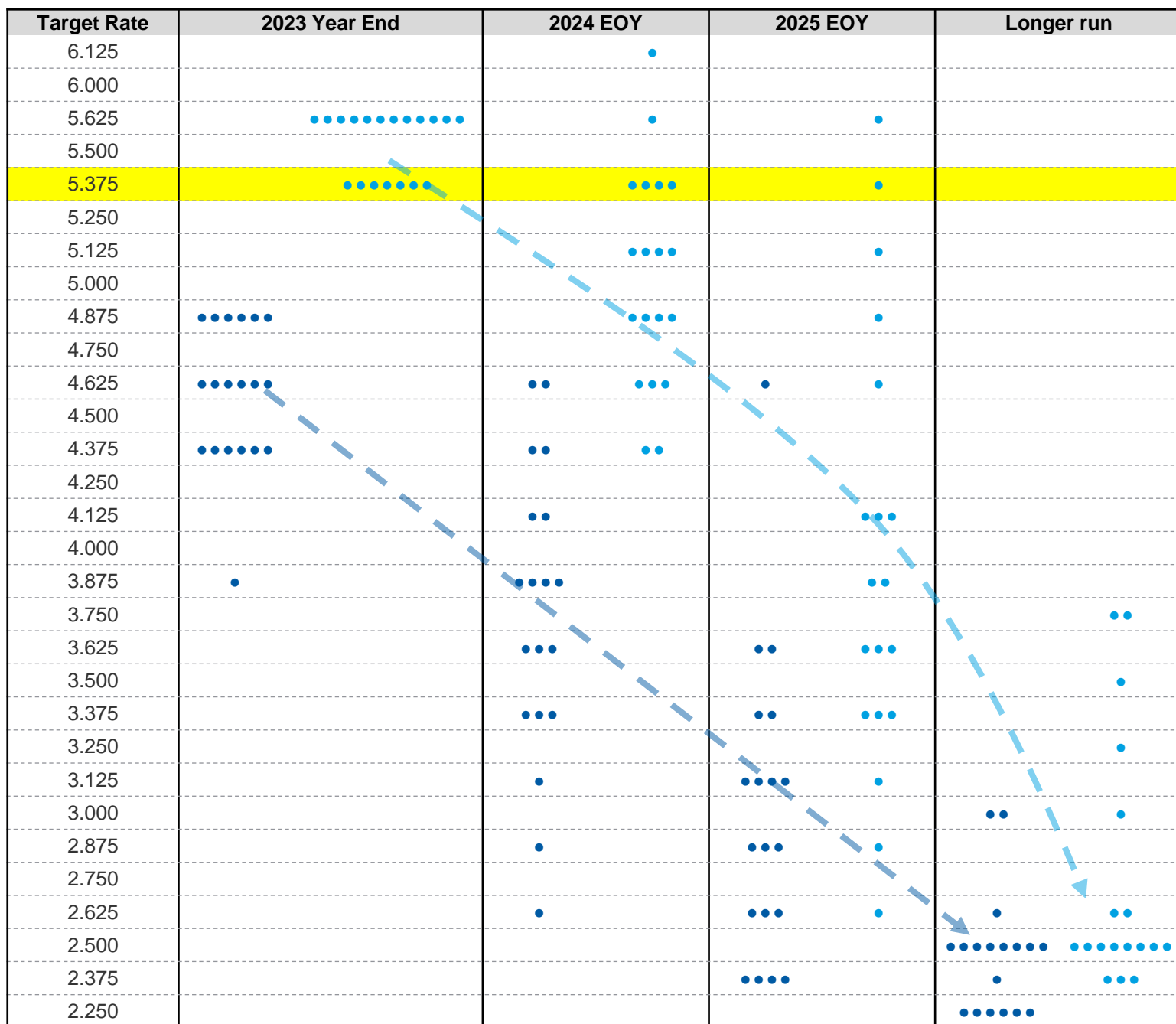
# The Balog Group at Morgan Stanley

## Breaking Down The Numbers: 3Q2023 [continued]

### New Expectations From the Fed are Higher Rates For Longer

FOMC Participants' projections of appropriate rates – the most recent meeting shows a definitive difference from the year prior.

= Current Fed Funds Rate
  = 09/21/22 Projections
  = 09/20/23 Projections

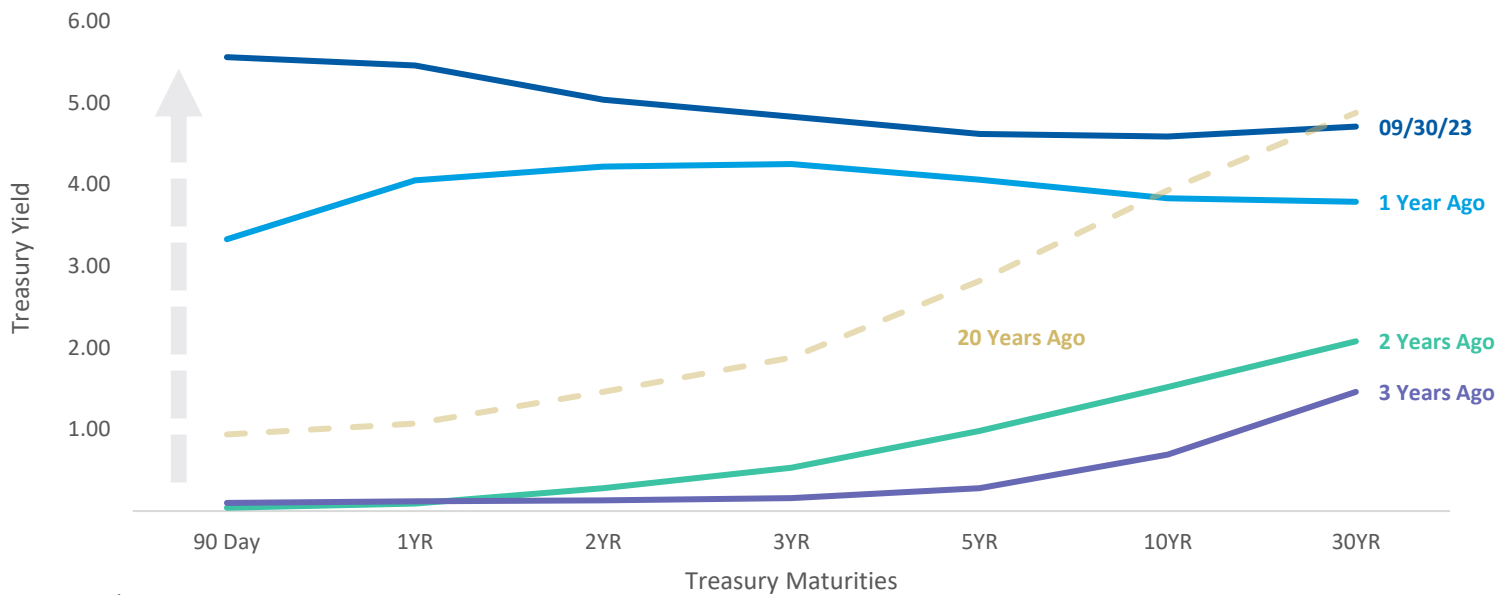


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Breaking Down The Numbers: 3Q2023 [continued]

### Rates Continued Their Climb

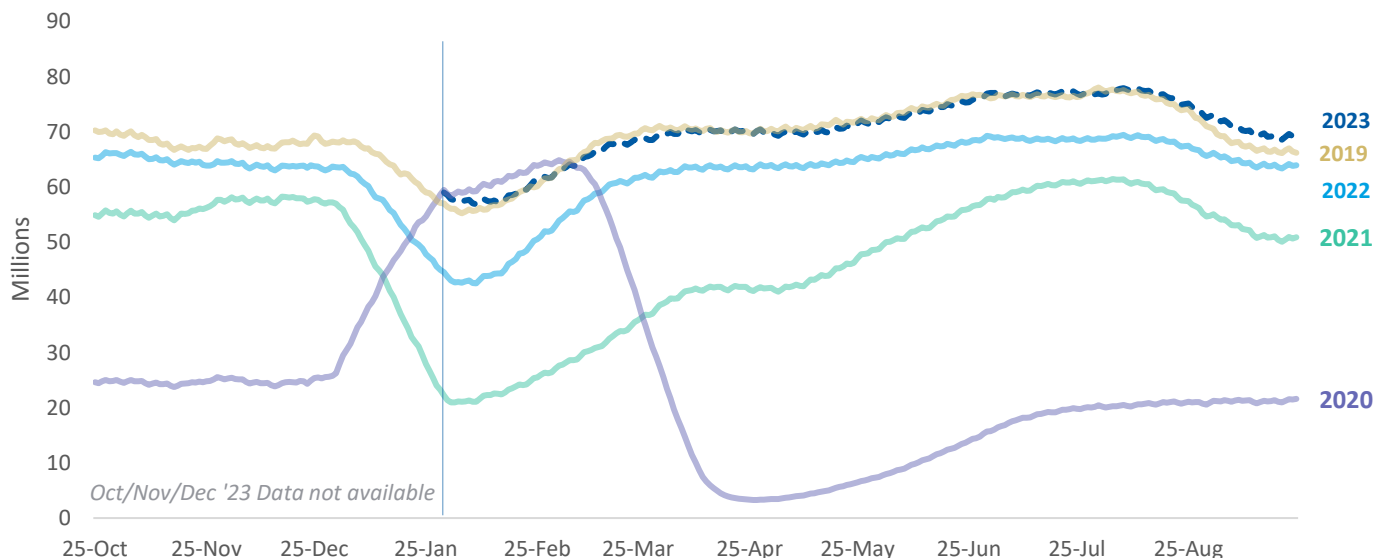
Rates today are significantly higher than they've been over the last two decades. We've seen a steady climb over the last two years, particularly on the short-end of the curve. The other thing to note is the unusual inversion where the short-end is higher than the long-end.



Source: ThomsonOne

### Airline Traffic in the US is back to Pre-Pandemic Levels

Below are the number of traveler's passing through TSA checkpoints at US Airports on a rolling 30-day period:



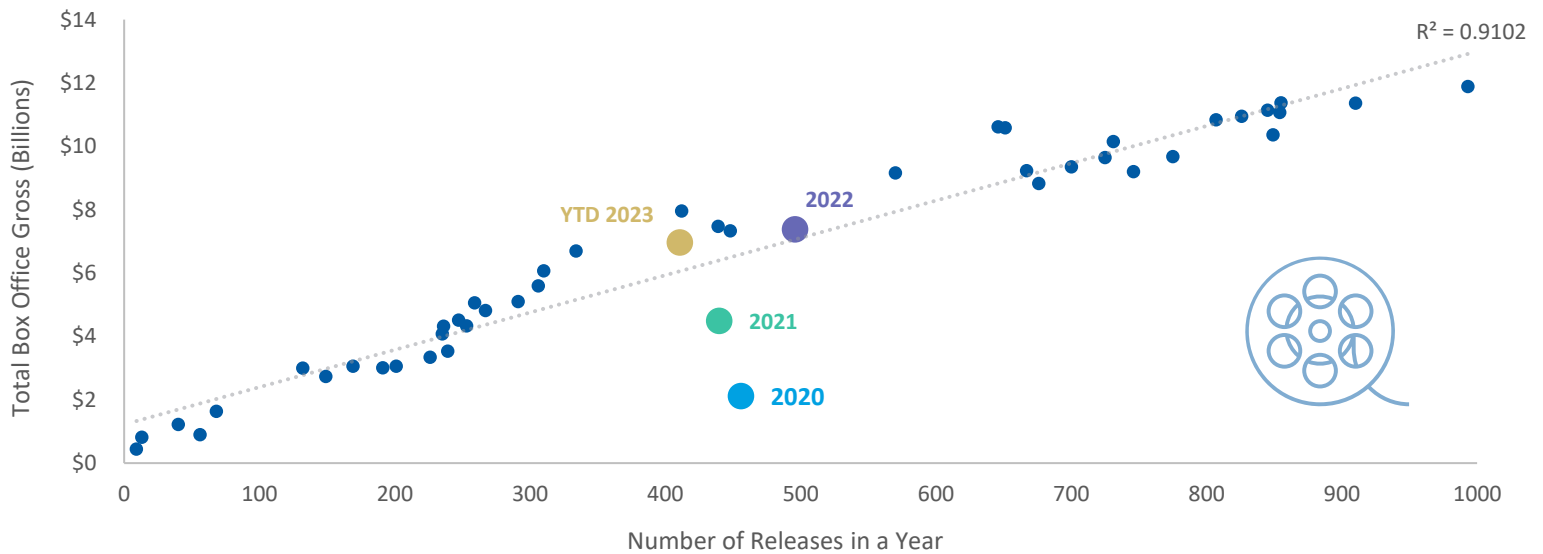
Source: TSA Passenger Volumes

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## Breaking Down The Numbers: 3Q2023 [continued]

### Fewer Theatrical Releases, but Higher Than Average Revenues Per Film

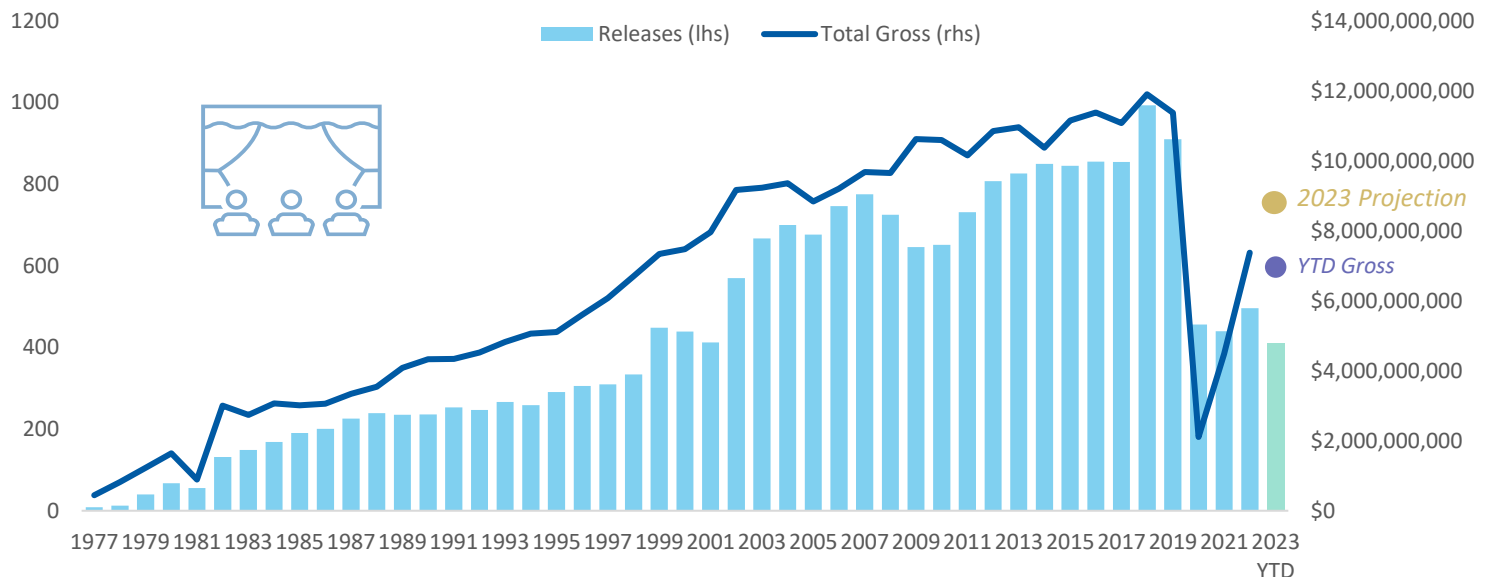
The last few years haven't seen as many releases in theaters, but gross revenues per film is back - courtesy of some big box office hits.



Source: Box Office Mojo

### Movie Theaters See Some Recovery, but Still Nowhere Near Pre-Covid Levels

The current number of releases and gross ticketing is the same as where it was two decades ago.



Source: Box Office Mojo

## Sources:

1. ThomsonOne – Historical Pricing Data
2. Morgan Stanley – Capital Market Indices
3. [Federal Reserve – 09/20/2023 Meeting](#)
4. [Federal Reserve – 09/21/2022 Meeting](#)
5. [TSA - Passenger Volumes](#)
6. [Box Office Mojo – Ticketing Data](#)

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