

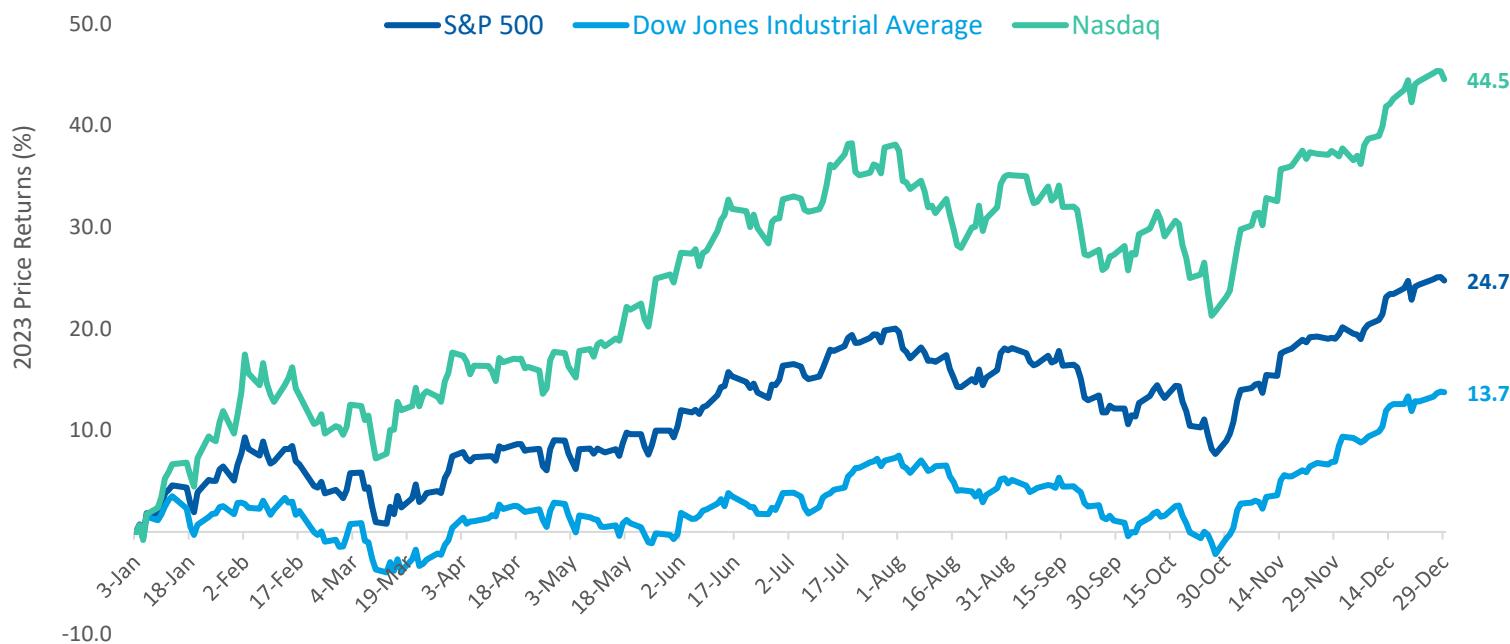
## The Balog Group at Morgan Stanley

### Breaking Down the Number – 2023 Year End

We hope you all had a wonderful 2023 and are off to a good start in 2024. As we have the past couple of quarters and years, we wanted to provide a recap of the markets with visual graphics. If you have any questions regarding the 11 charts that follow, please don't hesitate to reach out to us. 2023 was a good year for stocks despite the many negative headlines. Bonds struggled a bit as rates continued to climb, but it appears rates may have peaked and 2024 will provide a better environment for bonds to thrive in.

#### Different Measuring Sticks Yield Different Results

*The 3 major stock indices in the US all had a good year, but their performances vastly differed. The more growth-oriented Nasdaq raced ahead of the other two by a large margin.*



Source: ThomsonOne



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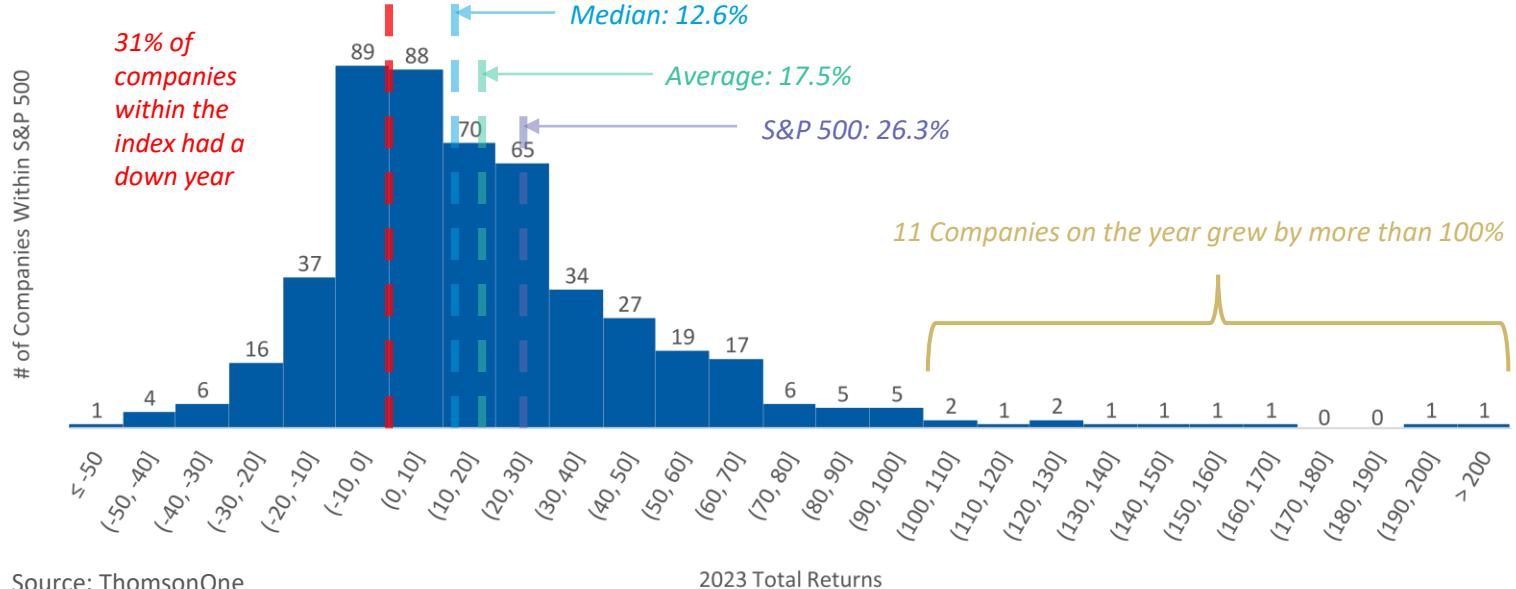
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## The Balog Group at Morgan Stanley

### Breaking Down the Number – 2023 Year End [continued]

#### The S&P 500 Beat The Average, and The Average Beat the Majority.

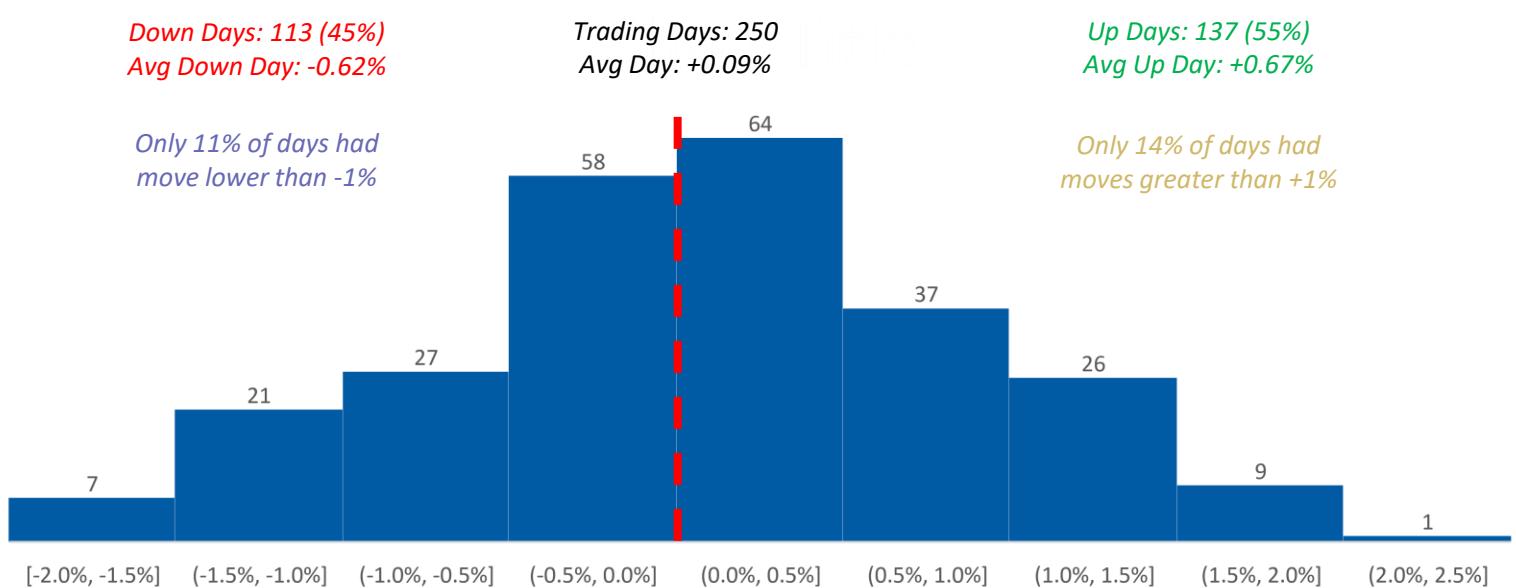
Due to some extreme outliers, stock performance this year was highly skewed. As a data set becomes more skewed, the difference between the average and the median becomes greater.



Source: ThomsonOne

#### Volatility This Year Was Muted. Only 2 Trading Days Experienced a +/-2% Move.

Typically, in any given year we see a few big moves. However, 2023 saw very few volatile days, far fewer than normal.



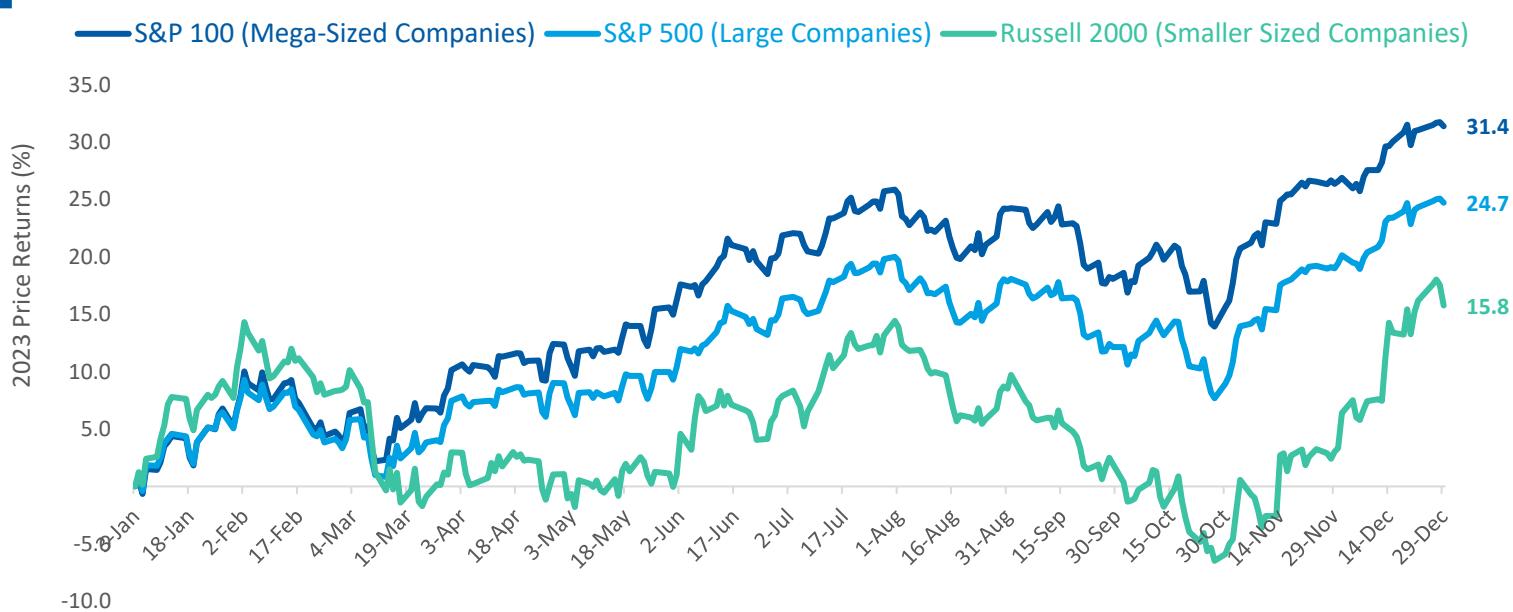
Source: ThomsonOne

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### Breaking Down the Number – 2023 Year End [continued]

#### Size Mattered in 2023.

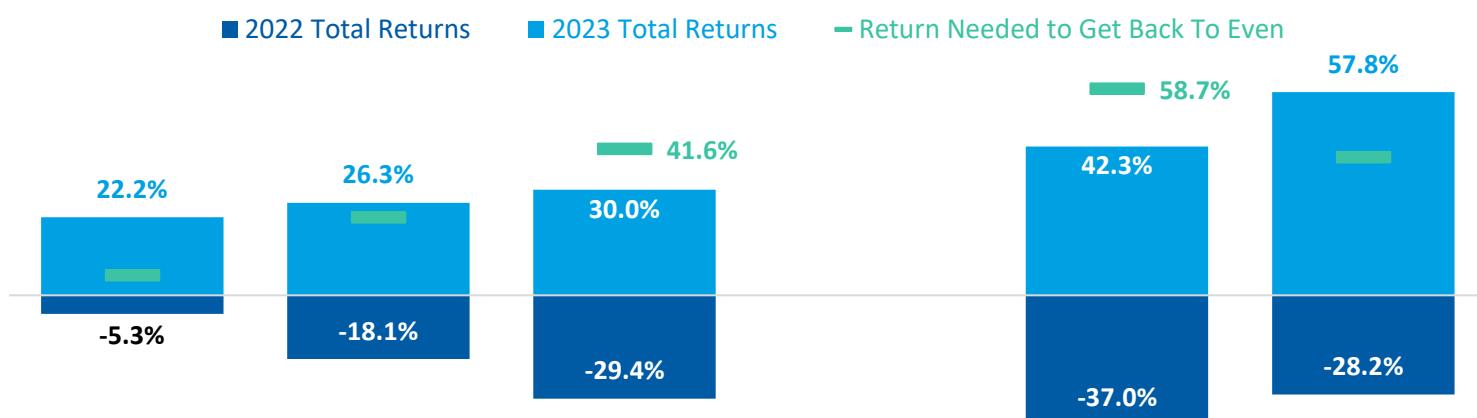
Mega-sized businesses got bigger in 2023 and outperformed their smaller competitors



Source: ThomsonOne

#### Have We Fully Recovered From 2022?

Some areas of the market have fully recovered and made new peaks. Meanwhile other areas still have some more to go to get back to par.



S&P 500 Value

S&P 500

S&P 500 Growth

Consumer Discretionary

Technology

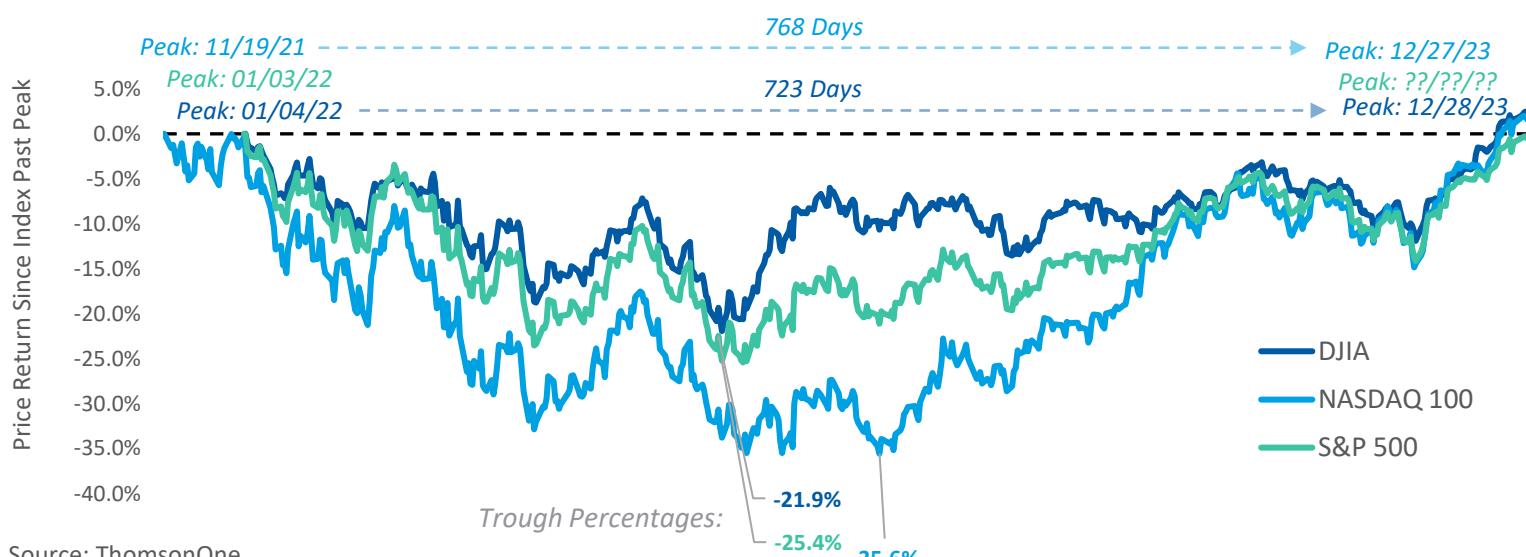
Source: Morgan Stanley

## The Balog Group at Morgan Stanley

### Breaking Down the Number – 2023 Year End [continued]

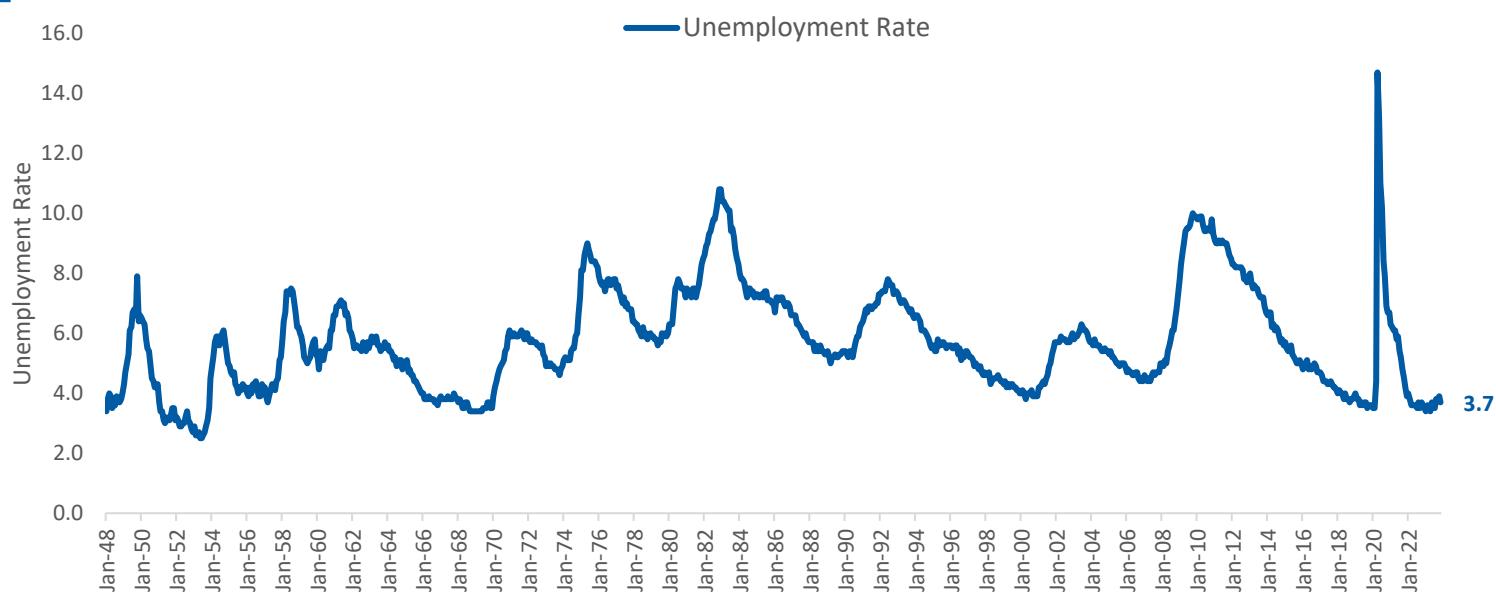
#### Traveling From Peak to Peak and Reaching New Record Highs.

The Dow Jones Industrial Average made a new record high in late 2023 as did the Nasdaq 100. The entire Nasdaq (including those companies smaller than the top 100) has yet to reach a new high. The S&P 500 was within 0.3% of making a new high, but it too has yet to breach its previous peak. These are price returns only, if you include dividends for the S&P 500, it has had a profitable two years.



#### 2.5M+ New Jobs Were Added in 2024.

The unemployment rate as of the most recent reading (November) sat at 3.7%. Relative to the last 50+ years this year has seen some of the lowest unemployment rates recorded.

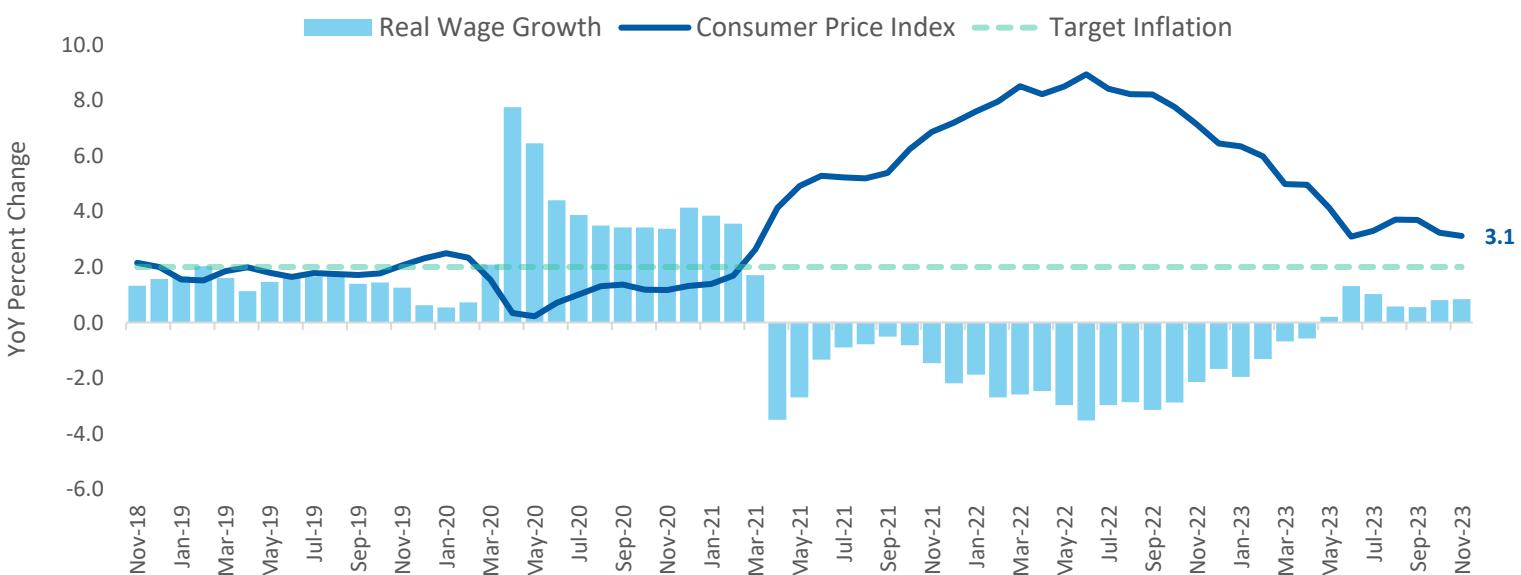


## The Balog Group at Morgan Stanley

### Breaking Down the Number – 2023 Year End [continued]

#### Wage Growth is Now Outpacing Inflation (Again...Finally).

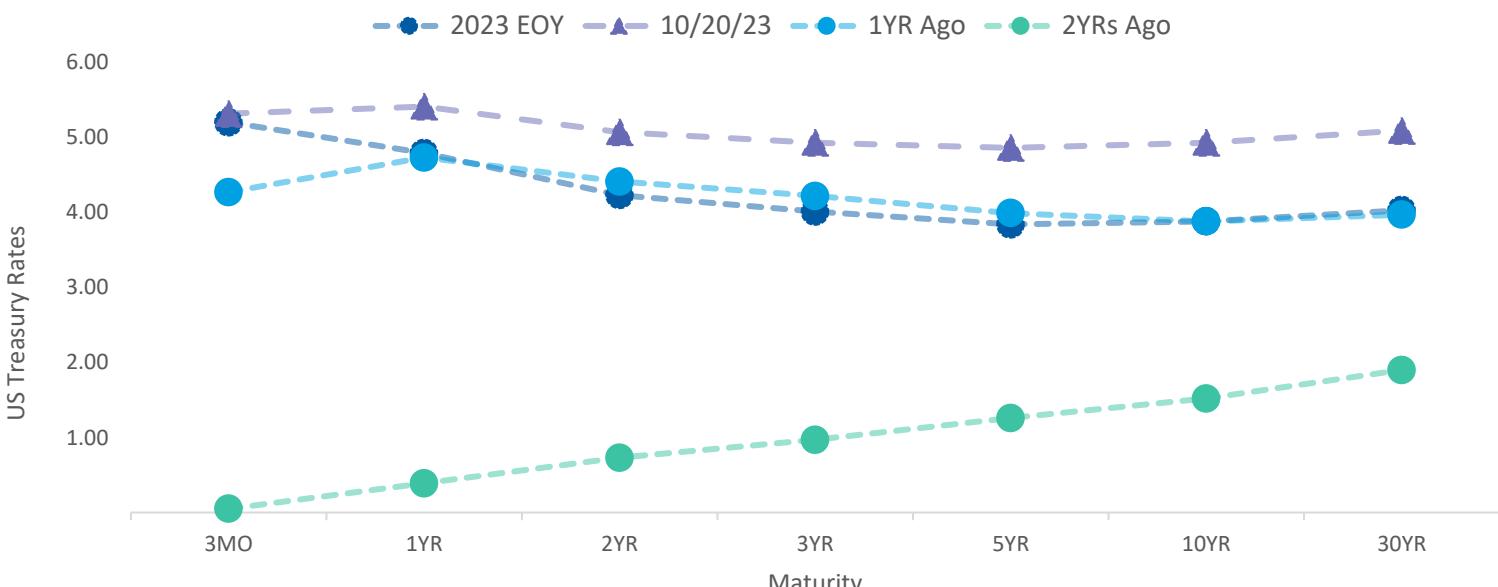
Prices are still going up, but inflation has cooled down considerably from its peak in 2022. Unfortunately, the growth in consumer prices are still higher than the Fed's 2% target, but it's getting closer. The good news is real wage growth (wages adjusted for inflation) is positive.



Source: U.S. Bureau of Labor Statistics

#### A Higher Yield Curve, But Perhaps It Has Peaked?

On the short-end of the curve we are undoubtedly higher than where we were last year, but not much changed YoY on the long-end. We have come down a bit from our peak which appeared to be in October.



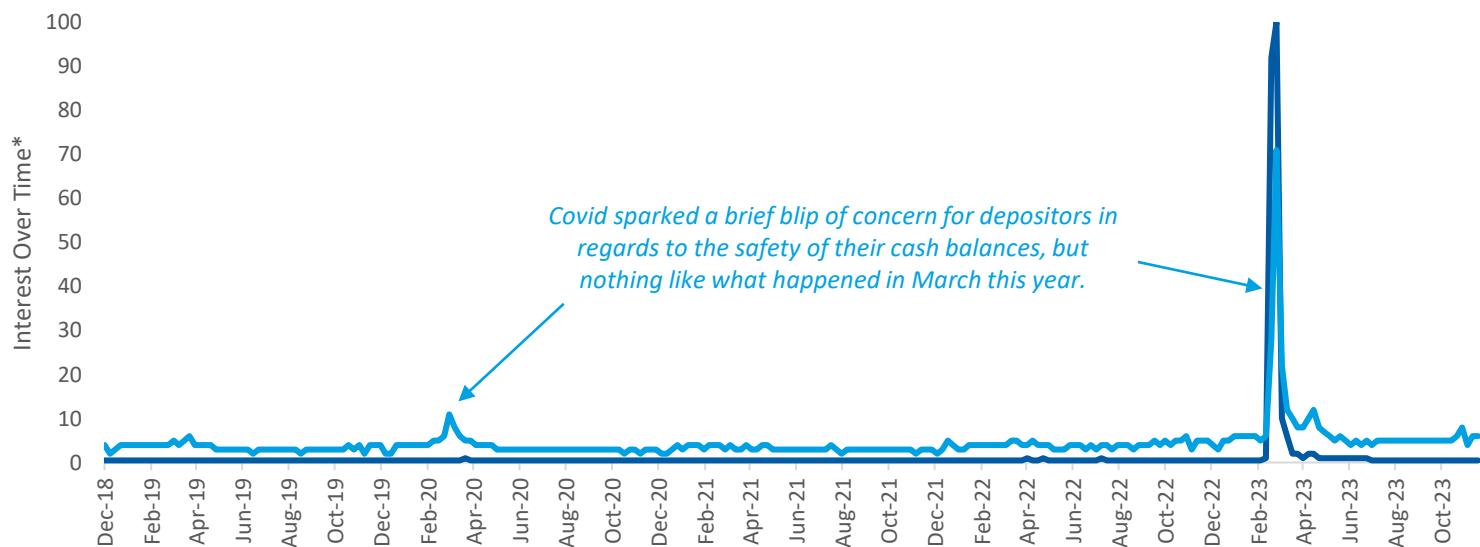
Source: ThomsonOne

## The Balog Group at Morgan Stanley

### Breaking Down the Number – 2023 Year End [continued]

#### Google Trends for the search terms "Silicon Valley Bank" and "FDIC"

While the topic of banking isn't exactly a popular one, you can see it jumped onto the news scene in March of this year. It quickly faded away as the banking crisis didn't cause the contagion as many had feared it might have.

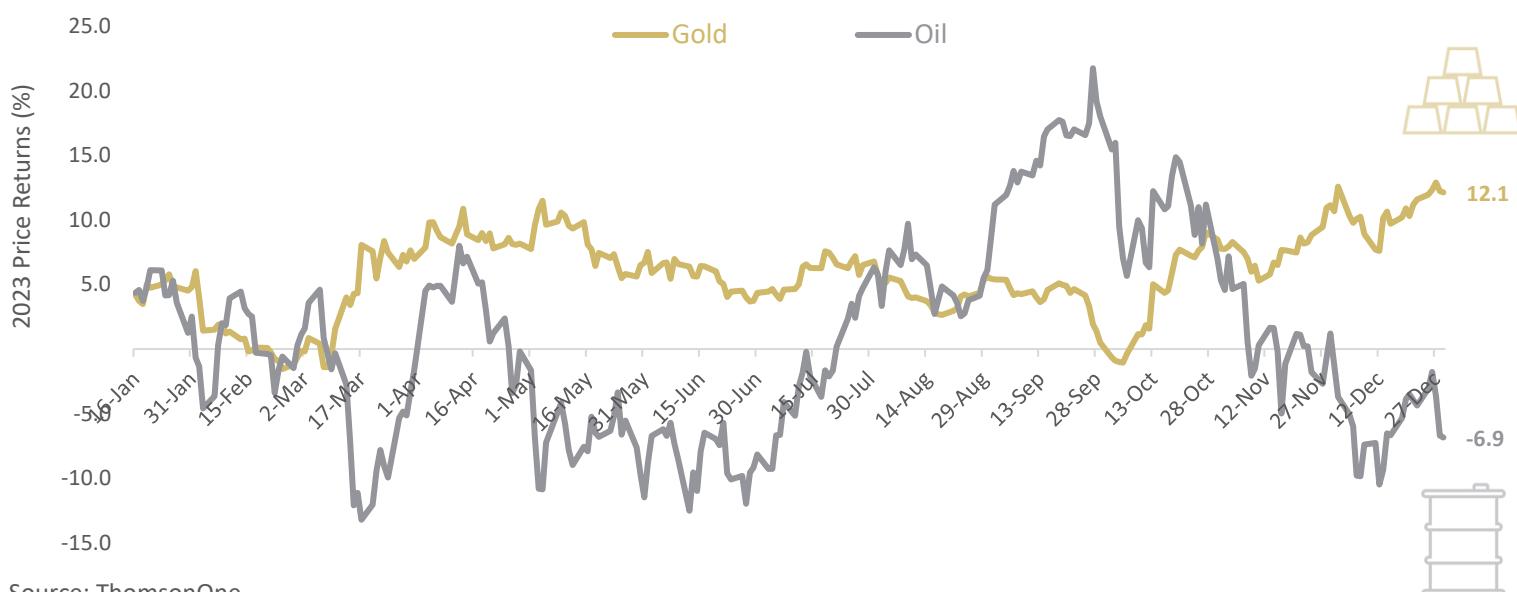


\*A value of 100 is the peak popularity for the terms.

Source: Google Trends

#### Gold Shined, While Oil Faded.

The two commodities headed in different directions throughout the year. Oil peaked at the end of Q3 and then fell by a large amount in Q4. Gold on the other hand saw a very strong Q4.



Source: ThomsonOne

**Sources:**

1. ThomsonOne
2. Morgan Stanley
3. U.S. Bureau of Labor Statistics
4. Google Trends

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