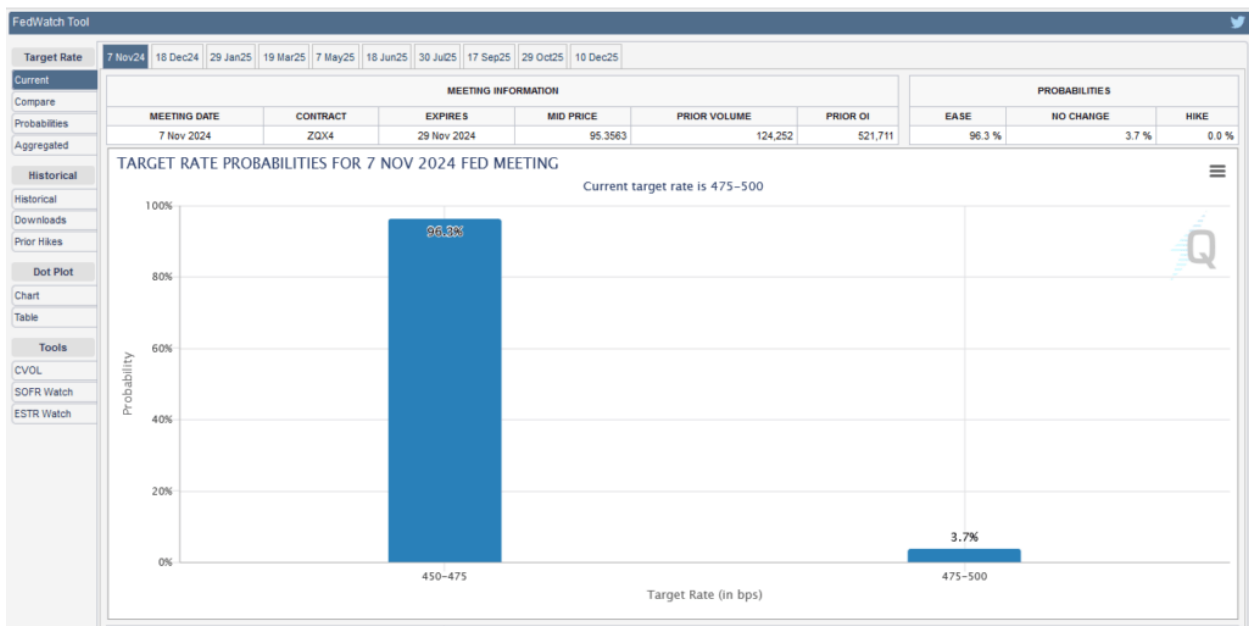


Many events could roil the markets over the next two weeks and/or send them surging. Accordingly, it's worth summarizing the political, monetary, and economic schedule to prepare for market turbulence.

The intense schedule kicked off yesterday with the JOLTs report and Google earnings.

Today is the ADP jobs report and Microsoft and Meta earnings. Thursday features Apple and Amazon earnings and the critical PCE inflation report. Furthermore, the Bank of Japan, whose actions have recently caused volatility in global markets, will set interest rates. As seen in early August, hawkish signals from the BOJ could revive the market turbulence. The PCE and Friday's BLS employment report will go a long way to setting market expectations for next week's Fed meeting. Current expectations point to a high likelihood they cut by 25bps.

Market turbulence continues next week, with elections on Tuesday and the Fed meeting on Wednesday. If the election results are unknown and likely contested, the Fed will have a tough decision to make. As if the election and Fed weren't enough for the bond market to digest, the Treasury Department will conduct ten- and thirty-year auctions. Consequently, with decent odds of increased market turbulence over the next two weeks, buckle up and manage risk, as it will be an exhausting two weeks.



What To Watch Today

Earnings

Wednesday Oct 30		EPS	Consensus	Previous	Revenue	Consensus	Previous	MarketCap	Fiscal	Time	
Microsoft MSFT.US		3.10	2.99		64.55B	56.5B		\$3.19T	Q1	PM	★
Meta FB.US		5.21	4.39		40.18B	34.15B		\$1.46T	Q3	AM	★
Eli Lilly LLY.US		1.45	0.10		12.09B	9.5B		\$849.45B	Q3	PM	★
AbbVie ABBV.US		2.92	2.95		14.28B	13.93B		\$336.67B	Q3	AM	★
Caterpillar CAT.US		5.35	5.52		16.37B	16.8B		\$194.78B	Q3	PM	★
Amgen AMGN.US		5.11	4.96		8.51B	6.9B		\$171.35B	Q3	PM	★
Booking Holdings BKNG.US		77.16	72.32		7.63B	7.3B		\$148.57B	Q3	PM	★
ADP ADP.US		2.21	2.08		4.77B	4.5B		\$118.48B	Q1	PM	★
KLA-Tencor KLAC.US		7.04	5.74		2.75B	2.4B		\$91.66B	Q1	AM	★
Equinix EQIX.US		2.92	2.93		2.2B	2.06B		\$87.38B	Q3	AM	★
Illinois Tool Works ITW.US		2.51	2.55		4.02B	4B		\$77.03B	Q3	PM	★
Aflac AFL.US		1.68	1.84		4.3B	5B		\$63.4B	Q3	AM	★
MetLife MET.US		2.19	1.97		18.74B	18.24B		\$60.19B	Q3	AM	★
Public Storage PSA.US		2.60	3.20		1.17B	1.14B		\$59.44B	Q3	PM	★
Coinbase Global COIN.US		0.45	-0.01		1.25B	674.15M		\$51.45B	Q3	AM	★
Allstate ALL.US		2.49	0.81		14.51B	14.5B		\$49.79B	Q3	AM	★
Microstrategy MSTR.US		-0.12	-8.98		121.45M	129.5M		\$48.23B	Q3	AM	★
Prudential Financial PRU.US		3.47	3.44		14.89B	10.13B		\$45.03B	Q3	AM	★
Monolithic Power Systems MP.US		3.97	3.08		600.6M	474.9M		\$43.75B	Q3	AM	★
Kraft Heinz KHC.US		0.74	0.72		6.43B	6.57B		\$42.63B	Q3	AM	★
Hess HES.US		1.85	1.89		2.99B	2.84B		\$42.1B	Q3	AM	★
Otis Worldwide OTIS.US		0.97	0.95		3.6B	3.52B		\$41.38B	Q3	AM	★
Exelon EXC.US		0.68	0.67		5.85B	5.98B		\$40.31B	Q3	AM	★
Verisk Analytics VRSK.US		1.60	1.52		722.19M	677.6M		\$38.03B	Q3	PM	★
Cognizant Technology Solut		1.15	1.16		4.98B	4.9B		\$37.62B	Q3	PM	★
Martin Marietta Materials MLM		6.45	6.94		1.96B	1.99B		\$35.72B	Q3	PM	★
Vulcan Materials VMC.US		2.33	2.29		2.02B	2.19B		\$34.19B	Q3	PM	★
eBay EBAY.US		1.18	1.03		2.55B	2.5B		\$32.78B	Q3	PM	★
Humana HUM.US		3.38	7.78		28.67B	26.42B		\$31.65B	Q3	PM	★
CDW CDW.US		2.86	2.72		5.73B	5.63B		\$29.41B	Q3	PM	★
Equity Residential EQR.US		0.40	0.45		744.22M	724.07M		\$28.55B	Q3	PM	★
American Water Works AWK.US		1.84	1.66		1.23B	1.17B		\$27.21B	Q3	AM	★
Biogen BIB.US		3.77	4.36		2.43B	2.53B		\$26.74B	Q3	AM	★
Fortive FTV.US		0.93	0.85		1.55B	1.49B		\$26.34B	Q3	AM	★
Ventas VTR.US		-0.02	0.75		1.21B	1.15B		\$26.32B	Q3	PM	★
Global Payments GPN.US		3.09	2.75		2.38B	2.23B		\$25.63B	Q3	AM	★
GoDaddy GDDY.US		1.23	0.89		1.14B	1.07B		\$22.75B	Q3	PM	★
Zimmer Biomet Holdings ZBH.U		1.74	1.65		1.8B	1.75B		\$21.03B	Q3	AM	★
Invitation Homes INNH.US		0.17	0.21		647.86M	618M		\$20.59B	Q3	PM	★
LPL Financial LPLA.US		3.71	3.74		3.04B	2.52B		\$19.66B	Q3	PM	★
Clorox CLX.US		1.39	0.49		1.64B	1.4B		\$19.56B	Q1	PM	★

Economy

Wednesday October 30 2024			Actual	Previous	Consensus	Forecast	
06:00 AM	US	MBA 30-Year Mortgage Rate OCT/25		6.52%			📊
06:00 AM	US	MBA Mortgage Applications OCT/25		-6.7%			📊
06:00 AM	US	MBA Mortgage Market Index OCT/25		214.8			📊
06:00 AM	US	MBA Mortgage Refinance Index OCT/25		672.6			📊
06:00 AM	US	MBA Purchase Index OCT/25		131.3			📊
07:15 AM	US	ADP Employment Change OCT		143K	115K	129.0K	📊
07:30 AM	US	GDP Growth Rate QoQ Adv Q3		3%	3%	3.3%	📊
07:30 AM	US	GDP Price Index QoQ Adv Q3		2.5%	2.7%	2.5%	📊
07:30 AM	US	Core PCE Prices QoQ Adv Q3		2.8%	2.1%	2.3%	📊
07:30 AM	US	GDP Sales QoQ Adv Q3		1.9%		2.2%	📊
07:30 AM	US	PCE Prices QoQ Adv Q3		2.5%		2%	📊
07:30 AM	US	Real Consumer Spending QoQ Adv Q3		2.8%		3%	📊
07:30 AM	US	Treasury Refunding Announcement					
09:00 AM	US	Pending Home Sales MoM SEP		0.6%	1.1%	1.0%	📊
09:00 AM	US	Pending Home Sales YoY SEP		-3%		-1.5%	📊

Market Trading Update

As noted yesterday, the market continues to grind sideways below the broken rising trend line. However, the action remains bullish as investors anticipate good earnings from Microsoft, Meta, Eli Lilly, and Abbvie today. We hold long positions in all those stocks, so today's announcements after

the bell will greatly impact portfolios tomorrow.



This earnings season has heavily rewarded companies that beat earnings estimates, but overall revenue beats have been roughly average. Such suggests the economy is slowing down, and earnings may become more challenging next year. However, that is a story we will discuss with you later.

The market continues to trend higher, holding support at key levels, namely the 20-DMA (not shown in the chart above). However, this is all positioning for earnings this week. Once those reports are finished on Thursday, we could see some derisking headed into Tuesday's election, given that no one is certain of the outcome. As such, continue to manage risk for now, and after next week's election and Fed meeting, we should have a better picture of how to position for the remainder of the year.



DHI Warns Of Weakening Housing Market

DR Horton (DHI) opened over 10% lower, dragging the rest of the homebuilder sector lower. DHI's earnings and revenue fell short of expectations. More importantly, its number of completed but unsold homes rose 17% over the quarter to 10,300. This is especially concerning as it is going into a seasonally slow selling period, and mortgage rates are up by over 0.50% over the last month. Further, making matters worse for shareholders, DHI reduced its revenue guidance from \$39.4 billion to \$36-37.5 billion.

Further weighing on DHI and other homebuilders are homebuyers with lower mortgage rate expectations. Per its CEO:

"While mortgage rates have decreased from their highs earlier this year, many potential homebuyers expect rates to be lower in 2025. We believe that rate volatility and uncertainty are causing some buyers to stay on the sidelines in the near term."

Lastly, the Case-Shiller housing index fell by 0.13% last month, with the year-over-year change running at 4.2%. For context, the 2022 peak was +5.5%. Moreover, flat to declining home prices support DHI's weaker earnings and forward-looking revenue shortfall.



Key Market Indicators For November 2024

The November outlook marks a critical period with macroeconomic and election uncertainties still in play. The Fed's dovish tone remains encouraging for equity markets, but geopolitical risks and U.S. election developments could inject volatility. As we approach the year-end, investors must remain agile and ready to respond to sudden market shifts.

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The Best Six Months Of The Year Are Here

Various S&P 500 Index 6-Month Returns

6-Month Period	Average % Change	% Higher
Nov-Apr	7.1%	77.0%
Oct-Mar	6.7%	70.3%
Dec-May	5.4%	71.6%
July-Dec	4.8%	71.6%
Sept-Feb	4.7%	68.9%
Aug-Jan	4.5%	70.3%
Mar-Aug	4.4%	72.0%
Feb-July	4.4%	72.0%
Jan-June	4.3%	68.9%
June-Nov	3.4%	67.6%
Apr-Sept	2.7%	65.3%
May-Oct	1.7%	64.9%

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Source: Carson Group, FactSet 10/27/2024 (1950 - Current)
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The bulk of S&P 500 companies are slated to report third-quarter earnings this week



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