

## Monthly Commentary 5<sup>th</sup> of November 2024

October was a volatile month for markets, with equities moving lower. The S&P500, MSCI Euro and FTSE 100 all finished lower with -1%, -3.62% and -1.54% respectively. Only Japanese stocks finished higher with Nikkei Index being the top performer with gains of 3.06%, despite concerns that the need for tighter policy and a stronger yen could impact export-oriented companies (the corollary was that the Japanese Yen tumbled more than 5% versus the USD). In fixed income markets, the global government bond index fell (a huge) 3.7%, highlighting uncertainty over the trajectory of global interest rate cutting cycles. In commodities, gold surged (+4.15%) reaching a record high of \$2,790. As a result, gold is on track for its best annual performance since 1979, with year-to-date gains already at 33%. Oil, on the other hand, fell by 1.6% on falling demand. The dollar, as measured by DXY Index was up by 3% while bitcoin was up by a meaningful 9.65%.

### S&P 500 Index Returns In U.S. Presidential Election Years

Today all eyes will be on the U.S. presidential election and of course during the weekend, politics dominated the headlines. Investors main concern is how each outcome will affect the stock market. Below we provide some statistics provided by First Trust on past presidential elections.

Historical U.S. Presidential Election Results		
Election Year	President Elected	S&P 500 Index Total Returns
2016	Trump	12.0%
2012	Obama	16.0%
2008	Obama	-37.0%
2004	Bush W.	10.9%
2000	Bush W.	-9.1%
1996	Clinton	23.1%
1992	Clinton	7.7%
1988	Bush H.W.	16.8%
1984	Reagan	6.3%
1980	Reagan	32.4%
1976	Carter	23.8%
1972	Nixon	19.0%
1968	Nixon	11.1%
1964	Johnson	16.5%
1960	Kennedy	0.5%
1956	Eisenhower	6.6%
1952	Eisenhower	18.4%
1948	Truman	5.5%
1944	Roosevelt	19.8%
1940	Roosevelt	-9.8%
1936	Roosevelt	33.9%
1932	Roosevelt	-8.2%
1928	Hoover	43.6%

S&P 500 Index Total Returns During Presidential Election Years (1928-2016)	
U.S. Presidential Election Results	Average Return
A Republican was Elected	15.3%
A Democrat was Elected	7.6%
All Election Years	11.28%



## Observations

There have been 23 elections since the S&P 500 Index began. In these election years:

- 19 of the 23 years (83%) provided positive performance
- When a Democrat was in office and a new Democrat was elected, the total return for the year averaged 11.0%
- When a Democrat was in office and a Republican was elected, the total return for the year averaged 12.9%

However, average returns for the S&P 500 have been modestly lower in presidential election years relative to other years. Market volatility was also lower, on average, in many of the periods in and around past presidential elections. Whether the incumbent party retains the presidency also appears to have influenced trends in market volatility. Still, past performance does not guarantee future results. We believe that investment decisions should be based on longer-term fundamentals, not near-term political outcomes. Trying to time the market based on short-term dynamics, political or otherwise, is extraordinarily difficult.

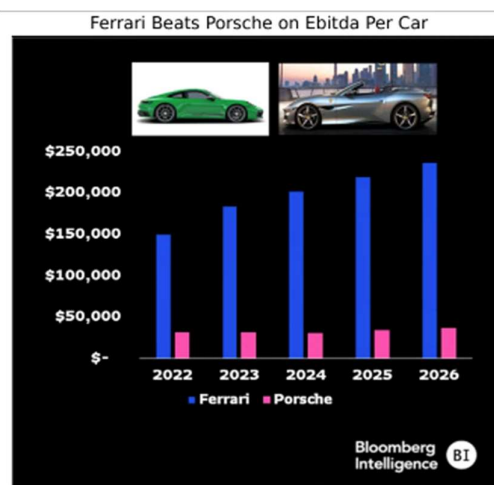
It would be remiss of us not to comment on who we would prefer to be in the White House for the next four years. We are in agreement with Michael Bloomberg who penned this article the day before the election:

<https://www.bloomberg.com/opinion/articles/2024-10-31/michael-bloomberg-why-i-m-voting-for-kamala-harris?srnd=opinion>

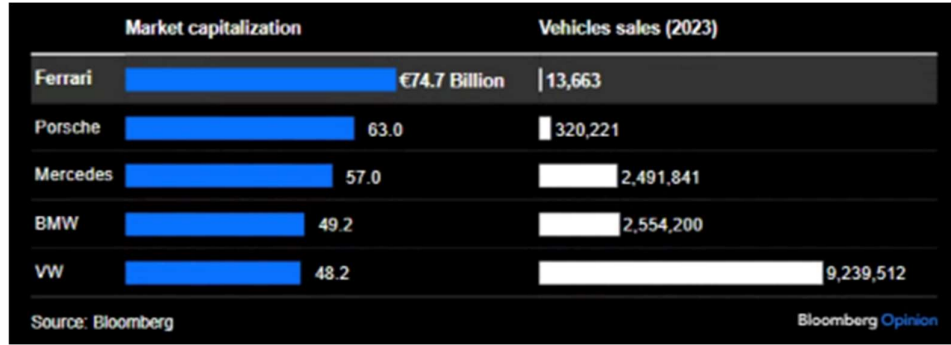
If you cannot access it, it is available after the end of this newsletter.

## Ferrari or Porsche?

For car lovers, we came across two interesting statistics from Bloomberg in the following charts:



Source: Bloomberg Intelligence



There is no need for further comment.

The Elgin Analysts Team

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[Opinion](#) by

Michael R. Bloomberg

### **Why I'm Voting for Kamala Harris**

When it comes to the candidates' policy positions and personal integrity, there's a clear choice.

31 October 2024 at 18:19 EET



By [Michael R. Bloomberg](#)

Michael R. Bloomberg is the founder and majority owner of Bloomberg LP, the parent company of Bloomberg News, UN Special Envoy on Climate Ambition and Solutions, and chair of the Defense Innovation Board.

*I do not agree with Vice President Kamala Harris on every issue, but earlier this week, I voted for her without hesitation. I'd like to explain why, in hopes that others who have a history of supporting candidates in both parties — as I do — will join me.*

*As I've thought about the candidates in this presidential election, I've been guided by two main considerations: policy positions and personal integrity.*

*When it comes to policy, the contrast could not be clearer.*

*On abortion, Harris supports reproductive rights and will work to enshrine them into law. Donald Trump does not and will not.*

*On immigration, Harris recognizes — as most business owners do — that we need comprehensive immigration reform that both secures the border and makes it easier for people to come here legally. Trump's plan to deport millions of people living and working here is a recipe for economic disaster.*



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*On gun safety, Harris supports common-sense measures that will help save lives and keep guns out of the hands of criminals and other dangerous people. Trump, after talking a big game about standing up to the gun industry's lobbyists, buckled under their pressure and did their bidding.*

*On the economy, Harris' tax and tariff proposals are politically driven, but as many economists have noted, they would do far less damage to consumers and businesses — and to the national debt — than Trump's.*

*On climate change, Harris recognizes the opportunity that exists for the US to reap the economic rewards that come with leading the clean energy transition rather than allowing China or other nations to beat us to it. Trump doesn't seem to believe climate change is a problem and would allow the fossil fuel industry to continue polluting our air and water.*

*On public health, Harris respects science and medicine, including lifesaving vaccines. Trump has promised to turn over America's health system to anti-vaxxer Robert Kennedy Jr., which could have deadly consequences for children, seniors and Americans of all ages.*

*On public safety, Harris has a record as a prosecutor of being tough on crime and standing with police. Trump talks tough, but when police officers were assaulted by a mob of his supporters on Jan. 6, 2021, as part of his disgraceful attempt to hold onto power, he sat by and did nothing. And he continues to defend those who assaulted police — he even lauds them as "warriors" — as they stormed the Capitol.*

*And that brings us to the other consideration: personal integrity.*

*As former Vice President Mike Pence and many other Republicans have concluded, Trump is not fit for high office. Not after refusing to accept the will of the people and trying to steal the 2020 election — first by attempting to strong-arm state legislators and election officials into overturning the results, and then, when that failed, by bamboozling people into attacking the Capitol to stop the counting of Electoral College ballots.*

*He made our country, the world's greatest nation, look like a banana republic. Most Americans never thought we'd witness such a shameful episode. Trump, rather than apologizing for it — as some of those convicted of Jan. 6-related crimes have done — celebrates it.*

*Why? Because for him, nothing — not America, not our Constitution, not democracy, not the rule of law, not the lives of police officers or any other citizen — matters more than his own vanity and glory.*

*Strong leaders accept defeat, out of honor and duty. He has shown he has no sense of either.*



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*The despicable way he speaks about immigrants — echoing phrases that Nazis used — is*

*as disgraceful as it is dangerous.*

*The shameful way he has coddled White supremacists — remember his defense of them after they marched by torchlight in Charlottesville, Virginia — is contemptible.*

*The reckless way he governed while in the Oval Office — coddling foreign tyrants, weakening our alliances, undermining our intelligence services, failing to build coalitions in Congress and firing people who dared stand up to him — revealed his incompetence as a manager.*

*And the preposterous lie he tells about America — that our country will end unless we elect him — reveals his ignorance about the true source of our strength as a nation, which lies in our values and principles and the Constitution's protection of our rights.*

*I don't know Harris well — we have only talked a couple of times — but I've been impressed by the way she has run her campaign: reaching out to independents and Republicans and rallying voters of all parties by offering a positive vision of the country. She is determined to lead our nation forward, and she understands that the only way to do that is by bringing people back together.*

*I'm ready. I think most Americans are, too. And that's why I hope undecided voters of all political stripes will join me in voting for Kamala Harris for president.*

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