RJL PCS: INSIGHTS & STRATEGIES

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November 2024 Insights & Strategies: Striking the Right Balance

Macro Highlights for October

- A supersized rate cut from the Bank of Canada (BoC) on October 23 continued an interest rate easing cycle that started in June, bringing the policy rate to 3.75% from a high of 5.00%.
- September inflation numbers were announced showing that the Consumer Price Index (CPI) headline metric beat the BoC's 2.0% target by declining to 1.6%. The BoC's preferred measures of CPI-Trim and CPI-Median were 2.4% and 2.3%, respectively.
- Revised immigration targets were announced to significantly limit permanent and temporary residents in Canada over the next few years, potentially impacting economic growth and the availability of lower-cost workers.

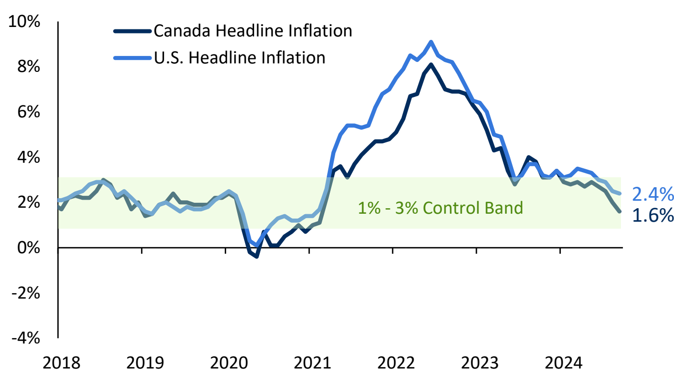
Financial Market Highlights

- The Canadian benchmark TSX Composite index was up 10.5% in 3Q24 and 18.2% YTD, versus the U.S. benchmark S&P 500, which was up 5.9% in 3Q24 and 21.0% YTD. All figures represent total returns in local currency.
- Market breadth was the topic in Q3 as small and mid-cap stocks gained strength on a better economic backdrop in the U.S. markets, with the start of the interest rate easing cycle, before investors flocked back to the mega-cap stocks and the Magnificent Seven towards the end of the quarter.
- Canadian sectors that did the best in October were Energy, Materials, and Financials, while Real Estate, Communication Services and Consumer Staples were the weakest.

Upcoming

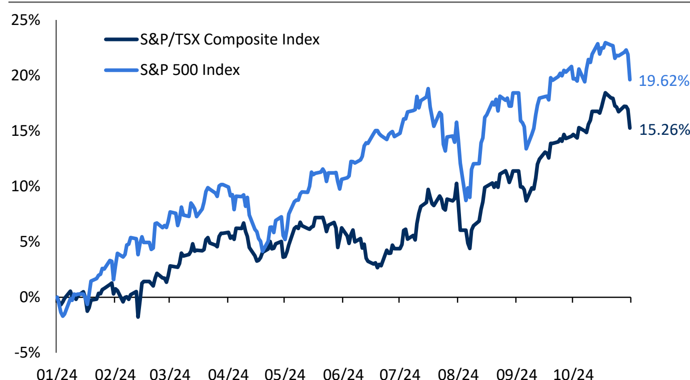
- We expect rate easing to continue in Canada through the end of the year, with another 50 bp cut on December 11, followed by 25 bp reductions into 2025 until the policy rate hits 2.75% at the March 12 meeting.
- We see further downward pressure on inflation with the Canadian economy operating below potential.
- We had expected the typical increased volatility in financial markets leading up to the U.S. election, but once outcomes are known, we tend to get lower volatility and both Canadian and U.S. stock markets tend to appreciate above their average over the following 12 months.

Chart 1 - Canada and U.S. Headline Inflation



Source: FactSet; Raymond James Ltd.; Data as of September 30, 2024. Not seasonally adjusted.

Chart 2 - S&P/TSX Composite and S&P 500 YTD Performance



Source: FactSet; Raymond James Ltd. Data as of October 31, 2024. Price return in local currency.

Macro Discussion

Inflation in Canada - Striking the Right Balance

"With inflation back to 2%, we are now equally concerned about inflation coming in higher or lower than expected." — Tiff Macklem

Inflation in Canada, as measured by CPI, declined to 1.6% in September. This put the headline inflation rate below the BoC's 2% target. It has been within the control band of 1-3% for all of 2024. While the BoC touts this return to low inflation, consumer sentiment shows that most Canadians have the impression that inflation remains higher, around the 4% level. This could be attributed to the fact that we have been through a price level reset, where goods and services are now, in some cases, substantially higher than we remember them being a few years ago. Inflation however is not measuring that level reset, but the rate of price increases versus the year ago period. The important point here is that the rate of price increases going forward is expected to fluctuate around the 2% target, but the prices themselves are unlikely to return to pre-pandemic levels.

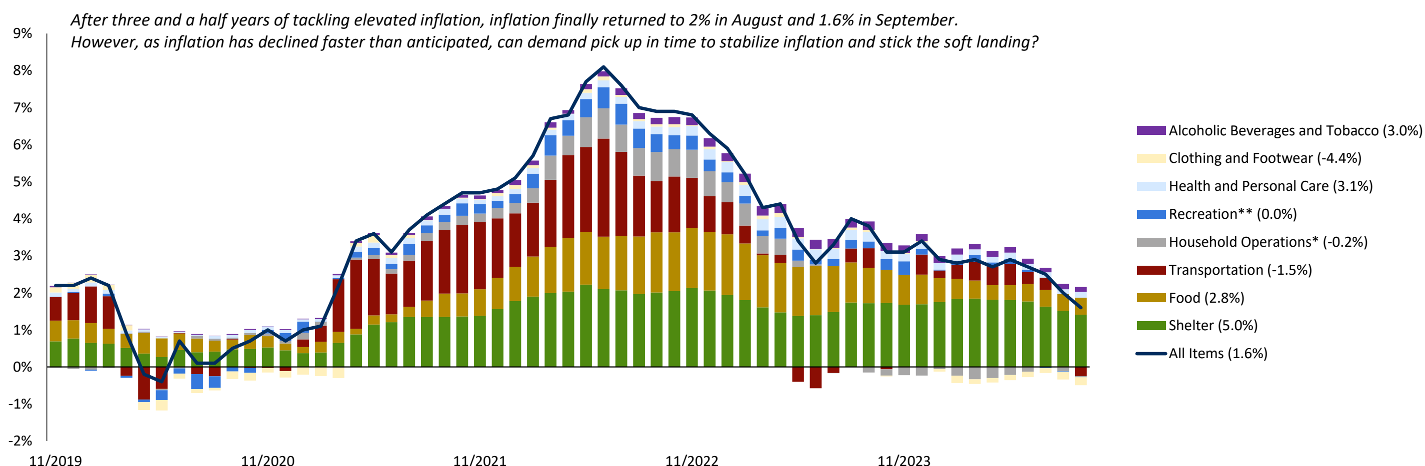
The next challenge is stabilizing inflation, as Tiff Macklem noted in his opening remarks (above) at the October BoC meeting. The BoC is now equally concerned about inflation rising above, or falling below, this range. Ideally, the upward pressure from shelter costs and other services will gradually ease, while the demand boost from lower interest rates will reduce downward pressure on goods and services, striking a balance that keeps inflation around the 2% target.

As we can see in Chart 3, shelter (the green bar) remains the biggest contributor to the upward pressure on headline CPI. Despite declining interest rates, many Canadians will be renewing 5-year mortgages at higher interest rates than they enjoyed in their expiring term (also see Canadian Housing section). This will contribute to shelter inflation through the increased "mortgage interest costs" component. Other key factors in this shelter component are rent costs, which are currently up approximately 8% over last year, versus pre-pandemic growth of 3%. We do however expect this upward pressure to continue to lessen. As we've highlighted in previous reports, rate cuts have positively impacted mortgage interest costs and rents, with home prices expected to remain relatively stable until the end of the rate-cutting cycle. The recently announced reduction in immigration targets may also help further stabilize rents.

Outside of shelter, inflation from many CPI components are below historical averages. It is worth noting that declining energy prices have contributed to the inflation improvements in both Canada and the U.S. Not only do consumers benefit from lower gasoline prices when the price of oil goes down (subject to other factors like refining capacity), but goods prices can benefit as the cost of transportation and manufacturing go down. Some of those year-over-year benefits are now behind us, so we likely will not see much further downward pressure from that factor. But more importantly, categories such as clothing, footwear, and household operations have actually been in deflation for over nine months. While it can be a relief to recover some of those price increases, we are cautious about sustained deflation, as this can be a sign of weakening household spending. Deflation means prices are lower compared to a year ago. If more components fall into deflation, it signals too much slack in the economy and, thus, a loss of economic momentum.

Overall, as the delayed effects of rate hikes continue to impact the economy, seen in soft consumer spending and weak business investment and hiring intentions, we must be cautious about downside risks to inflation, particularly if demand doesn't pick up.

Chart 3 - Major Components' Contributions to Canada CPI (Stacked Bars) and Latest Monthly CPI (Bracket Beside the Legend)



Source: Statistics Canada; Raymond James Ltd.; Data as of September 30, 2024. *Household operations, furnishing and equipment; **Recreation, education and reading.

Canadian Interest Rates - More Cuts Expected

On October 23, the BoC reduced its policy rate by 50 bps, the largest cut since starting the rate easing cycle on June 5, bringing the rate down from 5.00% to now 3.75%. This was fully expected, with inflation essentially back to the 2% target (1.6% in September), and signs that the economy is losing momentum and with unemployment trending up. As the inflation rate has declined relatively quickly, the restrictiveness of monetary policy has actually increased as the policy rate has not yet fallen as quickly (see Chart 4). For this reason, we see another 50 bp cut at the December 11 meeting as being justified, and necessary to more quickly alleviate this pressure on the economy. Into 2025 we expect 25 bp cuts at subsequent meetings until we reach the 2.75% level after the March 12, 2025, announcement (see Chart 5). The goal will be to bring down restrictiveness as quickly as possible, without prompting any spike in inflation, which is still a possibility, although not probable. If we continue to see economic deterioration and/or unemployment rate increases over the next few months, we could envision the BoC dropping the policy rate to as low as 2.25%, which is the lower end of the estimated 'neutral rate' range[1]. The recent announcement from the federal government to cut immigration targets (both permanent and temporary) for 2025 and 2026, could also slow or reduce consumer spending and economic growth. With the pace of population growth slowing or even contracting, we see risks in residential investment and possibly corporate profits, given the potential upward pressure on wage growth. Therefore, the BoC's policy rate may need to be more accommodating, to offset some of these factors.

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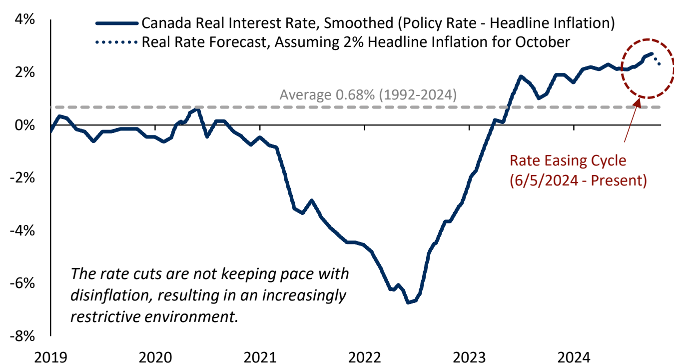
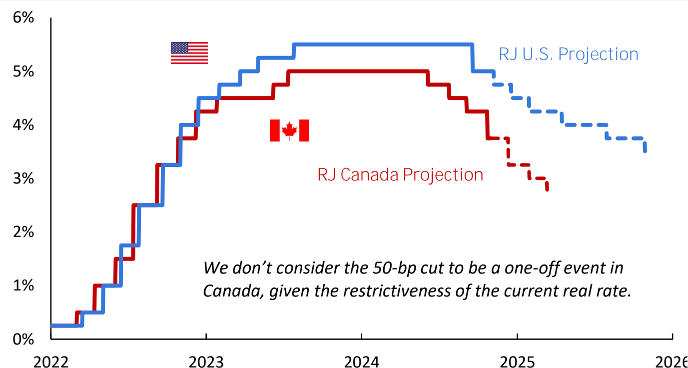
[1]The BoC estimates a range for the neutral rate, or R-star, which is the rate that is expected to allow the Canadian economy to grow in a balanced environment, without overheating and causing inflation. The BoC is currently estimating that level to be in the 2.25-3.25% range, and reexamines this target every April.

Chart 4 - Rate Cuts Are Not Keeping Pace With Disinflation



Source: FactSet; Raymond James Ltd.; Data as of October 31, 2024.

Chart 5 - BoC and Fed Easing Rates at Different Paces



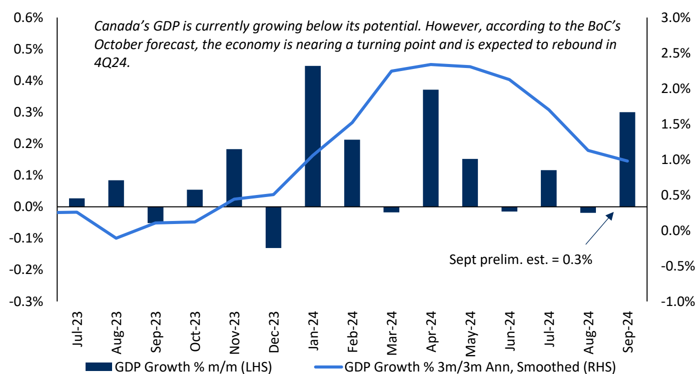
Source: FactSet; Raymond James Ltd.; Data as of October 31, 2024.

Canadian GDP - Needing a Boost (as the Economy is in Excess Supply)

Lower rates from the BoC are currently needed to stimulate weak growth in the Canadian economy (Chart 6). After annualized QoQ growth of 1.8% in 1Q24 and 2.1% in 2Q24, the Canadian economy has been showing signs of slowing. The BoC now anticipates 3Q24 growth to be only 1.5%, revised down from its estimate of 2.8% back in July. This level would be less than the economy's potential, which the BoC is estimating at 2.4% in 2024, slowing to around 1.9% for 2025 and 2026. The BoC is expecting lower interest rates to help stimulate that growth, bringing it up by 2.25% in 2025 and 2026, but this would still be below the anticipated global growth rate of 3.2% through 2024 and 2025, according to the International Monetary Fund (IMF) in its recent October 2024 *World Economic Outlook Update*.

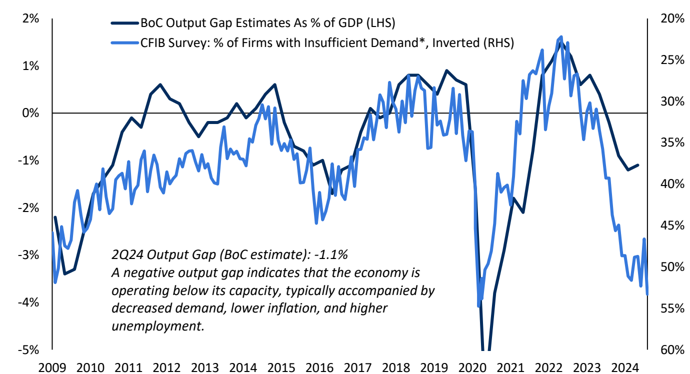
Indicators from the BoC and the Canadian Federation of Independent Businesses (CFIB) (Chart 7), both show slack in the Canadian economy, suggesting downward pressure on both GDP and inflation.

Chart 6 - GDP Weakened in 3Q24



Source: Statistics Canada; Raymond James Ltd.; Data as of August 31, 2024.

Chart 7 - Growing Excess Supply in the Canadian Economy



Source: CFIB, Bank of Canada, Raymond James Ltd.; CFIB survey as of September 30, 2024. *Domestic demand prior to 2024, domestic and foreign demand from January 2024 onward. Output gap estimates as of Q2 2024.

Canadian Population Growth

We have discussed the dramatic population growth in Canada multiple times over the past year. In addition to increased targets for permanent residents (500k per year), the government also lost control of temporary residents coming into the country, mostly through a student visa program. Combined, this resulted in the Canadian population growing by an estimated 3.3% in 2024, up from 3.1% growth in 2023. This works out to approximately 1.2 million extra people being added to the country. Unfortunately, without corresponding increases in job creation, housing availability, or other infrastructure and services like health care, we saw significant strains. While more consumers and labour resources help to ease some staffing shortages, and ended up keeping GDP growth mostly positive, adjusting for the population growth, GDP per capita, a proxy for standard of living, has been on the decline.

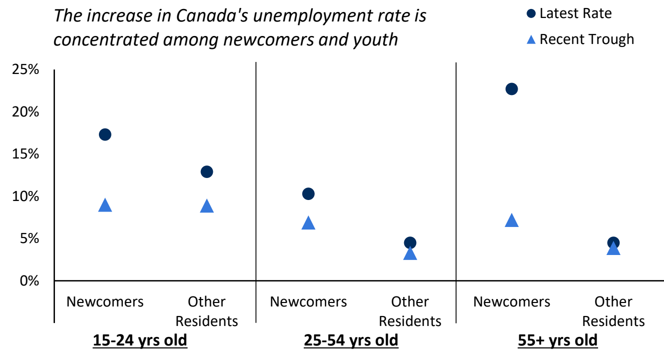
Most recently, facing a lot of scrutiny, the federal government has dramatically shifted gears, announcing that the target for new permanent residents in 2025 will be 395k, and then fall to 380k in 2026 and 365k in 2027. Many (40%) of those new permanent resident spots are expected to be filled by temporary residents already in the country. On the temporary resident side, the goal is to reduce that group to 5% of the population, from 7.3% (~3 millon) currently. That means reducing the non-resident population by almost 446k in 2025 and over 445k in 2026. The target for francophones being admitted to Canada into provinces other than Quebec is also increasing to 10% by 2027 from 6% currently. These measures would essentially bring overall population growth from over 3% per year to essentially zero over the next two years.

Canadian Labour Markets

Despite a slight decrease in September, the unemployment rate in Canada has been rising and most recently was 6.5%. The good news is that despite a weakening economy, we have not seen an abundance of layoffs. The unemployment rate among the core of the labour force, being 25-54 year olds, is only slightly above the pre-COVID average, at 5.5%. The bad news is that the unemployment for youths, aged 15-24 years is 13.5%, more significantly above the pre-COVID level of ~11%, suggesting that employers have slowed down their staffing of new workforce entrants (Chart 8). With dramatic rises in the Canadian population, we also have increases to the labour force (the number of people that are employed or actively looking for work), which increased 3.6% over the past year, significantly outpacing the creation of new jobs at 1.5% (Chart 9). Consequently, we have observed higher unemployment rates among newcomers across all age groups (Chart 8). However, government intentions to reduce the number of new permanent and temporary residents in Canada should also put downward pressure on the unemployment rate later in 2025.

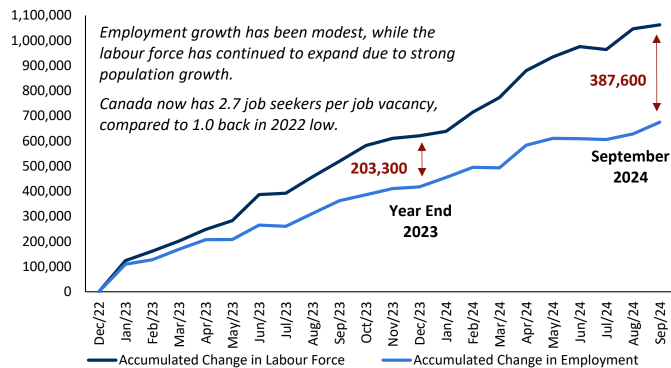
Wage growth is currently around 4% although expectations have been coming down since the spike in mid-2022 and are now 2-9-3.5% over the next 12 months depending on the business survey. With immigration changes, and potentially tighter labour market, we could see high wage demands towards the end of 2025 and into 2026.

Chart 8 - Unemployment Rates, 3-Month Moving Average, NSA



Source: Statistics Canada and Bank of Canada calculations; Newcomers are who have arrived within the last five years. Recent trough is the lowest recorded rate between 01/2022 to 09/2024.

Chart 9 - Growth of the Labour Force Outpaces Job Additions



Source: Statistics Canada; Raymond James Ltd.; Data as of September 30, 2024.

Canadian Housing

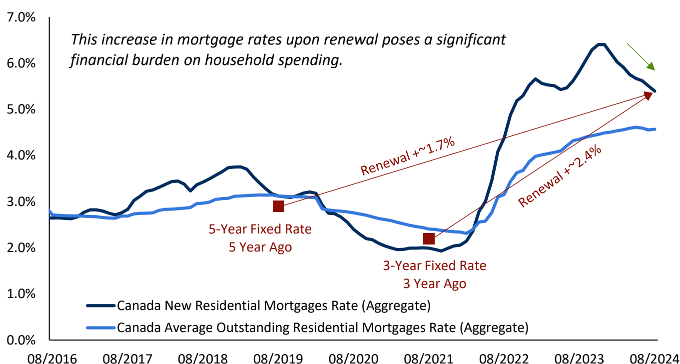
Canada is going through a housing crisis, with affordability making homeownership out of reach of many, and record high immigration rates making availability an issue in many cities. With population growth of 1.2 million people per year and an average of three people per family/housing unit, we calculate the need for 400k housing units per year (over the last two years), with the problem compounding each year. This situation has been aggravated by high interest rates, as condo developers raise funds from prospective buyers that have been less incentivized to borrow money for this purpose. With some of these units built for the purpose of renting out, this has significantly impacted availability of rental units in Toronto and Vancouver. Larger investors that finance multi-story purpose-built rental buildings have needed to consider this extra cost when financing long development cycles and have adjusted their enthusiasm for these projects. The Canada Mortgage and House Committee (CMHC) summarized that higher interest rates decreased housing starts by about 30k units (10-15%) in Canada in 2023, from an average of 250k per year, at a time when population growth has been dramatic.

As interest rates have been dropping, mortgage rates have also come down. However, both fixed and variable mortgage rates are still much higher than pre-pandemic levels (Chart 10). We expect homeowners with three- to five-year fixed-rate mortgages to face a disposable income shock when they renew, with average rate increases between 170 and 240 bps. This increased financial burden might push financially stretched homeowners to sell their properties to downsize, contributing to a rise in new listings.

Currently, new listings are increasing faster than new buyers entering the market (Chart 11). In September, the number of Canadian home sales rose by 1.9% from August, while new listings went up by 4.9%. Given the relatively low sales-to-new-listing ratio, it's not surprising that apartment prices fell by 0.3% nationally in September, and single-family home prices only increased by 0.2%.

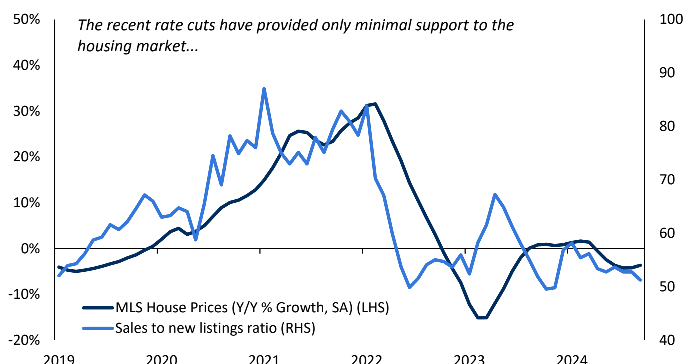
We usually see more buyers coming out as rates near their expected bottom, which then pushes up valuations (Chart 12). Right now, we are in the early to middle phase of the rate easing cycle, with many people still expecting more rate cuts. As a result, housing prices are staying relatively flat and are likely to remain stable through the end of the year.

Chart 10 - More Households Facing Higher Mortgage Rates



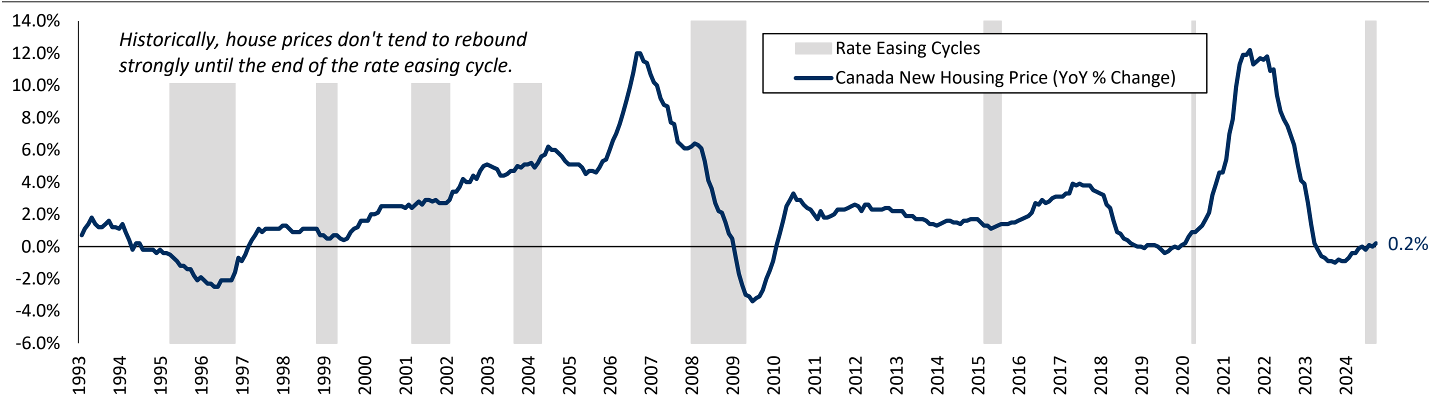
Source: Statistics Canada; Raymond James Ltd; Data as of August 31, 2024.

Chart 11 - New Listings Outpaced Sales Again in September



Source: CREA; Raymond James Ltd.; Data as of September 30, 2024.

Chart 12 - Canada New Housing Price (YoY % Change)



Source: Statistics Canada; Raymond James Ltd.; Data as of September 30, 2024.

U.S. Strength Continues

Our southern neighbour continues to show much more resilience, with economic growth estimated at 2.75% in 2H24, as Americans continue to build wealth, are also benefiting from a (more gradual) decline in interest rates, and both consumer and business spending remain solid. Multiple federal government programs have been rolling out to support business growth and the reindustrialization of the U.S. after the shock of supply chain disruptions through the pandemic, and heightened concerns about critical materials and advanced technologies.

The outlook however continues to be for the economic growth to slow, but to still remain in the 2.25% range through 2025 and 2026. This would be slightly below potential output, and keep inflation on its downward trajectory, and firmly close to the 2% level. Cracks are starting to show in the consumer space, mostly in the lower-income group, with increased auto and consumer loan delinquencies. We are also seeing weakening in sales of larger ticket items such as furniture, appliances, electronics, and automobiles. Latest labour statistics showed solid employment gains, and the unemployment rate remains low, but signs are showing a slowdown ahead. Continuing (unemployment) claims rose to the highest level since October 2021, indicating that people are taking longer to find jobs, and in the CEO Confidence Index, 26% of respondents expect to reduce headcount in the next 12 months, the highest level since 4Q20.

The single largest risk to the U.S. economy would likely be a significant escalation of hostilities in the Middle East, resulting in a dramatic spike in oil prices. Our other concerns would be major and sustained labour unrest in a sector such as the port strike that was quickly addressed, that has the potential to disrupt supply chains.

U.S. Election

With the election results mostly confirmed, we will now watch how policies compare to promises, which will likely take months. The immediate light at the end of the tunnel is that once election outcomes are settled, we can generally expect market volatility to decrease and for both the U.S. and Canadian stock markets to perform better than their long-term averages over the following 12 months. There obviously remain many questions regarding trade, which could impact various sectors and companies differently, but regardless of which political party wins each of the White House, Congress, and Senate races, markets, in general, do well post-election.

Financial Markets Discussion

Canadian Stocks Showing Strength

In 3Q24, the main Canadian stock market index, the TSX Composite, achieved a 9.7% price return and a 10.5% total return in local currency (Chart 13 and Table 1). This performance outpaced the U.S. large-cap, cap-weighted benchmark S&P 500, which posted a 5.5% price return and a 5.9% total return in local currency. The S&P/TSX Composite's outperformance has been driven by the Financials sector, which constitutes about one-third of the TSX's weighting (Table 1).

So far this quarter (in October), the best sectors of the S&P/TSX Composite have been Energy, up 4.8%, Materials, up 3.7%, and Financials, up 0.8%. On the other side, the noticeable laggards are Real Estate, down 5.7%, Communication Services, down 4.3% and Consumer Staples, down 2.8%.

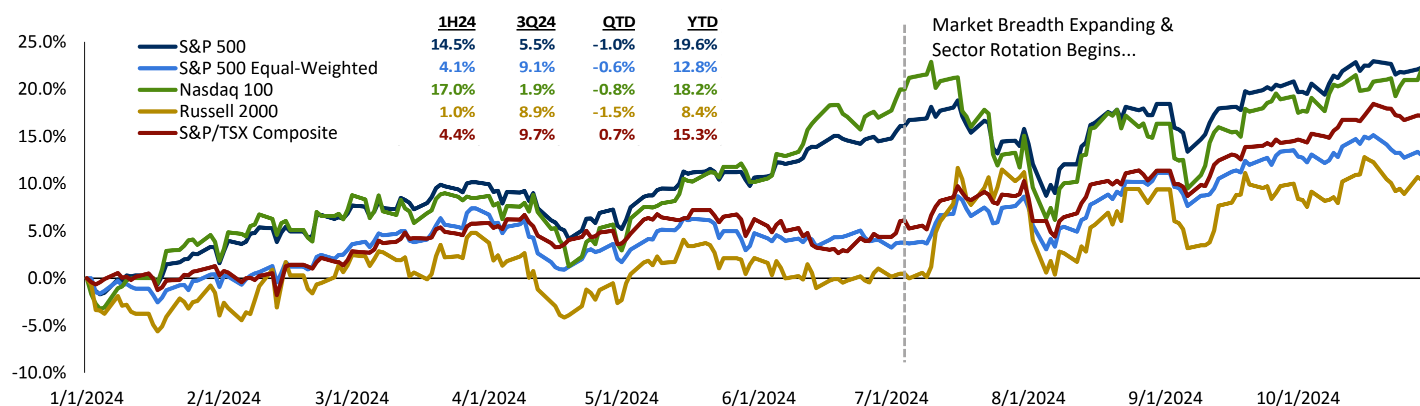
Top 3 Sectors (October):

- **Energy:** Despite geopolitical tensions causing oil prices to spike and then flatten out by the end of the month, the sector showed strong performance in October. The sector has benefited from its P/E multiple climbing back to its median level and renewed optimism about the resilience of the U.S. economy.
- **Materials:** In Canada, this sector is heavily weighted to gold, which increased in price by around 4% in October.
- **Financials:** This sector has continued to react favourably to BoC's ongoing easing. We continue to watch how lower provisions for credit losses can offset the downward pressure on net interest income as the rate easing cycle progresses.

Bottom 3 Sectors (October):

- **Real Estate:** After a 23% gain in the third quarter of 2024, the sector gave back a few percentage points in October.
- **Communication Services:** This sector gave back some of its rebound from the third quarter of 2024. Intensified competition remains a concern.
- **Consumer Staples:** This sector has been struggling since August. With inflation stabilizing, it's becoming harder for companies to justify price hikes for everyday goods. Consumer spending is now driven more by discounts and promotions, which could hurt companies' pricing power and profits.

Chart 13 - Selected Indices Price Returns



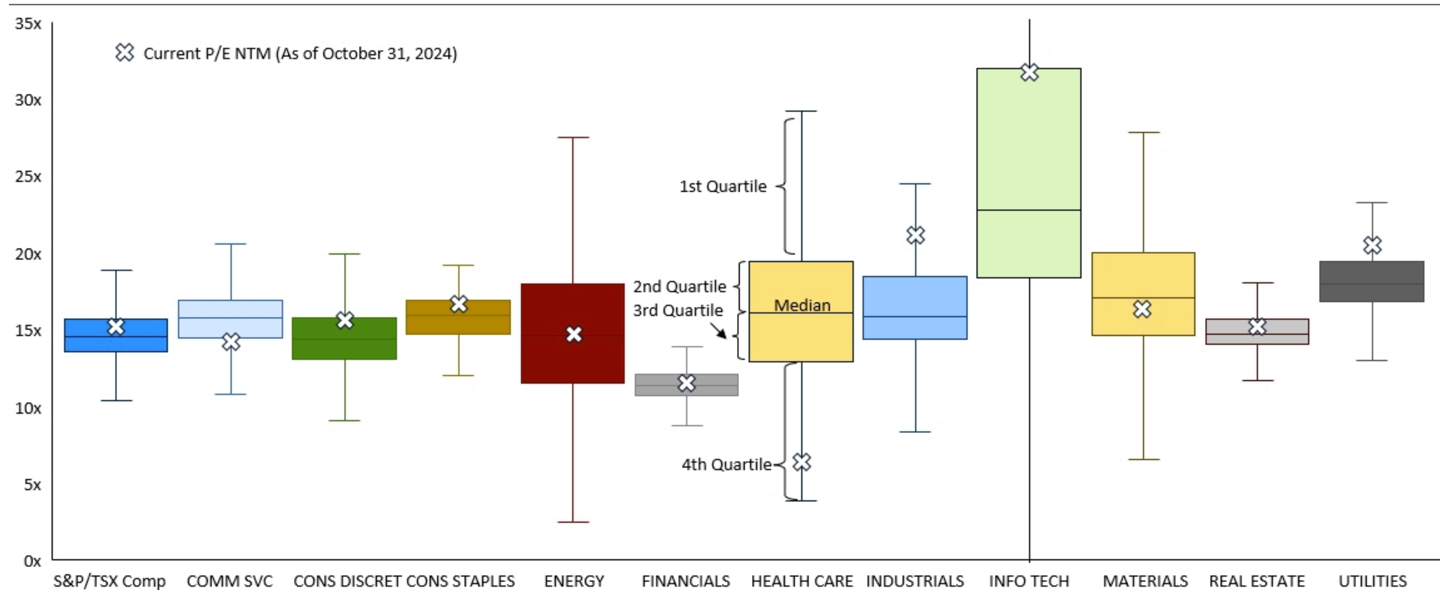
Source: FactSet, Raymond James Ltd; Data as of October 31, 2024. Price return in local currency.

Table 1 - S&P/TSX Composite Sector Performance and Valuations (Ranked by Quarter-to-Date Total Return)

Sector Name	Sector Weight	2024 YTD Total Return	3Q24 Total Return	QTD Total Return	Current P/E NTM	Historical P/E NTM
Energy	17.4%	21.9%	2.0%	4.8%	14.6	14.6
Health Care	0.3%	17.7%	16.5%	4.8%	6.3	16.1
Materials	12.8%	32.2%	12.2%	3.7%	16.3	17.1
S&P/TSX Composite	--	18.2%	10.5%	0.9%	15.0	14.5
Financials	32.1%	23.0%	17.0%	0.8%	11.6	11.4
Consumer Discretionary	3.4%	11.2%	7.8%	0.2%	15.5	14.3
Information Technology	8.4%	12.3%	14.1%	-0.6%	31.5	22.7
Industrials	12.7%	8.5%	2.7%	-1.5%	21.4	15.8
Utilities	3.9%	13.5%	16.6%	-1.8%	20.5	18.0
Consumer Staples	4.0%	11.6%	6.0%	-2.8%	16.7	15.9
Communication Services	2.9%	-6.6%	10.5%	-4.3%	14.3	15.7
Real Estate	2.1%	11.2%	23.0%	-5.7%	15.2	14.7

Source: FactSet; Raymond James Ltd.; Data as of October 31, 2024. The S&P/TSX Healthcare sector has been excluded from the performance commentary due to its minimal representation in the S&P/TSX Composite Index.

Chart 14 - S&P/TSX Composite Sector Current vs. Historical P/E NTM



Source: FactSet; Raymond James Ltd.; Data as of October 31, 2024. Historical P/E: 1/1/2000 – 10/31/2024. Excluding outliners.

U.S Equities

The main U.S. index that we follow, the S&P 500, is on track to post a second consecutive year of 20%+ gains. This milestone was last attained in 1998, during a soft landing and a technology revolution - sound familiar? While the U.S. economy remains strong, despite showing some signs of growth slowing, the stock market has remained enthusiastic. Investor sentiment (The Conference Board Consumer Confidence) remains bullish, with over 51% of investors expecting stock prices to go up over the next 12 months, up from 39% at the start of the year. This is the highest optimism level since this tracking started in 1987. Investors' allocations to equities is also approximately 70%, near the highest level in 20 years. This is reason to be cautious in the near-term, yet a solid economic backdrop likely supports continuing (if more modest) gains in the next 12 months. With the uncertainty of the election (hopefully) behind us shortly, we expect that the market will at least be more prepared for potential tariffs, tax cuts, and increasing national debt. Having a better idea of what to expect typically helps the market, versus uncertain paths before an election.

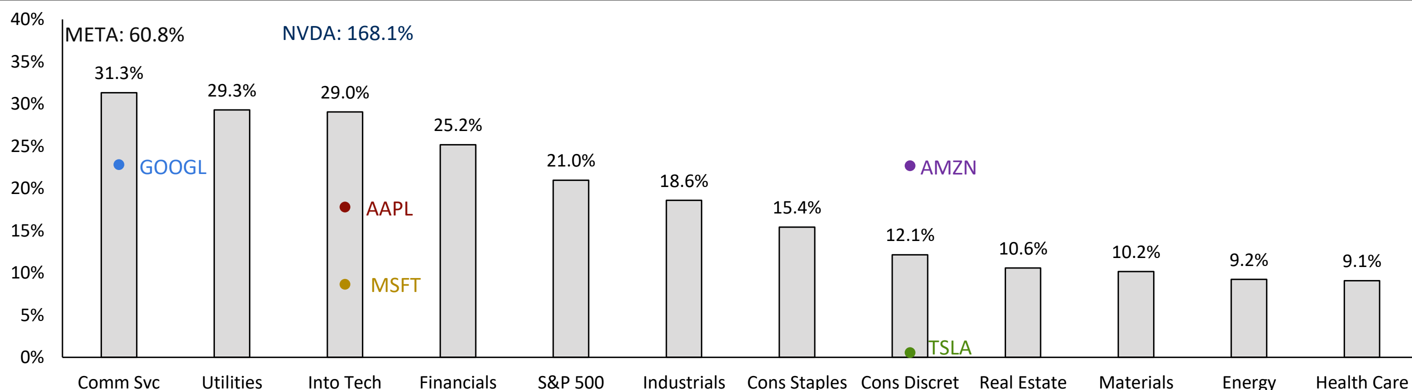
Overall, corporate profits remain strong, as profit margins have remained high, possibly benefiting from productivity boosts outpacing wage growth. Expectations for earnings growth into next year have been softening somewhat, with the S&P 500 currently forecasted to produce US $274 in 2025, implying around 13% improvement from 2024. As this earnings season unfolds, analysts will be listening for more clarity and guidance on next year's numbers. Artificial Intelligence (A.I.) remains a key factor, as we watch for a continuation, slowdown, or acceleration in the infrastructure and hardware build out, and transition to the hyperscalers and companies developing and implement solutions to help other companies increase productivity as a result.

Rotation and Market Breadth

Much has been discussed about the Magnificent Seven (M7) stocks in the U.S., and their outsized impact on the main S&P 500 index, and the technology-driven Nasdaq 100, over the last couple of years. Over the last few months, we have started to see more breadth come into markets, as a broader selection of companies have posted better earnings and subsequently received better investor recognition, as evidenced by growing price-to-earnings (P/E) multiples. Over the past year, M7 as a group has maintained a forward P/E multiple in the 30-35x range, while the other 493 companies in the index have collectively moved up from a 17x P/E to roughly 21x. This is also due to greater confidence in broad strength in the U.S. economy, with now declining interest rates, which help small and mid-sized companies more than the mega-cap companies that are generally flush with cash. Approaching the end of October, we saw investors move back into the mega-caps once again, likely after the solid 3Q24 results and positive guidance into 4Q24 and 2025, specifically with continuing enthusiasm about A.I.

In Chart 15 we show the breadth of YTD returns across the sectors of the S&P 500, while also highlighting the individual YTD return from each of the M7 members.

Chart 15 - S&P 500 Sector and "Magnificant Seven" Year-to-Date Total Returns

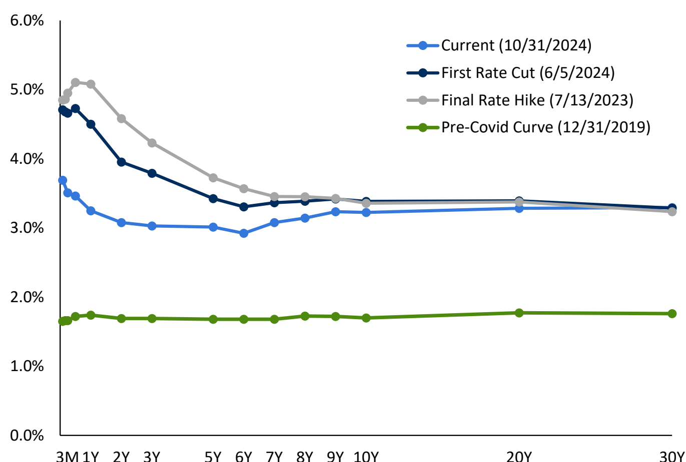


Source: FactSet; Raymond James Ltd.; Data as of October 31, 2024.

Fixed Income & Treasury Yields

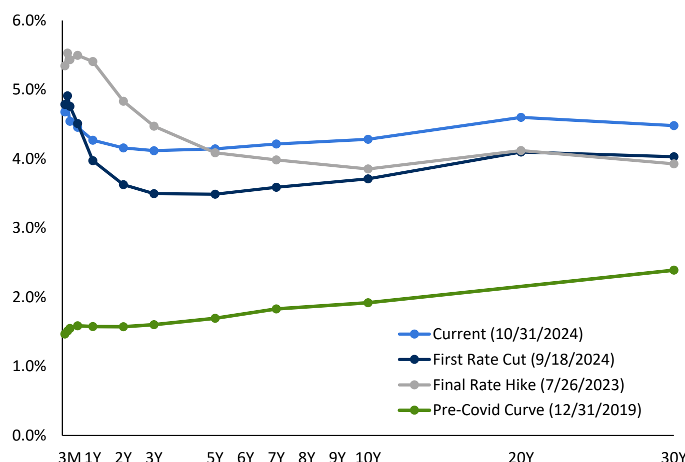
As central banks in both Canada and the U.S. have gone into easing mode, we have seen government treasury yields declining at the short-end of the yield curve. While the yields in Canada out beyond 10 years have been relatively stable, the longer-term treasuries in the U.S. have actually increased. This helps to steepen the yield curve, but might seem counter-intuitive in a rate easing environment. The difference, in part, sits in the economic outlook. In Canada, we see the economy weakening, but not crashing, with a quickly declining policy rate anticipated to provide stimulus, although economic growth is expected to remain weaker (than potential) for perhaps several years. The certainty of future rate cuts may have also contributed to the S&P/TSX Composite outperforming the S&P 500 in October. Markets tend to look ahead of the economy, and so the anticipated rate cuts have boosted investor enthusiasm for the recovery phase. The U.S., in stark contrast, continues to steam ahead, almost in defiance of higher policy rates, and now with discussions about a "no landing" scenario back on the table, where the economy doesn't slow and rates and inflation remain elevated, the question is whether the Fed even needs to cut rates to stimulate growth. Inflation in the U.S. has been stickier than in Canada, but has been trending down, although concerns about inflation reigniting are growing. With the outcome of the U.S. election still uncertain, and inflationary policies such as tariffs, tax cuts, a ballooning deficit, and immigration curbs, very much a possibility, markets remain cautious.

Chart 16 - Canada Government Yield Curves



Source: Factset, Raymond James Ltd.; Data as of October 31, 2024.

Chart 17 - U.S. Treasury Yield Curves



Source: Factset, Raymond James Ltd.; Data as of October 31, 2024.

International Equities

China has been a huge area of interest lately, as the announcement of massive stimulus prompted the Hang Seng and CSI 300 indices to jump at the end of September. However, as concerns surfaced that actions may not live up to intentions and expectations, a lot of those gains pulled back over the ensuing weeks. The path forward will likely be volatile as China tries to support an economy that continues to slow as it shifts from investment and exports to relying more on domestic consumption. Problems with its property sector and trade tension with the U.S. makes investing in China a relatively risky proposition currently.

Following a strong third quarter, India, another emerging market, was down 3.6% in October but still trading at a high premium. Most other international markets posted flat or negative returns during October, with France being the biggest laggard.

Table 2 - Global Equities Performance

Select Global Equity Indices	1Mo (in LCL)	1Mo (in USD)	1Mo (in CAD)	3Q24 (in LCL)	3Q24 (in USD)	3Q24 (in CAD)	YTD (in LCL)	YTD (in USD)	YTD (in CAD)	Current PE NTM	Historical PE Median	Premium (RED) / Discount (GREEN)
Major Aggregates												
World (Global)*	-2.0	-2.0	1.1	6.4	6.4	5.0	16.6	16.6	23.3	19.1	15.8	3.2
EAFE (DM ex U.S. & Canada)*	-5.5	-5.5	-2.5	7.2	7.2	5.8	6.7	6.7	12.8	14.0	13.5	0.5
EM (Emerging Markets)*	-3.6	-3.6	-0.5	7.5	7.5	6.2	10.8	10.8	17.1	12.3	11.7	0.5
Selected Developed Markets												
Nikkei 225 (Japan)	3.1	-3.2	-0.1	-3.5	8.5	7.1	18.7	9.9	16.1	21.0	18.9	2.2
Euro STOXX 50 (Europe)	-3.3	-6.1	-3.1	2.5	6.4	5.0	10.1	4.9	10.9	14.0	13.2	0.8
FTSE 100 (U.K.)	-1.4	-5.6	-2.6	1.8	7.1	5.7	8.3	5.8	11.8	11.4	12.4	-1.0
CAC 40 (France)	-3.7	-6.3	-3.3	2.3	6.5	5.2	0.3	-1.4	4.2	14.1	13.4	0.6
DAX (Germany)	-1.3	-4.0	-0.9	6.0	10.4	9.0	13.9	11.9	18.3	12.9	12.6	0.3
Hang Seng (Hong Kong)	-3.8	-3.9	-0.9	21.7	22.3	20.7	24.3	24.8	32.0	9.3	12.4	-3.2
Selected Emerging Markets												
CSI 300 (China)	-3.0	-4.4	-1.3	17.9	22.1	20.5	16.7	16.3	22.9	14.2	13.6	0.5
Nifty 50 (India)	-6.1	-6.5	-3.6	7.8	7.3	6.0	12.7	11.6	17.6	24.5	18.5	6.0

Source: FactSet; Raymond James Ltd; Total returns, data as of October 31, 2024. LCL: listed in local currency. Historical P/E Median: 1/1/2000 – 10/31/2024. *Indices are represented by their corresponding iShares ETFs, serving as proxies.

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