



Market Data

Interest Rates	Current	Month Ago	Year Ago
Bank Rates (As Of 10/31)			
WSJ Prime	8.50%	8.50%	7.00%
1 Month Term SOFR	5.32%	5.32%	3.80%
Fed Funds Rate	5.33%	5.33%	3.08%
30 Year Mortgage Fixed	7.79%	7.31%	7.08%
Treasury Rates (As Of 10/31)			
10 Year	4.79%	4.56%	4.01%
7 Year	4.78%	4.62%	4.10%
5 Year	4.71%	4.62%	4.18%
3 Year	4.79%	4.81%	4.37%
1 Year	5.39%	5.47%	4.56%
1 Month	5.40%	5.40%	3.66%
1-Month SOFR Term SOFR Swap Rates (As Of 11/7)			
10 Year	4.13%	4.26%	3.79%
7 Year	4.13%	4.25%	3.86%
5 Year	4.18%	4.29%	4.01%
3 Year	4.38%	4.48%	4.36%
Inflation Data			
	Current	Month Ago	Year Ago
CPI Headline YoY	3.7%	3.7%	8.2%
CPI Core YoY	4.1%	4.4%	6.6%
PPI Headline YoY	2.5%	2.1%	11.6%
PPI Core YoY	3.4%	3.6%	8.4%
Economic Data			
	Current	Month Ago	Year Ago
PMI Manufacturing	50.0	49.8	47.7
PMI Services	50.6	50.1	47.8
Case/Shiller U.S. Home Price Index	311.5	310.2	303.7
Housing Permits	1,471k	1,541k	1,588k
Housing Starts	1.358k	1.269k	1.463k

Predictions from the 2023 Economic Forum

In an exclusive November 2024 Newsletter feature following the 14th Annual Economic Forum hosted by Sunwest Bank, Eric Hovde, President & CEO, shared a series of significant forecasts for 2024. If you were not able to attend the Forum, you can access the presentation video [here](#).

Predictions for the Economy in 2024

U.S. Economy: The consumer will run out of gas, and the U.S. will enter a recession that could turn into a hard landing; however, GDP will be lumpy with one potential positive quarter in 2024.

Unemployment Rate: Corporations will start to downsize in early 2024, and the unemployment rate will slowly lift through the year but remain slightly below 5%

Interest Rates: The Fed at most will have one more 25-basis point increase and will be forced to cut rates at some point in mid- to late-2024, but do not expect rate cuts of more than 75-basis points in 2024 unless a global crisis ensues.

Fed Balance Sheet: The Fed will continue with Quantitative Tightening through the remainder of 2023 and will be forced to stop again in the first half of 2024.

Predictions for Asset Values in 2024

U.S. Equities: The equity market will have a selloff of 15% in the next 6 months as investors realize that the country will be entering a recession. Once the Fed indicates that it will pivot, the equity markets will have a moderate rally.

Fixed Income: The bond markets, after having 3 consecutive down years, will reverse course and have a positive year in 2024.

Residential Real Estate: Housing values will continue to decline by up to 10% but will again remain more resilient

Retail Sales	\$613b	\$609b	\$595b
Unemployment Rate	3.9%	3.8%	3.7%
Non-Farm Payrolls	+150k	+297k	+324k
Equity Markets	Current	Month Ago	Year Ago
Indices (As Of 10/31)			
DJIA	\$33,053	1.36%	0.98%
S&P 500	\$4,194	2.20%	8.31%
NASDAQ	\$12,851	2.78%	16.96%

Sports Fact of the Month:
The 1959 World Series between the Chicago White Sox and Los Angeles Dodgers featured the three highest attended games in World Series history.

because of limited supply.

Commercial Real Estate: CRE values will continue to decline through 2024 as foreclosures and distress sales become a significant part of transaction volumes. Multi-family will be lower than anticipated given its outperformance over the past decade.

Political and Global Predictions for 2024

Presidential: Joe Biden will not be President after the next election. It is my only strong conviction.

Senate: Republicans will re-take the Senate with West Virginia, Montana, and Ohio flipping back into Republican hands, garnering them a one seat majority. The Republicans have a decent chance of winning up to three additional seats.

House of Representatives: There will be losses and gains by incumbents of both parties, but the Republicans will retain a modest majority.

Global: There is over a 50% chance that China blockades Taiwan.

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Sunwest Bank was founded in 1969 in Tustin, CA,
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