The week in review
- Housing starts jumped 14.8% m/m
- 3Q real GDP growth was revised down to 4.9% saar
- Headline PCE fell 0.1% m/m and rose 2.6% y/y
- Core PCE rose 0.1% m/m and 3.2% y/y

Reflective of broader inflation dynamics, service-related Prices of gifts from the song “The Twelve Days of Christmas” rose by 2.7% from 2022 levels, the cost of a partridge in a pear tree held steady at 2022 levels, the cost of a turtle dove rose by a whopping 25%, making it the most volatile gift this year. As the winter passes, steadily cooling inflation will likely be the gift that keeps on giving in 2024. Indeed, falling inflation will allow the Fed to ease policy next year, keeping the possibility of a soft landing higher than it was a few months ago.

The week ahead
- Pending home sales

Thought of the week
Christmas appears to have come early this year, as investors were given much to celebrate this holiday season. Most notably, at the most recent FOMC meeting, Fed Chairman Jerome Powell and his fellow Federal Reserve colleagues “gifted” investors with a “turtle” dovish pivot, sparking a rally in both stocks and bonds. Additionally, with inflation steadily trending back to target, Christmas shopping will allow the Fed to ease policy next year, keeping the possibility of a soft landing higher than it was a few months ago.

Please see important disclosures on next page.