

Market Up Sharply After Trump Win

DECEMBER 2024



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Post-election, US equity markets rose sharply as investors seem very enthusiastic about incoming President Trump's victory. Capping the best month of the year, the market is up a bit over five percent since the election and over 25 percent for 2024. The post-election market rally has driven up the price of everything from shares of technology and

manufacturing giants to cryptocurrencies. Despite the gains and already rich valuations, many investors are betting the market has more room to run beyond the end of November's record close at over 6000 for the S&P 500.

Investors have stampeded into funds tracking U.S.

Washington to enable US businesses to excel. The share of investors surveyed by the American Association of Individual Investors who said they were bullish jumped to 49.8% post-election, while the share of those reporting a neutral sentiment dropped to the lowest level since 2022.

A widely publicized priority for Trump before the election was his planned ousting of SEC Chair Gary Gensler, who has subsequently resigned effective the last day of Biden's presidency. Gensler's high-profile campaigns to dramatically increase regulation on various areas of Wall Street infuriated executives, and many of his efforts encountered legal challenges or simply failed because they were deemed unlawful.

Gensler's departure is not only lauded by the finance sector, but also being widely hailed by various leaders in other industries as indicative of changes coming for them. Executives across most industries are looking

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stocks and added or picked up trades that will benefit if the rally continues. U.S. equity exchange-traded and mutual funds drew nearly \$56 billion in the week following the election ending Wednesday (11/13), the second-largest weekly haul in records going back to 2008, according to EPFR data.

Investors are eagerly anticipating a wave of regulatory appointments from Trump who said repeatedly that he plans to reduce the regulatory mess coming out of

forward to a friendlier and easier operating environment, with banks as one of the notable industries particularly buoyed by the coming change in administration.

The U.S. Dollar has also enjoyed a strong boost from Trump's win and was on its longest weekly winning streak on record with both the Euro and the pound losing against the dollar post-election.

Still, there remains a notable potential glitch – Trump’s announced tariffs. While Wall Street isn’t thrilled about the return of Trump’s tariff threats, for now, investors are hardly panicking either. The market is essentially waiting to see how much of Trump’s bluster is just posturing versus the eventual actions.

Various factors suggest continued market strength. Still, with a change in administration, particularly given the unpredictability of incoming President Trump, anything can happen especially given the tremendous number of highly unstable international situations facing Trump on day one of his second term. From an investment perspective, there are many reasons to be optimistic about Trump’s second term, but stocks still trade at historically high levels possibly limiting their upside. The change will certainly be interesting.

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