



What happened in November?

Aside from the pre-election decline, U.S. equities advanced throughout the month of November. Small and mid-cap stocks in particular jumped forward on the eve of and then again after Donald Trump won the presidential election.

The S&P 500 Index gained on almost 70% of the trading sessions since Nov. 9th, and ended the month +3.7%, and YTD +9.9%. (You can read our post-election market commentary by clicking [here](#).) International equities did not fare as well in November with the ACWI ex-U.S. moving -2.3% and now sits +1.9% YTD.

Moving into December

Macroeconomic and technical indicators, which remained bullish throughout November, have now been complemented by increasing sentiment surveys. Although the monthly gain in equities pushed valuations to short-term highs amid increasing interest rates in fixed income, as a whole, market indicators point towards a U.S. and international market likely to move positive in the short-term with some elevated risks. We enter December with an 85% U.S. investment level.

In our international strategies, we maintained a bullish posture throughout the month and remain 99% invested.

NorthCoast Navigator: A snapshot of NorthCoast market outlook



Negative Indicators

Valuation

U.S. stock valuations rose to their highest level in years providing some caution when entering new positions. At the same time interest rates are signaling a potential bottom.

Positive Indicators

Macroeconomic

U.S. income and household spending advanced in October for the 2nd straight month. GDP growth increased to a 3.2% annual pace, the highest in two years. Corporate profits increased for the 3rd straight month.

Sentiment

Investors flocked to equity funds (SPY) in November, increasing flows at +3.6%. Short interest also declined with the UM Consumer Sentiment survey at its highest level since May 2016.

Technical

Relative strength increased as the S&P 500 Index ends the month 2% above the 50-day moving average and 5% above the 200-day. After an early spike, Volatility (VIX) retreated to near-year lows.



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The NorthCoast Navigator is a market "barometer" displaying NorthCoast's current equity outlook. This aggregate metric is determined by multiple data points across four broad market-moving dimensions: Technical, Sentiment, Macroeconomic, and Valuation. The daily result determines equity exposure in our tactical strategies.

As of 11/30/2016. Data provided by Bloomberg, NorthCoast Asset Management.

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