

Rail-Splitter Capital Management

Rail-Splitter Insights

a weekly commentary on
investing

Rail-Splitter Capital Management is focused on protecting and growing wealth for our clients. Our services are provided through Delta Investment Management a registered investment advisory firm.

We welcome discussions on how we can help you manage your assets and maximize your wealth.

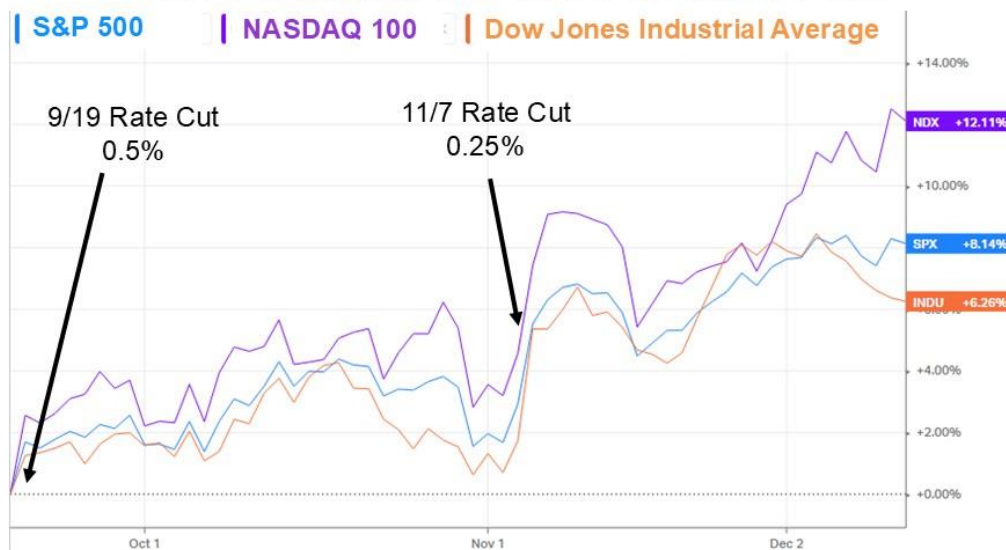
Please contact us at info@rail-splitter.com or 312-724-8722.

One More Time

December 13, 2024

On September 19, 2024, the Federal Reserve lowered the Fed Funds interest rate for the first time in four years by 0.5%. On November 7, 2024, the Fed lowered the rate by 0.25%. On December 18, the expectation is the Fed will lower the rate one more time by 0.25% for a total 2024 rate reduction of 1%.

U.S. Stock Market and Fed Rate Cuts



The Consumer Product Index (CPI – measure of inflation) was up 0.3% month-over-month in November. The year-over-year rate is up 2.7%. This was as expected. Under the surface, the shelter index (rent and owners' equivalent rent), which had been keeping inflation readings high, showed the smallest increase since mid-2021. Investors believe the slowdown in shelter inflation will factor favorably in future CPI reports.

On the CPI report issued this week, the Fed futures market jumped to a 98% probability that the Federal Reserve will cut the Fed Funds rate by 0.25% next week. All else being equal, a lowered interest rate should be supportive of a Santa Claus rally (a seasonal trading pattern in the final five days of the year and the first two days of the new year).

There is currently \$9 trillion of assets in money market funds in the U.S. During 2024, money market funds had \$992 billion of inflows, the best inflow year on record. With volatility low and the stock market rising, it is possible some of the money market money moves into the stock market. Since 1928, the average return of the S&P 500 from December 15 through December 31 is 2.04%.

Rail-Splitter is Ready to Help

- **Rail-Splitter Capital** is a full-service wealth management firm. As an independent registered investment advisory company, we are fiduciary for you and your financial future.
- **Rail-Splitter** uses the highest performing, hedged ETFs to have client accounts participate in bull markets and mitigate loss in bear markets.
- **Rail-Splitter** will work with you to create a bespoke retirement plan designed for your specific circumstances and requirements.
- **Rail-Splitter** offers direct index investing to gain tax loss harvesting advantages. Direct index investing can add to returns if you are an index ETF or mutual fund owner.

Let Us Help You Position Your Portfolio – Give Us a Call Today

We pride ourselves on our unique and sophisticated investment strategies designed to capture the gains of the stock market while minimizing drawdowns during bear markets. If you're seeking expert guidance in your financial planning journey, we're here to assist you.

Whether you're a seasoned investor looking to optimize your portfolio or someone just starting to explore investment opportunities, our team is dedicated to providing tailored solutions to meet your financial goals.

To learn more about how we can help you navigate the complexities of the financial markets and achieve your investment objectives, we invite you to reach out to us. You can give us a call at **(312) 724-8722**, visit our website at www.rail-splitter.com, or simply email us at info@rail-splitter.com.



Delta Stock Market Dashboard

MARKET SENTIMENT IS

BULLISH

THIS WEEK'S NUMBER IS

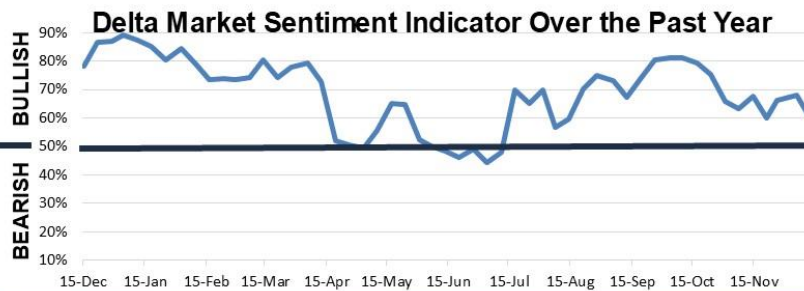
60.2

Our technical indicator decreased from 68.2 to 60.2 this week

INDICATOR STATISTICS

Consecutive Bullish Weeks:	22
Cycle Inception Date:	7/18/2024
Range:	56.9.0 – 81.3
Mean::	69.6
Bullish Weeks YTD:	46
Bearish Weeks YTD:	4
*S&P 500	9.7%
*DJIA	8.5%
*NASDAQ	10.3%

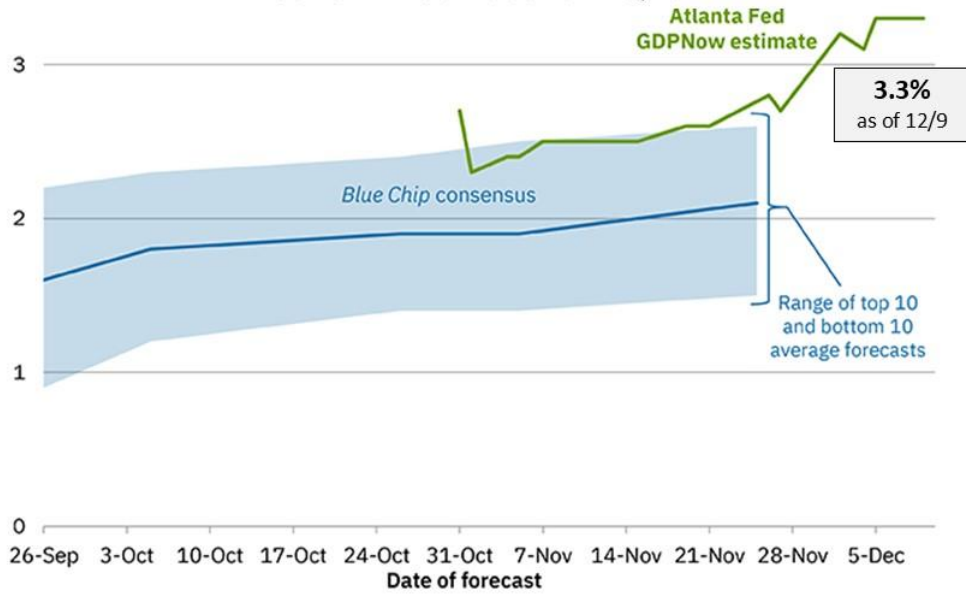
* Percentage change during current cycle



Delta Market Sentiment Indicator (MSI) is published weekly in [Barron's](#)

Atlanta Fed GDPNow Forecast

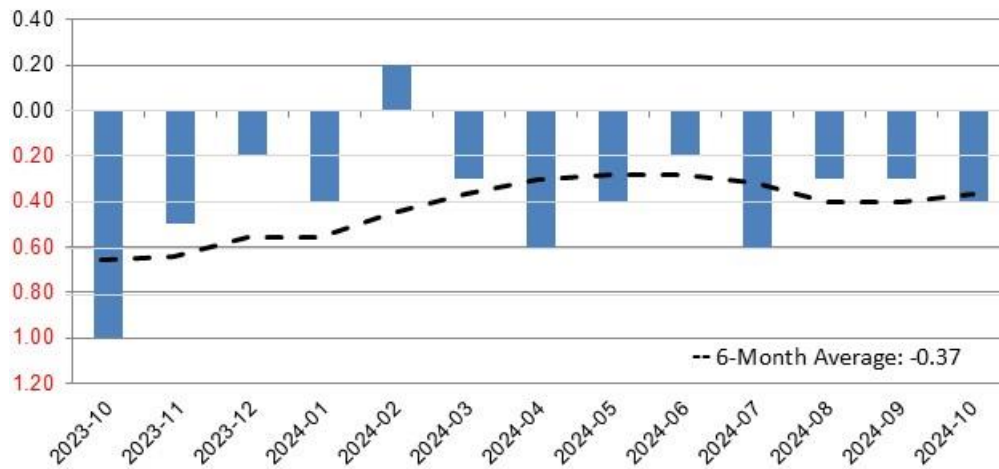
Real GDP Estimate for 4Q2024



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

Leading Economic Index % Change Monthly

Oct 2023 – Oct 2024



Source: The Conference Board – last update 11/21/2024

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