



VICTORY PARTNERS

MIDDLE MARKET INSIGHT

What Business Owners Need To Know

DOW

SURGED 830 POINTS, OR 2.6%, ON FRIDAY TO END AT A TWO-MONTH HIGH AND LOG A WEEKLY GAIN OF MORE THAN 5%

\$255 BILLION

BIG TECH COMPANIES LOST MORE THAN \$255 BILLION IN MARKET CAPITALIZATION IN THE PAST WEEK

MUSK'S \$44 BILLION

TAKEOVER THURSDAY STARTED WITH FIRING THE PLATFORM'S TOP EXECUTIVES

GM PAUSE

GM ANNOUNCED ON FRIDAY IT WOULD BE PAUSING ADVERTISING ON TWITTER WHILE NEW DIRECTION IS BEING FIGURED OUT

\$10.6 BILLION

IN HALLOWEEN SPENDING, MORE THAN \$500 MILLION MORE THAN LAST YEAR

COMPARISON

AMERICAN CHRISTMAS SPENDING 2021 WAS \$886 BILLION & 2005 HALLOWEEN SPENDING WAS ONLY \$3 BILLION

The DOW in October & Big Tech

- According to Art Hogan, chief market strategist at B. Riley Wealth Management, the Dow has gained overall because it is "extremely tech-light, and it's very heavy in energy and industrials, and those have been the winners."
- The Fed and other major central banks' aggressive interest rate hikes have hurt tech and other growth stocks the most this year since their value is predicated on far-off expectations for earnings and cash flow. The opportunity cost of keeping riskier assets like stocks increases due to the corresponding increase in rates on Treasury bonds, which are thought of being risk-free. And the higher the hit, the further out those predicted earnings are.
- The key event of the coming week will be the Fed's policy meeting. When the two-day meeting concludes on Wednesday, investors and analysts generally anticipate policymakers to announce another massive 75 basis point, or 0.75 percentage point, rate rise. However, pressure is rising on Chairman Jerome Powell to suggest that a smaller December may be feasible.

Musk Twitter Take Over

- Elon Musk, the new owner of Twitter and self-described "free speech absolutist." is going to receive a crash course in global content moderation.
- Sites that allow "free expression" but are only lightly controlled, like Parler and Gab, serve as warning signs of what can happen when the guardrails are removed. Conservatives and libertarians who are dissatisfied with what they perceive as restriction of their beliefs on mainstream platforms like Facebook frequently visit these small, niche websites that contain a plethora of extremist content, such as demands for violence and Nazi imagery.
- Another priority for Musk is to fulfill his commitment to remove the "spam bots"—fake profiles—that have bothered him and Twitter ever since he first indicated interest in buying the company. The bot count is important because advertisers, Twitter's main source of income, want to know roughly how many actual people their ads are reaching. It's crucial in the fight to prevent malicious actors from gathering a large number of accounts to spread false information or harass political rivals.

Halloween Spending on The Rise

- "Halloween is an exciting time for many families, and that enthusiasm is reflected in the number of Americans who plan to celebrate the holiday this year," NRF President and CEO Matthew Shay said. "As consumers continue to return to pre-pandemic behaviors, retailers are prepared to meet that demand and help make this holiday a fun and memorable one."
- What are they buying? Halloween outfits, candy, and pumpkins. The majority of those purchases, estimated at \$2.9 billion, are costumes, which is the greatest sum since 2017. Additionally, pet owners spend \$710 million on costumes for their four-legged buddies.
- About 47% of people began their holiday shopping in September, and the majority were adults who were purchasing their own costumes. Costumes for children come in second to items purchased by adults.

Sources: www.marketwatch.com | www.apnews.com | www.forbes.com