

# Wealth Strategies Group, LLC

Inflation numbers came in lower-than-expected last week sending the S&P 500 higher, a 2.24% increase (up 17.57 YTD)<sup>1</sup>. The Producer Price Index (PPI) fell 0.5% in October, the largest drop in the index since 2020<sup>2</sup>. Headline CPI remained unchanged in October at 3.2% year-over-year and holiday retail sales are expected to grow 3-4% over 2022<sup>3</sup>. CME Group's Fed Watch Tool improved to better than 99% odds of no rate hike at the December meeting and stable rates to May of 2024 when odds of a reduction begin to

increase<sup>4</sup>.



Of course, this week is a short trading week due to the Thanksgiving holiday. The markets are closed on Thursday and will close early on Friday at 1pm instead of the usual 4pm. I wish you a happy and safe holiday. And.....GO LIONS!!!!

----Chuck

### ***This Week's Inspiration/Activity:***

***A good listener is usually thinking about something else.  
Kin Hubbard (1868 - 1930)***

***Your activity for this week (especially during family gatherings) is to actively listen and avoid spending the time thinking about what you are going to say so you actually hear each other's views (and have a civil conversation).***

### ***This Week in History:***

***November 19, 2004 -- "Malice at the Palace" -- Metta Sandiford-Artest (then known as Ron Artest) of the Indiana Pacers jumps into the stands to confront a Detroit Pistons fan who throws a drink at him as he rests on the scorers' table<sup>5</sup>.***

<sup>1</sup> see update below

<sup>2</sup> <https://www.cnn.com/2023/11/15/economy/producer-price-index-inflation-october/index.html>

<sup>3</sup> [https://am.jpmorgan.com/content/dam/jpm-am-aem/americas/us/en/insights/market-insights/wmr/weekly\\_market\\_recap.pdf](https://am.jpmorgan.com/content/dam/jpm-am-aem/americas/us/en/insights/market-insights/wmr/weekly_market_recap.pdf)

<sup>4</sup> <https://www.cmegroup.com/markets/interest-rates/cme-fedwatch-tool.html?redirect=/trading/interest-rates/countdown-to-fomc.html>

<sup>5</sup> <https://www.history.com/this-day-in-history/sports-brawls-nba-infamous>

November 20, 2023

## MARKET INSIGHTS



Stocks extended their November rally last week as investors cheered lower-than-forecast inflation data.

The Dow Jones Industrial Average gained 1.94%, while the Standard & Poor's 500 added 2.24%. The Nasdaq Composite index rose 2.37% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, increased 3.36%.<sup>1,2,3</sup>

Market Index	Close	Week	Y-T-D
DJIA	34,947.28	+1.94%	+5.43%
NASDAQ	14,125.48	+2.37%	+34.96%
MSCI-EAFE	2,079.51	+3.36%	+6.97%
S&P 500	4,514.02	+2.24%	+17.57%



	Treasury	Close	Week	Y-T-D
	10-Year Note	4.44%	-0.17%	+0.56%

Sources: The Wall Street Journal, November 17, 2023; Treasury.gov, November 17, 2023

Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 Index, and NASDAQ Composite Index is measured from the close of trading on Friday, November 10, to Friday, November 17 close. Weekly performance for the MSCI-EAFE is measured from Friday, November 10 open to Thursday, November 16 close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

## Stocks March Higher

A better-than-anticipated consumer inflation number on Tuesday sent bond yields sharply lower, igniting a powerful, exceptionally broad-based rally that saw 91% of all New York Stock Exchange volume advancing in price and a similarly substantial advance (85%) on the NASDAQ. Small-cap stock performance was solid, surging 5.2%, more than double the advance of the S&P 500.<sup>4</sup>

Further gains came the following day as wholesale price inflation rose even slower than consumer prices. The rally paused in the final days of trading as stocks digested their gains and investors assessed weak retail sales and industrial production reports and a rise in continuing jobless claims.

## Inflation Cools

Two inflation reports released last week, the Consumer Price Index (CPI) and the Producer Price Index (PPI), showed continued inflation progress. Consumer prices were flat in October from the previous month, while the 12-month increase was 3.2%. Both were below market forecasts. Core CPI (excluding food and energy) also moderated, rising just 0.2% in October and 4.0% from a year ago—below forecast. The climb in the annual core CPI was the lowest in two years.<sup>5</sup>

Producer prices confirmed the disinflationary picture, as wholesale prices declined 0.5% in October (versus a +0.1% forecast). It was the biggest decline in 3 ½ years. Over the last 12 months, wholesale prices rose just 1.3%.<sup>6</sup>

## This Week: Key Economic Data

**Tuesday:** Existing Home Sales. FOMC Minutes.

**Wednesday:** Durable Goods Orders. Jobless Claims. Consumer Sentiment.

**Friday:** Purchasing Managers' Index Composite Flash.

Source: Econoday, November 17, 2023

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

## This Week: Companies Reporting Earnings

**Monday:** Agilent Technologies, Inc. (A)

**Tuesday:** Nvidia Corporation (NVDA), Lowe's Companies, Inc. (LOW), Analog Devices, Inc. (ADI)

**Wednesday:** Deere & Company (DE)

Source: Zacks, November 17, 2023

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.



*"Don't be afraid of perfection. You will never attain it."*

– Salvador Dalí



## Starting a New Hobby? These Tips Can Help You Understand the Tax Situation

Whether picking up painting or cooking new concoctions in your kitchen, starting a new hobby is always fun and a great way to learn something new. Did you know there are some tax considerations when starting a new hobby? Especially if you are considering turning your newfound passion into a business.

Taxpayers are expected to report any income earned from hobbies, even if it's not a licensed business. To compare, businesses are done to make a profit, while hobbies are done for recreation, not to make a profit. Here are nine factors that can help you determine whether a hobby could also be considered a business, according to the IRS:

- Whether you carry on the activity in a businesslike manner and maintain complete and accurate books and records.
- Whether you have personal motives in carrying on the activity.  
Whether the time and effort you put into the activity indicate you intend to make it profitable.
- Whether you depend on income from the activity for your livelihood.
- Whether your losses are due to circumstances beyond your control (or are normal in the startup phase of your type of business).
- Whether you or your financial professional have the knowledge needed to carry on the activity as a successful business.
- Whether you successfully made a profit in similar activities in the past.
- Whether the activity makes a profit in some years and how much profit it makes.
- Whether you can expect to make a future profit from the appreciation of the assets used in the activity.
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You may also be able to deduct some of the expenses associated with your hobby. Within certain limits, taxpayers can usually deduct ordinary and necessary hobby expenses. An ordinary expense is one that is common and accepted for the activity. A necessary expense is one that is appropriate for the activity.

*\*This information is not intended to substitute for specific individualized tax advice. We suggest you discuss your specific tax issues with a qualified tax professional.*

Tip adapted from IRS.gov<sup>7</sup>



## 3 Yoga Poses for Beginners

The first pose is downward-facing dog. This pose is used in most yoga practices. In it, you have your arms stacked under your shoulders and your bottom in the air with your back legs straight. Your body is in the shape of an upside down "V."

The next is Crescent Lunge. Stand in a forward lunge with one foot in front and bent. Your back leg is straight. Now, straighten your arms and lift them over your head. This pose is often used in yoga flow classes.

Last, we have Triangle pose. Step your feet apart (wider than your shoulders). Then, hinge at your hip and lean over your front leg. If you can, reach down with the same arm that's in front and rest it on the floor or on a yoga block.

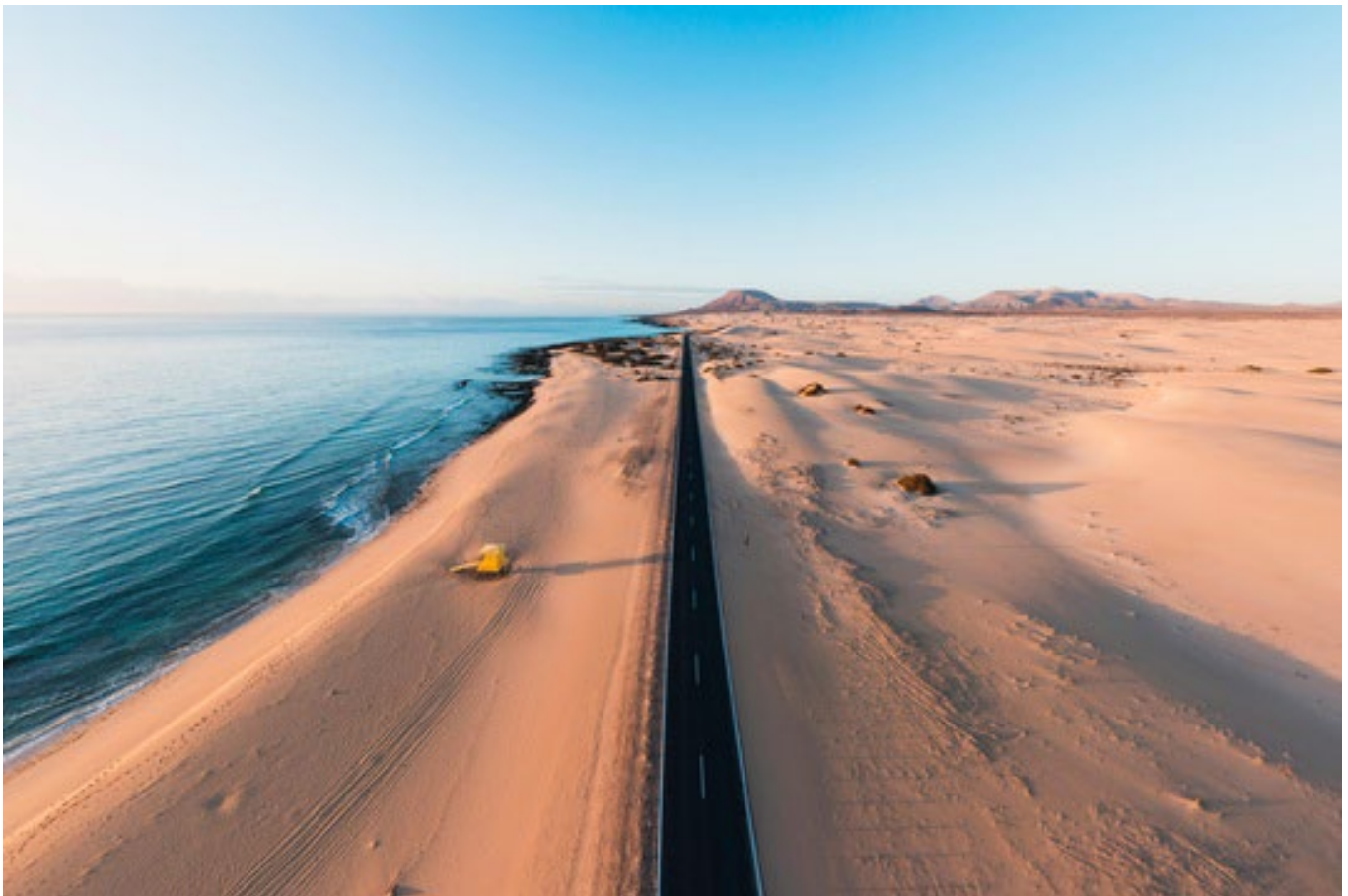
Tip adapted from SELF Magazine<sup>8</sup>

#### WEEKLY RIDDLE

A man tells you there are 12 seconds in a year. This sounds absurd, but in what sense is he correct?

*Last week's riddle: It is found in the ground, round as a circle and yards deeper than a cup, and a hundred horses cannot pull it up. It isn't going anywhere; it cannot think; it might provide you with something to drink. What is it? Answer: A well.*

#### PHOTO OF THE WEEK



*A coastal road in the desert in Fuerteventura, Canary Islands, Spain.*

## Footnotes and Sources

1. The Wall Street Journal, November 17, 2023.
2. The Wall Street Journal, November 17, 2023.
3. The Wall Street Journal, November 17, 2023.
4. CNBC, November 14, 2023.
5. CNBC, November 14, 2023.
6. CNBC, November 14, 2023.

7. IRS.gov, July 3, 2023.
8. Self.com, July 19, 2023.

Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost.

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The Dow Jones Industrial Average is an unmanaged index that is generally considered representative of large-capitalization companies on the U.S. stock market. Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of technology and growth companies. The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) and serves as a benchmark of the performance of major international equity markets, as represented by 21 major MSCI indexes from Europe, Australia, and Southeast Asia. The S&P 500 Composite Index is an unmanaged group of securities that are considered to be representative of the stock market in general.

U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

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Please consult your financial professional for additional information.

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