

# Wealth Strategies Group, LLC

Markets rose last week to close out November as the S&P 500 tacked on 0.77%, bringing its YTD increase to 19.67%<sup>1</sup>. Inflation figures continued to show improvement, while still above The Fed's 2% target. Fed Chair Powell noted they are poised to move rates higher if needed to continue to fight inflation<sup>2</sup>. Odds are still high for no further rate hikes through mid-2024 with reductions kicking in later that year<sup>3</sup>. Powell, however, cautions it's still too early to project

when rate cuts might happen<sup>4</sup>.

Speaking of inflation, PNC Financial Services released its annual "Cost of 12 Days of Christmas" gifts. The total expense for the gifts of song hit an all-time high of \$46,729.86, up 2.7% from 2022<sup>5</sup>. The good news? It's a far cry from the 10.5% increase from 2021-2022. The cost of 2 turtle doves increased 25% followed by a partridge in a pear tree at 13.9% (the partridge came in with no increase, but the cost of the tree rose 15%. Coming in with no rise in prices were the calling birds, gold rings, swans, milk maids, and dancing ladies. Of course, this opens the argument of how many of each are purchased. Are you of the "there is only one partridge in a pear tree", or "there are 12, as each one item is repurchased for each verse"?????

----Chuck

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

***"Do not confuse activity with accomplishment."***

***An Anonymous Author***

***Your activity for this week is to consider what activities you are engaged in while working towards your goals. Are they actually making solid steps toward accomplishment or merely busy work?***

## **This Week in History:**

***December 3, 1992 -- The first SMS text message in history is sent: Neil Papworth, a 22-year-old engineer, uses a personal computer to send the text message "Merry Christmas" via the Vodafone network to the phone of a colleague<sup>6</sup>.***

<sup>1</sup> see update below

<sup>2</sup> <https://www.foxbusiness.com/economy/jerome-powell-says-fed-wont-hesitate-raise-interest-rates-again-warranted>

<sup>3</sup> <https://www.cmegroup.com/markets/interest-rates/cme-fedwatch-tool.html?redirect=/trading/interest-rates/countdown-to-fomc.html>

<sup>4</sup> <https://www.cnn.com/2023/12/01/economy/fed-chair-powell-rate-cuts/index.html>

<sup>5</sup> <https://www.cnn.com/2023/11/29/economy/12-days-of-christmas-cost/index.html>

<sup>6</sup> <https://www.history.com/this-day-in-history/first-sms-text-message-sent>

*December 4, 2023*

## MARKET INSIGHTS



A Friday rally turned an otherwise mixed week for stocks into a solid performance.

The Dow Jones Industrial Average picked up 2.42%, while the Standard & Poor's 500 gained 0.77%. The Nasdaq Composite index rose 0.38% for the week. The MSCI EAFE index, which

tracks developed overseas stock markets, ended marginally higher by 0.13%.<sup>1,2,3</sup>

Market Index	Close	Week	Y-T-D
DJIA	36,245.50	+2.42%	+9.35%
NASDAQ	14,305.03	+0.38%	+36.67%
MSCI-EAFE	2,124.91	+0.13%	+9.31%
S&P 500	4,594.63	+0.77%	+19.67%



	Treasury	Close	Week	Y-T-D
	10-Year Note	4.22%	-0.25%	+0.34%

Sources: The Wall Street Journal, December 1, 2023; Treasury.gov, December 1, 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 24, to Friday, December 1 close. Weekly performance for the MSCI-EAFE is measured from Friday, November 24 open to Thursday, November 30 close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

## Stocks Move Higher

The stock market digested November's robust gains for much of last week but rallied strongly amid falling bond yields on the last trading day.

Market sentiment remained positive as the Fed's preferred measure of inflation showed ongoing signs of softening inflation pressures, boosting hopes that the Fed may be able to end its rate hikes and consider rate cuts sometime next year. Investors also welcomed news of solid spending in early holiday sales reports.

The declines in bond yields reflect that the financial markets are positioning for a rate cut soon, even brushing off Fed Chair Powell's Friday comments suggesting it was premature to consider monetary loosening.

## Inflation Eases

The Personal Consumption Expenditures Price index (PCE)—the Fed's preferred measure of inflation—was released last week, showing core PCE (excludes energy and food) rose 0.2% in October and 3.5% from a year ago. Both were lower than September's readings of 0.3% and 3.7%, respectively. Perhaps most notably, core prices rose at a 2.5% annualized rate over the last six months, close to the Fed's target rate and a big improvement over the previous six-month annualized rate of 4.5% ending April.<sup>4</sup>

The report also reflected a slowdown in consumer spending, as October's 0.2% increase was lower than September's 0.7% gain, a possible indication of the impact of the resumption of student loan repayments, higher prices, and shrinking savings.<sup>5</sup>

## This Week: Key Economic Data

**Monday:** Factory Orders.

**Tuesday:** Institute for Supply Management (ISM) Services Index. Job Openings and Labor Turnover Survey (JOLTS).

**Wednesday:** Automated Data Processing (ADP) Employment Report.

**Thursday:** Jobless Claims.

**Friday:** Employment Situation. Consumer Sentiment.

Source: Econoday, December 1, 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

**Tuesday:** AutoZone, Inc. (AZO), MongoDB, Inc. (MDB)

**Thursday:** Broadcom, Inc. (AVGO), Dollar General Corporation (DG)

Source: Zacks, December 1, 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.



*"Outstanding people have one thing in common: an absolute sense of mission."*  
– Zig Ziglar



## Are Social Security Benefits Taxable?

Did you know that if you are receiving Social Security benefits, you may have to pay federal income tax on a portion of these benefits? The amount you have to pay may depend on your specific income and filing status.

To find out whether your Social Security benefits are taxable - if you are single, take one-half of the Social Security money you received throughout the year and add it to your other income, which includes pensions, wages, interest, dividends, and capital gains. If the total comes to more than \$25,000, then part of your benefits may be taxable.

If you are married and filing jointly, take half of the Social Security money you received throughout the year and half of your spouse's Social Security benefits and add both of those amounts to your combined household income. If the total is more than \$32,000, part of your benefits may be taxable.

On its website, the IRS then lays out the percentage of benefits that are taxable, based on the above calculation. These percentages vary between 50 percent and 85 percent and depend on your filing status and income levels. For example, if you are filing single with \$25,000–\$34,000 income, 50 percent of your Social Security benefits may be taxable.

*\*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>6</sup>



## Benefits of Yoga

In addition to helping you finally be able to touch your toes, yoga has many other potential benefits, from helping you relax to even potentially helping your heart health. Here are some other potential benefits of yoga:

- Of course, yoga can decrease stress and promote relaxation. It's a great practice to get more in-tune with your body and where you hold stress.
- Yoga may also be able to relieve anxiety. In one study, 34 women diagnosed with an anxiety disorder participated in yoga classes twice weekly for two months. At the end of the study, those who practiced yoga had significantly lower levels of anxiety than the control group.

- Studies show that yoga may help improve heart health and reduce several risk factors for heart disease. One study found that participants over 40 years of age who practiced yoga for five years had lower blood pressure and pulse rate than those who didn't.

Lastly, yoga may help fight depression. This may be because yoga can decrease levels of cortisol, a stress hormone that influences levels of serotonin, the neurotransmitter often associated with depression.

Tip adapted from Healthline<sup>7</sup>

#### WEEKLY RIDDLE



It has no body, but it has a copper head and copper tail. It can be found in the street and in just about any store. What is it?

*Last week's riddle: What do the letter T and an island have in common? Answer: They are both in the middle of water.*

#### PHOTO OF THE WEEK



*Sheikh Zayed Grand Mosque in Abu Dhabi, United Arab Emirates*

## Footnotes and Sources

1. The Wall Street Journal, December 1, 2023
2. The Wall Street Journal, December 1, 2023

3. The Wall Street Journal, December 1, 2023
4. The Wall Street Journal, November 30, 2023
5. The Wall Street Journal, November 30, 2023
6. IRS.gov, March 28, 2023
7. Healthline.com, October 10, 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 market indexes discussed are unmanaged, and generally, considered representative of their respective markets. Index performance is not indicative of the past performance of a particular investment. Indexes do not incur management fees, costs, and expenses. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results. 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.

International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

Please consult your financial professional for additional information.

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