

Wealth Strategies Group, LLC

The markets continued their rise as the S&P 500 added 1.06% for the week (up 2.62% YTD)¹. Eyes are on The Fed this week as they meet for the first time this year. Expectations are still high for no change in rates after the meeting ends on 1/31. CME Groups Fed Watch Tool continues to show odds of greater than 95% of stable rates with a toss-up on stable or lower at the March 20th meeting². Fridays inflation report showed no change 2.6% reading the prior month³.

Well, it wasn't meant to be. Here in Michigan, we're in mourning over yesterdays NFC playoff as our Lions fell apart in the 2nd half to lose to the Niner's by 3 (the spread was SF by 7). It's disappointing to say the least, but if you had predicted they would even make the conference playoff at the beginning of the year, you would have been called crazy. Guess it's for the best, I think the Lions making the Superbowl is one of the signs of the apocalypse 🙄.
----Chuck

This Week's Inspiration/Activity:

The only person you are destined to become is the person you decide to be.
Ralph Waldo Emerson

Your activity for this week is to decide to be a success at whatever you strive to accomplish.

This Week in History:

February 3, 1959 - The Day the Music Died -- Rising American rock stars Buddy Holly, Ritchie Valens and J.P. "The Big Bopper" Richardson are killed when their chartered Beechcraft Bonanza plane crashes in Iowa a few minutes after takeoff from Mason City on a flight headed for Moorhead, Minnesota⁴.

¹ see update below

² <https://www.cmegroup.com/markets/interest-rates/cme-fedwatch-tool.html?redirect=/trading/interest-rates/countdown-to-fomc.html>

³ <https://www.cnn.com/2024/01/26/economy/pce-inflation-consumer-spending-december/index.html>

⁴ <https://www.history.com/this-day-in-history/the-day-the-music-died>

MARKET INSIGHTS



January 29, 2024

Stocks continued their upward climb last week as excitement around big tech continued; positive economic reports stoked investors' belief that the Federal Reserve has pulled off a soft landing.

Stocks Power Ahead

Big tech was back last week, pushing the Dow and the S&P 500 to new highs early in the week as markets resumed the late Q4 rally.

The so-called “Magnificent Seven” stocks—comprising 28% of the S&P 500 Index—resumed their pole position at the head of the pack as investors maintained their artificial intelligence (AI)-related bullishness and rewarded widespread cost-cutting at many tech giants. While the rally fizzled on Friday, the week's gains were slow but steady.^{1,2,3}

The big economic news last week was better-than-expected economic growth and inflation news. Real Gross Domestic Product grew at a 3.3% annualized clip in Q4 2023, ahead of Wall Street consensus expectations of 2%.

The Personal Consumption Expenditures (PCE) Index, one of the Fed's most favored inflation gauges, showed core inflation (excluding food and energy) cooled in December, with an annualized rate of 2.9%, beating consensus expectations. Core inflation was 3.2% on an annualized basis—its lowest level since March 2021. While the inflation update didn't move markets much, it helped validate investors' optimism that Fed policy has maintained economic growth while bringing inflation down.⁴

Source: YCharts.com, January 27, 2024. Weekly performance is measured from Monday, January 22, to Friday, January 26.

ROC 5 = the rate of change in the index for the previous 5 trading days.

TR = total return for the index, which includes any dividends as well as any other cash distributions during the period.

Treasury note yield is expressed in basis points.

YCHARTS

Major Index Return Summary

Name	ROC 5	1M TR	YTD TR	1Y TR
Dow Jones Industrial Average	0.65%	1.59%	1.20%	14.69%
MSCI EAFE	2.00%	0.57%	-0.56%	9.14%
Nasdaq Composite	0.94%	2.56%	2.98%	35.37%
S&P 500	1.06%	2.54%	2.62%	22.43%

S&P 500 Daily Close



10-Year Note Review

Indicator Name	Latest Value	1M Ago	1M Change
Date		3M Ago	3M Change
		1Y Ago	1Y Change
10 Year Treasury Rate	4.15%	3.89%	6.68% ▲
01/26/24		4.86%	-14.61% ▼
		3.49%	18.91% ▲

Earnings Season Feeds FOMO

The market digested Q4 earnings news from some of the largest companies, with enthusiasm feeling like FOMO. The “fear of missing out” drove much investor sentiment and seemed to build market momentum.

While the enthusiasm for AI continues to be one driver of technology stock prices, the spotlight last week was on layoffs. Over 23,000 workers at 85 tech companies have lost their jobs this month. The market appears to be rewarding the cost-cutting measures, with many tech giants repositioning themselves with AI in mind, and some analysts inferring that this emphasis on efficiency may encourage investors.^{5,6}

This Week: Key Economic Data

Tuesday: FOMC Meeting. Consumer Confidence. Home Price Index.

Wednesday: FOMC Announcement/Fed Chair Press Conference.

Thursday: Jobless Claims. ISM Manufacturing Index. Fed Balance Sheet.

Friday: Employment Situation.

Source: Investors Business Daily - Econoday economic calendar; January 26, 2024

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: Microsoft Corporation (MSFT), Alphabet Inc. (GOOG, GOOGL), United Parcel Service, Inc. (UPS), Starbucks Corporation (SBUX)

Wednesday: Mastercard Incorporated (MA), The Boeing Company (BA), Automatic Data Processing, Inc. (ADP)

Thursday: Apple Inc. (AAPL), Amazon.com, Inc. (AMZN), Meta Platforms, Inc. (META), Merck & Co., Inc. (MRK)

Friday: Exxon Mobil Corporation (XOM), Bristol Myers Squibb Company (BMY)

Source: Zacks, January 26, 2024

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.



"I believe in intuitions and inspirations. I sometimes feel that I am right. I do not know that I am."
– **Albert Einstein**



Couples Who Work Together, Tax Together

As more households decide to start a business, many couples learn about the tax responsibilities related to such businesses. Here are some things to consider when working together:

- You should establish whether you have a partnership business (in which both spouses have an equal say in business affairs, services, and capital) or an employee/employer relationship (with one spouse substantially controlling management decisions). These relationships involve different tax situations.
- If an employee/employer relationship exists, the second spouse (employee) may be subject to income, Social Security, and Medicare tax.
- If there is a partnership relationship, you may need to report the business income on Form 1065, US Return of Partnership Income.

**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.gov⁷



Four Tips to Help You Sleep Better

Sleep is one of the most important things we do to stay healthy and energized. Much more goes into getting a good night's sleep than simply resting your head on the pillow, so here are some tips for getting your shut-eye:

- Increase bright light exposure during the day. You probably already know that it helps to keep your room dark while you sleep, but did you know it's also beneficial to get enough bright light during the day? These contrasts tell your body when it's time to go to sleep. This natural clock is called your circadian rhythm.
- Reduce blue light exposure in the evening. The luminance from our devices (smartphones, tablets, and TVs) is called blue light and can disrupt your sleep cycle. Try to limit blue light at least two hours before bedtime. Some devices offer a setting that automatically "warms" the light to limit these blue hues.
- Try to wake up and sleep consistently, even on weekends, as this is another way to set up your body's circadian rhythm for success.
- Adjust your bedroom temperature. Did you know that the temperature in your bedroom can affect your sleep? Some studies show that temperature matters even more than noise, and some sleep experts recommend keeping your bedroom at around 70 degrees.

Tip adapted from Healthline⁸



What five-letter word becomes shorter when you add two letters to it?

Last week's riddle: I am gentle enough to soothe the skin, light enough to reflect the sky, yet hard enough to crack rocks. What am I? Answer: Water.



Sleepy koala on a eucalyptus tree

Footnotes and Sources

1. The Wall Street Journal, January 22, 2024
2. CNBC.com, January 22, 2024
3. The Wall Street Journal, January 25, 2024
4. CNBC.com, January 25, 2024
5. Slickcharts.com, January 26, 2024
6. CNBC.com, January 26, 2024
7. IRS.gov, July 27, 2023
8. Healthline.com, October 9, 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.

The forecasts or forward-looking statements are based on assumptions, may not materialize, and are subject to revision without notice. 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.

This content is developed from sources believed to provide accurate information. The information in this material is not intended as tax or legal advice. Please consult legal or tax professionals for specific information regarding your individual situation. This material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG is not affiliated with the named representative, financial professional, Registered Investment Advisor, Broker-Dealer, nor state- or SEC-registered investment advisory firm. The opinions expressed and material provided are for general information, and they should not be considered a solicitation for the purchase or sale of any security.

Copyright 2024 FMG Suite.

Charles D. Vercellone,
Chartered Financial Consultant (ChFC®)
Accredited Investment Fiduciary (AIF®)
Wealth Strategies Group, LLC
200 E Big Beaver, Troy MI 48083
248-680-4622
chuck@wsgllc.net
www.wsgllc.net/welcome

Fee Based Advisory Services through Sigma Planning Corporation, A Registered Investment Advisor
Securities Products and Services through Sigma Financial Corporation, Member FINRA/SIPC
Wealth Strategies Group, LLC is not affiliated with Sigma Planning Corp or Sigma Financial Corp