

Stocks extended their tech-led advance last week as signs of a resilient and still-enthusiastic consumer boosted momentum.

Nasdaq Sets New High

Stocks traded in a narrow band early in the week but ended the five-trading sessions with a powerful advance.

While the Dow dipped lower, artificial intelligence (AI) names powered the gains in the S&P 500 and the Nasdaq Composite. The Nasdaq bobbed around the 16,000 level for most of the week before posting consecutive record highs on Thursday and Friday, surpassing its 2021 record. It was the last of the three major stock benchmarks to reach a record high this year.¹

Economic news also helped boost markets. The Personal Consumption Expenditures (PCE) Index, the Fed's preferred inflation gauge, rose 0.3 percent in January versus December—and 2.4 percent on a 12-month basis. Both were in line with expectations. Stocks ticked up on Thursday following the release of the report.²



YCHARTS

Weekly Market Insights (WMI)

Major Index Return Summary

Name	5D TR	1M TR	YTD TR	1Y TR
Dow Jones Industrial Average	-0.11%	1.76%	4.09%	22.24%
MSCI EAFE	0.68%	3.45%	3.25%	15.82%
Nasdaq Composite	1.74%	6.05%	8.55%	44.19%
S&P 500	0.95%	4.87%	7.97%	32.12%

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	4.19%	3.87%	8.27% ▲
03/01/24		4.22%	-0.71% ▼
		4.01%	4.49% ▲

Source: YCharts.com, March 2, 2024. Weekly performance is measured from Monday, February 26, to Friday, March 1.

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.

Consumers Remain Upbeat

With all the excitement over AI, it's easy to overlook some key economic indicators that also speak to the underlying strength of the economy—specifically, consumer data.

In addition to the closely watched PCE report, an end-of-week consumer survey revealed that while sentiment softened in February, it remained near a 32-month high. Fresh data this week also showed an unexpected jump in personal income.

Finally, the PCE report also reflected an ongoing consumer shift from goods to services—a sign the economy continues to normalize after the pandemic. Since two-thirds of gross domestic product comes from consumer spending, these consumer-related metrics helped support the narrative that the economy appears to be gathering momentum.^{3,4}

FOOD FOR THOUGHT

March Monthly Newsletter

Let's spring into March! The weather may still be chilly, but stocks were hot in February, with all three major indexes hitting record highs this month. As this latest rally picks up steam, investors continue watching the Federal Reserve (Fed) for a potential delay in its anticipated interest rate cuts. In January, the Federal Open Market Committee decided to maintain interest rates and is expected to continue maintaining rates in its next meeting later this month. The Fed is concerned about the risk of cutting rates too quickly and is holding on until it has more confidence that inflation is still declining.

Also hot: the labor market, which continues to exceed economists' expectations. In January, 353,000 jobs were added to the economy, and unemployment remains low at 3.7%¹. However, layoffs continue across nearly every sector, with the tech industry being hit particularly hard in recent months. The Fed will also likely hold off on cutting interest rates until the job market starts to cool.

After a three-month trend of improving moods about the state of the economy, Americans' attitudes have soured. The Consumer Confidence Index declined in February to 106.7, down from 110.9 in January. Consumers seem less worried about inflation's impact on food and gas prices and more concerned about impacts from continuing layoffs and the upcoming presidential election².

Housing costs have increased significantly in recent years, and along with rising mortgage rates, buying a new home has become unattainable for many. According to a recently released report from Zillow³, buyers now need to earn at least 80% more than they did in early 2020 to afford to own a home comfortably. Unfortunately, wage increases during this period have not kept up. In 2020, a household earning \$59,000 could comfortably afford a monthly mortgage, well below the U.S. median income of \$66,000. Today, households must earn roughly \$106,500 to comfortably afford their mortgage, while the typical U.S. household earns an estimated \$81,000. The housing affordability crisis has been particularly difficult for young Americans⁴.

As the weather begins to warm and flowers start to bloom, it's a great time to give your finances a thorough spring cleaning. Decluttering and organizing financial matters may help bring a sense of clarity and control to your life. Activities such as replenishing emergency funds, reviewing your insurance policies and annual credit reports, and weeding out unnecessary expenses can help whip your budget into shape and prepare for the rest of the year. While reviewing your finances, if you need to make any changes or have questions, don't hesitate to reach out to our office. We're always here for you.

Quote for the Week:

"If you want others to be happy, practice compassion. If you want to be happy, practice compassion."

- The Dalai Lama

HEALTHY LIVING TIP

Eat This, Not That: Easy Food Swaps Anyone Can Do

Eating healthier doesn't have to be hard! You might not have to make any significant changes in your current diet. You can cut calories and still enjoy your meal by swapping out unhealthy options for healthier picks. Here are some of our favorite food swaps:

- Mustard instead of mayonnaise (0 calories vs. 90 calories)
- Scrambled eggs with green onions instead of cheese (170 calories vs. 275 calories)
- Sparkling water instead of soda (0 calories vs. 140 calories)
- Fresh fruit instead of dried fruit (69 calories vs. 325 calories)
- Greek yogurt instead of sour cream (28 calories vs. 60 calories)
- Olive oil spray instead of a tablespoon of olive oil (5 calories vs. 120 calories)
- Corn tortillas instead of flour tortillas (100 calories vs. 280 calories)
- All-bran cereal instead of granola (80 calories vs. 200 calories)
- Goat cheese instead of brie cheese (70 calories vs. 100 calories)

Many healthy swaps like these can help you reduce caloric intake, consume less sugar, and create more balanced meals.

Tip adapted from EatThis.com⁶

WEEKLY RIDDLE

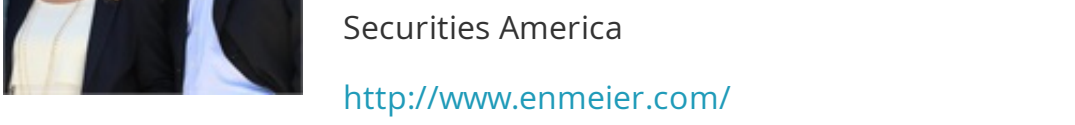
You can't outrun it or hide from it. You only notice it when there is light, but it shows only darkness. What is it?

Last week's riddle: Kristi and David live at opposite ends of a metro area but attend the same college. David left for campus 30 minutes before Kristi, and they met at a coffee house. Who was closer to campus when they met? Answer: They were both at the same distance from campus when they met each other, as they met at the same location.

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