

Wealth Strategies Group, LLC

Higher than expected inflation numbers sent the markets down for the 2nd consecutive week, the S&P 500 fell 0.13% (up 7.63% YTD)¹. The inflation numbers sent the odds of no rate change in the CMG FedWatch Tool at the May meeting from 81.7% last week to 91% currently². However, rate changes are coming and not only here in the states as CNBC notes The Fed, the European Central Bank, and the Bank of England are poised to make progress at some point this year³. Last week's big news? A class action settlement will

change how homes are bought and sold by changing how realtors are compensated⁴. It's projected commissions on home sales will drop by 25%-50% in some cases and the seller may not be responsible for paying the commissions to the buyer's agent. Take a look at the article by CNN Business on how this may affect the industry: <https://www.cnn.com/2024/03/15/economy/real-estate-agents-commissions-takeaways/index.html>

Here in Michigan and looking for something to distract you from the renewed wintery weather? I have a couple of suggestions. Last Saturday, we visited the Magic Soiree at Camp Ticonderoga. It's an evening of good food, close up magic at your table, and a comedy magic show to cap off the evening. We had a great time and Lady Sarah and Keith Fields were fantastic. Check it out at <https://themagicsoiree.com/>. Magic not your cup of tea? My favorite blues artist in Nashville, Stacey Mitchhart, is appearing April 4 at The Roxy in Rochester Hills. We've made trips to Nashville just to see him perform, and I don't think you'll be disappointed. Check out the venue and book a seat at <https://theroxyrochester.com/>.

----Chuck

This Week's Inspiration/Activity:

"In the middle of every difficulty comes opportunity."

Albert Einstein

Your activity for this week is to consider a goal or project you are stuck on and see what opportunities you can discover to move it forward.

This Week in History:

March 23, 1839 -- The initials "O.K." are first published in The Boston Morning Post. Meant as an abbreviation for "oll korrekt," a popular slang misspelling of "all correct" at the time, OK steadily made its way into the everyday speech of Americans⁵.

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.cnbc.com/2024/03/18/fed-and-others-to-make-major-progress-on-rates-this-year-bis-chief.html>

⁴ <https://www.cnn.com/2024/03/15/economy/nar-realtor-commissions-settlement/index.html>

⁵ <https://www.history.com/this-day-in-history/ok-enters-national-vernacular>

MARKET INSIGHTS



March 18, 2024

Stocks fell for the second straight week on inflation concerns despite a report on consumer prices that was initially well received by investors.

Stocks Slide

Tuesday was the only bright spot during the week as stock prices rose after the Labor Department report showed the Consumer Price Index rose 3.2% in February compared with a year earlier. It was a bit warmer than economists expected but cooler than investors feared. The news sparked a day-long rally, with the Standard & Poor's 500 stock index setting its 17th record high of the year.^{1,2}

Following Tuesday, caution lingered as investors parsed the underlying data behind headline consumer inflation numbers. Thursday's fresh producer price index (PPI) report showed that wholesale prices increased by 0.6% in February, more than the expected 0.3% increase. Additionally, core PPI (excluding food and energy) was hotter than expected.

Retail sales, also reported on Thursday, were disappointing, rising less than expected and adding to the inflation angst. The news rattled investors and contributed to stocks closing lower for three consecutive days to end the week.^{3,4}

Source: YCharts.com, March 16, 2024. Weekly performance is measured from Monday, March 11, to Friday, March 15. 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

Weekly Market Insights (WMI)

Major Index Return Summary

Name	5D TR	1M TR	YTD TR	1Y TR
<u>Dow Jones Industrial Average</u>	-0.02%	0.10%	3.22%	24.07%
<u>MSCI EAFE</u>	-1.38%	4.22%	4.44%	21.96%
<u>Nasdaq Composite</u>	-0.70%	0.50%	6.58%	40.82%
<u>S&P 500</u>	-0.13%	1.88%	7.63%	33.59%

S&P 500 Daily Close



10-Year Note Review

Indicator Name	Latest Value	1M Ago	1M Change
<u>10 Year Treasury Rate</u>	4.31%	4.24%	1.65% ▲
Date	03/15/24	3M Ago	3M Change
		1Y Ago	1Y Change
		3.91%	10.23% ▲
		3.51%	22.79% ▲

Broadening Leadership

Unlike the prior week when the S&P 500 fell the least, last week it lost slightly more than the Dow but less than the Nasdaq. That performance pattern suggests market leadership may be broadening. Also, the energy, financials, and materials sectors all posted gains last week, showing that other groups may join the tech-led rally.⁵

This Week: Key Economic Data

Monday: Housing Market Index.

Tuesday: FOMC Meeting Begins. Housing Starts and Permits. 20-Year Treasury Bond Auction.

Wednesday: FOMC Announcement. Fed Chair Press Conference. EIA Petroleum Status Report.

Thursday: Jobless Claims. Existing Home Sales. Fed Balance Sheet.

Source: Investors Business Daily - Econoday economic calendar; March 13, 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: GameStop Corp. (GME)

Wednesday: Micron Technology, Inc. (MU), General Mills, Inc. (GIS), Five Below, Inc. (FIVE), Chewy (CHWY)

Thursday: NIKE, Inc. (NKE), FedEx Corporation (FDX), lululemon athletica inc. (LULU), Darden Restaurants, Inc. (DRI)

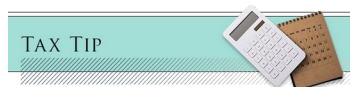
Source: Zacks, March 13, 2024

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.



"Little by little we human beings are confronted with situations that give us more and more clues that we aren't perfect."

– Fred Rogers



4 Facts About Capital Gains

When you sell a capital asset, such as an investment or a piece of property, the sale can result in a capital gain or loss. The IRS defines a capital asset as “most property you own for personal use or own as an investment.” Here are four facts you should keep in mind:

1. A capital gain or loss is the difference between what you originally paid for the asset (your basis) and the amount you get when you sell the asset.
2. You must include all capital gains in your income, and you may be subject to the Net Investment Income Tax if your income is above certain amounts. Consult a qualified tax expert for help.

3. The IRS allows you to deduct capital losses on the sale of investment property. You cannot deduct losses on the sale of property that you hold for personal use.
4. If your total net capital loss is more than the limit you can deduct, you can carry it over to next year's tax return.

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

Tip adapted from IRS.gov⁶



Finding Inner Peace Inside (and Indoors)

Yoga has been practiced for thousands of years and has had a revival in the last couple of decades. Yoga can be an optimal exercise choice for many individuals of all ages. But before getting started with any fitness regimen, discuss any medical concerns with your healthcare provider; this information is not a substitute for medical advice.

While there are many different styles of yoga, yoga is generally a low-impact form of exercise. In addition to fitness benefits, it can help you learn relaxation and breathing techniques and how to regulate emotions and quiet your mind. It's also a great form of indoor exercise, and there are thousands of free classes on YouTube. So, if you're still enduring the remnants of winter, you can practice quieting your inner monologue by doing yoga from the comfort of your home.

Tip adapted from Healthline.com⁷



The letters in the words meter, man and uses may be rearranged to make a 12-letter word. What is this word?

Last week's riddle: The 22nd and 24th U.S. presidents had the same parents—yet the 22nd and 24th U.S. presidents were not siblings. Why? Answer: The 22nd and 24th U.S. presidents were the same person - Grover Cleveland.



Reticulated Giraffes, National Reserve, Kenya

Footnotes and Sources

1. The Wall Street Journal, March 15, 2024
2. The Wall Street Journal, March 12, 2024
3. CNBC, March 15, 2024
4. CNBC, March 15, 2024
5. Sector SPDRs, March 15, 2024
6. IRS.gov, October 17, 2023
7. Healthline.com, December 18, 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.

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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