Weekly Market Update

March 11, 2024

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"Whoever saves one life saves the world entire."

~Itzhak Stern (Ben Kingsley) in "Schindler's List"

Market Watch

Week Ending Mar 8, 2024

(Source: Briefing.com)

• **DJIA:**	38,722.69	-364.69
2024 1st QTR 2.70%		
• **NASDAQ:**	16,085.11	-189.83
2024 1st QTR 7.20%		
• **S&P 500:**	5,123.69	-13.39
2024 1st QTR 7.40%		
• **Russell 2000:**	2,082.71	6.32
2024 1st QTR 2.70%		
• **10 Year Treasury:**		4.09%

Dave's Weekly Commentary

Good morning, everyone. It was a relatively calm weekend for the Smith family. Nancy and I attended the last game of the season for the University of Dayton men's basketball team, the most stressful point of the weekend, considering they were significantly down from the start of the game, made a remarkable comeback and won in overtime. My alma mater Wright State University unfortunately was a different story playing their first tournament game at home. While they started out with a large lead, the game went into overtime and itheir season came to an end.

Our trip to Dallas was nothing less than spectacular. It was fast paced, well organized and a great collaborative effort from all of those in attendance. During one part of the meeting we were given the task to identify (within the topic of holistic wealth management) the who, what, when and why problems or opportunities are occurring (or not being taken advantage of) and present ideas to the group. Michael was selected by our breakout group to present our findings to the larger group. After all groups presented their topics those findings were ranked by impact to advisors and clients and effort needed from Osaic to implement. More to come on this area later as we move through the year.

Let's talk about jobs…. In his most recent semiannual monetary policy testimony before Congress, Fed Chair Powell said, "there's no evidence or no reason to think that the U.S. economy is in some kind of short-term risk of falling into recession."

A good starting point is the JOLTS (job openings) data. This is lagging data, so the date just released on March 6th was January data, but it is informative nonetheless with respect to the number of job openings. In January, there were 8,863,000 job openings. That is down from a peak of 12.2 million in March 2022, but it equates to 1.37 job openings for every worker counted as unemployed in the February employment report. There isn't a shortage of available jobs, then, as one might see in a recession. Also there is not an excess of initial jobless claims, as one might see in a recession. This is perhaps the most important indicator for the labor market since initial jobless claims are a leading indicator. What we know now is that the four-week moving average for initial jobless claims is just 212,250. That is well below averages seen over the course of prior recessions, and it signifies that companies in aggregate are still reluctant to let go of their workers. The same goes for the 3.9% unemployment rate seen in February.

Hiring activity has slowed from the post-pandemic pace, but February marked the 38th straight month of gains in nonfarm payrolls. Aside from the encouraging payrolls data, real average hourly earnings remain positive. That is a support for continued growth in consumer spending, which accounts for nearly 70% of GDP.

In closing on this subject, payroll gains may not be as robust as they once were, but they are not weak. In turn, average hourly earnings growth may not be as high as it once was, but it is running above the rate of inflation. Initial jobless claims remain low and there is an excess of jobs for unemployed workers still waiting to be filled. The labor market remains on the economy's side. That means it also remains on the stock market's side, because the stock market may be rallying in part on the belief that the economy will not see a recession. The risk of recession, though, is ever-present. It is part of the business cycle, but a recession warning is not flashing in the employment data -- not yet anyway.

Last week's markets... It was a busy week in terms of market-moving events and price action at the index level. Also, Fed Chair Powell delivered his semiannual monetary policy testimony before Congress on Wednesday and Thursday, but this did not move the market as much as some events and general consolidation activity. Mr. Powell reiterated the Fed's view that there is no rush to cut rates, but that it will likely be appropriate to cut rates later this year if the economy evolves as expected. The ISM Non-Manufacturing Index showed that business activity and order growth improved in February, but the Employment Index fell below 50.0%, indicating a contraction for the second time in the past three months.

A possible driving factor for price action this week was general consolidation activity after a run that had the major indices, and many individual stocks were sitting at all-time highs. Mega cap stocks and semiconductor-related shares, which led market gains on the way up, experienced profit-taking activity this past week. The Vanguard Mega Cap Growth ETF declined 1.5% versus a 0.3% decline the market-cap weighted S&P 500. Meanwhile, the Invesco S&P 500 Equal Weight ETF (RSP) gained 1.0% this week.

Only three S&P 500 sectors logged declines, reflecting the underperformance of tech stocks and mega caps. The consumer discretionary sector logged the largest loss, down 2.6%, followed by information technology (-1.1%) and communication services (-0.7%). Meanwhile, the utilities (+3.2%), materials (+1.6%), real estate (+1.5%), and energy (+1.2%) sectors all registered decent gains this week. Sourxcr: Briefing.com

Have a great week! Dave

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Celebrating Women's Financial Empowerment

Women have made significant strides in achieving gender parity in the workforce and education over the past few decades. However, when it comes to investing for women and financial planning, studies show that women are still lagging behind men. According to a survey by NerdWallet, 48% of women currently have money sitting in investments within the stock market, compared to 66% of men.

We must recognize the urgent need to dismantle barriers that prevent them from investing and empower women to become confident investors. It is essential to acknowledge that change lies not only in the hands of women themselves but also in the investment world. By addressing the root causes of this issue, a financial system that is fair and inclusive for all can be created.

Take charge of your financial future and achieve your long-term goals through the power of investing. Whether you're saving for retirement, building wealth, or looking to grow your assets, investing is the key to unlocking your financial dreams. Break free from the misconceptions and obstacles that have hindered women in the world of investing. You deserve the same opportunities to invest and build your net worth.

Let's explore various investment options and strategies that women can use to start building their investment portfolios:

1. Importance of goal setting   Before you start investing think about your financial goals. Whether you're saving to purchase a home, start a business, or retire comfortably, setting specific and achievable goals are the fundamental steps to start your investment journey. Once you identify your goals, you can devise a plan to achieve them. You can also create a budget to allow you to maximize your savings.

Women have historically been left out of the financial conversation, but it's time to change that. Don't be afraid to dream big and set high standards for yourself, whether that's starting your own company or investing in the stock market. With more wealth in the hands of women, we can create a more equitable society and help close the gender wealth gap. So go ahead, dream big and don't let anyone tell you that your financial goals are too lofty.

2. Learn about investment products   Before you can make investment decisions, it's crucial to understand the various investment products in the market. Making informed investment decisions can feel overwhelming, but it all starts with a solid understanding of the various investment products available in the market.

From stocks and bonds to mutual funds and real estate, there are a plethora of options for those looking to grow their wealth. But with so many options come complexity. That's why taking the time to educate yourself on what each investment product entails can make all the difference in achieving your financial goals.

Whether you're a seasoned investor or just starting out, taking the initiative to research and understand the various investment options is crucial. Start your journey towards financial freedom with knowledge and confidence in the ever-changing world of investments.

3. Diversify your portfolio   Diversification is essential to minimize the risk of loss in your investment portfolio. This implies allocating your funds in various investment products such as stocks, mutual funds, bonds, and exchange-traded funds. This move helps spread your investments, so you're not over-exposed to a single market or sector. You should strive to create a balanced portfolio that aligns with your investment goals, risk tolerance, and investment horizon.

A diversified portfolio should factor in your risk tolerance, identifying how comfortable you are with fluctuations in the market. The investment horizon also plays a crucial role, defining the length of time you want to hold onto your investments. By considering these factors, you can create an investment strategy that is tailored to your specific needs and objectives, ultimately giving you peace of mind and confidence in your financial future.

4. Consider investing in real estate   Real estate investment can be an excellent way to create wealth and gain long-term financial security. While purchasing property can be expensive, there are other options, including real estate investment trusts (REITs), which allow investors to benefit from the real estate market's returns without owning property directly. REITs invest in commercial properties such as office buildings, malls, and hotels.

Real estate investing can be a lucrative and rewarding endeavor, but it's not for everyone. That's why it's important to assess what you can handle before diving in headfirst. Real estate investment requires time, money, and a willingness to take calculated risks. You should evaluate your financial situation, available time, and level of risk tolerance to determine what you can realistically put on your plate.

Some individuals may prefer a hands-off approach, while others are up for the challenge of managing properties themselves. Whatever your preference, it's essential to be honest with yourself about what you can handle. With proper planning and an understanding of your capabilities, real estate investing can be a profitable and fulfilling venture.

5. Build your network   Networking is an efficient way to learn about investment opportunities and gain knowledge and insights into the market. You can join investment clubs, attend seminars, and collaborate with financial advisors. Collaborating with other investors can help you increase your investment options, share ideas, and best practices, and grow your portfolio.

As women continue to make strides in the investment world, it's important that you have access to the right resources to help you succeed. There are more options than ever before thanks to initiatives such as Ellevest. From online communities and blogs to podcasts and webinars, you can tap into a wealth of free information that can help you make informed investment decisions.

The bottom line is that women can start building their investment portfolios with the right knowledge and guidance. While initial steps can feel intimidating, it's crucial to stick to your goals, learn about investment strategies and products, and build your network. Starting your investment journey can enable you to create long-term financial security that will yield dividends for years to come. Remember, it's never too late to start.

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