



A bright & sunny Happy Monday to you!

My hope is that this letter finds you and your family doing well and that your mower is ready to go, because this week's sun is going to activate this past week's rain.

Well, we made it through the past two weeks. With the daily negative headlines and market volatility one would think that the markets and our economy are in a tailspin. When in fact, I believe that the economy is healthy, and that inflation is slowly starting to correct itself.

The recent jobs reports, as we discussed two weeks ago, is still strong. Company earnings that have been reported for the past two weeks are for the most part positive. These two factors alone point to an underlying strong economy. Yet, inflation is what all the "elites" want to focus on, and they think they have the power to direct or "fix" it. I continue to believe with all my heart that if the Feds will stay out of the way, inflation will normalize by itself. It is called Capitalism.

I read two articles this week that I believe validate my belief. First, home sales across the nation dropped in March, apart from, the Northeastern part of the country. Inventory increased during this same period. As I have stated before, when home sales begin to stall look for interest rates to begin to decline. This decline in interest most likely will not happen overnight but I believe that by mid-summer or early third quarter of this year we could begin to see the rates decrease if this trend in home sales continues. I also believe that this report may give Fed Chairmen Powell reason to not raise rates during their April 30th/May 1st meeting.

Another interesting article explained how Proctor Gamble's sales dropped for this past reporting period and highlighted the fact that their prices were up 3% year over year. I believe that as more companies start to experience a drop in sales due to increasing prices, that prices will begin to decrease. Again, this is basic supply and demand.

I understand that you may have some concern about the volatility in the markets for the past two weeks. So, maybe this will bring some peace to your concern, the DOW is up about .6% for the year, and the S&P is still up about 4% for the year. The NASDAQ is down about 5% year to date. I believe the markets have been resilient during the past 4 weeks because the underlying economic numbers are still strong. The markets are concerned that the Fed may raise rates. As soon as Powell gives some definitive direction, if he can do such a thing, then the markets should react accordingly.

I am still of the belief that we should experience modest growth in the equity markets over the next 12 months and then we may see one rate decrease by the end of the year.

If you have questions or concerns, please email, or call me anytime. Please note that I will be in a 3-day class from Monday, April 22nd to Wednesday April 24th, so my response time may be a little slower than normal. I will be accessible if there is an urgent matter.

I hope that you have a great week.

Take care,
Brett