



Happy Friday and Happy December

I hope that you and your family enjoyed a wonderful Thanksgiving! Don't blink though, because we only have 2 full weeks before the Christmas weekend. So, even if people do not take a physical vacation that week, mentally they may be preparing for Christmas which is the following Monday. This means that most schedules may not return to normal until the week of January 8th, 2024. No wonder we are always asking where does the time go?

Well, we are receiving an early Christmas present from the markets as the traders believe that Powell is done raising rates. In fact, the markets are betting that the Fed will start to lower rates in 2024.

I hope that I am wrong, but I still believe that there is a chance that Powell could still raise rates. There was a GDP report that was revised this past week, which indicated a strong economy. Though Powell is publicly stating that the Fed may now be at a point of a "balance" between raising rates or holding steady, he also wants core inflation down to 2%. Currently the core inflation rate is around 4%. If there are more positive economic reports released before the next Fed meetings which are on December 12th/13th, I would not be surprised to see a rate increase. I know this goes against what the markets are expecting, but I have a hard time believing that Powell has beat the 2% inflation drum all year, only to stop short of his goal. Again, I hope that I am wrong on this one.

Some may be tempted to transfer to the Money Market now, especially since the DOW is within 300-400 points of the all time high established in December 2021. If you are thinking about this, please make sure that we speak before making the move. We do not want this to be the only reason, but we should discuss the projected anticipated Capital Gains & Dividend distribution for each fund before initiating a transfer.

I do expect the next 2-3 weeks could bring some mood swings in the markets, but I do not believe that there should be any reason to panic even if the Fed decides to raise rates in December. That decision may cause a short-term sell-off but may also present some good opportunities.

Please know that I will do my very best to keep you up to date as to any drastic changes. We have all experienced a wild roller coaster ride this past year and a half with the markets, and I will not rest easy until after the December meeting and a clear direction has been established.

We are hosting a Medicare & Social Security Workshop on December 7th & 12th. Also, remember that the Annual Plan D enrollment period ends on December 7th.

I hope that you are able to enjoy one of the many Christmas walks in the area this weekend.

Take care,

Brett