



Happy Friday and Merry Christmas

Only one week until Christmas weekend. I sincerely hope that you will be able to enjoy a lot of quality, relaxing time with your family. The extended forecast is indicating that we will enjoy a warm and green Christmas. I understand that this disappoints some of you, but for me, that is very welcomed news. Every day that we have no snow or ice gets us one day closer to spring!!

It is not every day that someone wants to admit that they are wrong, but you may recall that two weeks ago I stated that I was hoping that I would be. The FED decided to hold rates steady and even gave some indication that they may lower rates up to 3 times next year. Since those remarks by Powell, there have been many analysts trying to predict exactly when the rate decreases will take place and how deep will they be.

I am not trying to be a "Debbie Downer", but I still believe that there is a chance that Powell may change his mind before the January 30th/31st, 2024 meeting date. Not that he will necessarily raise rates, but he may hold off on any reduction of rates longer than some expect. The reason I believe this to be a possibility is due to the recent report on the November retail sales which rose .3% versus the expected .2% decline. This is not a huge swing, but the report does indicate that the consumer spending is still strong. Inflation has dropped considerably since its height of 9%, so I believe that Powell and the rest of the committee will be very cautious when considering a rate decrease. Especially if consumer spending remains strong. Home mortgage rates fell below 7% recently. This may cause buyers to psychologically feel better about applying for mortgages now. Again, if the housing market is doing well, consumer spending is strong, and unemployment is low, I just do not see Powell rushing to lower rates.

I do believe that economy is strong and will remain strong. I also believe that the markets are poised to be positive for the near future. For those that have money in cash and feel that you missed the latest bump, I would not be too concerned. I would expect there to be some down days for the markets over the next few weeks as people realize their profits. This may provide a good time to allocate some of the cash or money market funds into the funds.

Fixed rates are beginning to decrease after this week's announcements, but depending on your personal goal, there are still some very competitive rates available.

Please call me if you would like to have a quick review of your portfolio and to discuss if a short-term strategy should be put in place.

If I do not see or speak to you before, may you have a very blessed Christmas. Also know that I give thanks to our heavenly Father daily for the opportunity that I have to serve you.

Take care,

Brett