



Happy Friday and Happy New Year

My hope for you and your family is that you will be able to enjoy this weekend to relax, reflect, and prepare for another great year!

The markets have enjoyed a nice year-end increase after Powell made his announcement about lowering interest rates up to three times in 2024. Today has the DOW down a bit, but I believe that could be some profit taking on the last day of the year. I would not be surprised to see a larger sell-off next week as some managers and investors look to lock in their gains for 2023 but have them reflected in 2024.

I read a very encouraging article this morning on the CNBC website titled, "From FedEx to airlines, companies are starting to lose their pricing power." In a nutshell, the article was indicating that the consumer may be reverting back to being price conscious, after years of a spending frenzy. This may cause many sectors to start to lower the price for their goods and services which would definitely have an impact on company profits. So, companies will figure out a way to keep their profit margins up, which I fear may find the employees taking the brunt of this market shift. We may see unemployment move up the first half of 2024, which could cause the Fed to be a little more aggressive in their rate decreases.

I do not believe that this shift will be swift like what we experienced the past 1 ½ years with inflation and the Fed's reaction. So, the pain of higher unemployment could be felt longer than what we want, and for this reason there are still concerns that we could see some form of a recession in 2024.

Just as we tried our best to stay flexible and take advantage of what opportunities were presented to us in 2023, we will do the same in 2024. My hope is that the job market will stay strong as companies do their best to find the sweet spot of pricing their goods and services.

I believe that 2024 will be a good year for the equities, especially if the Fed decreases the interest rates like they are expected to do. I believe we should remember to not panic next week if there are a few down days with the markets to begin the year.

You know that you can call me or email me anytime if you have questions. Well, now you can also text me at 815-288-5800. Yes, this is the office number, but we have implemented a new system that allows text messages sent to the main number to be recorded in our management system. Please only text the 815-288-5800 number for business questions or issues. If you would like to invite me to any parties or dinners, please use my personal cell. LOL

Have a safe, quiet, and very Happy New Year.

Take care,

Brett